Appendix 1

Single Submission Form

Common Document for Submission to Regulatory, Listing, and Registration Authorities, and Market Institutions for the Issuance of Notes under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF)

ASEAN+3 Bond Market Forum (ABMF) Initiative

Version 54, 5 April 2023

Prepared by
ABMF Sub-Forum 1
The AMBIF Documentation Recommendation Board (ABRD)
and
Related authorities in the region

Important Explanations

For related parties:

- This Single Submission Form (SSF) is designed to facilitate an ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF) bond and note issuance application to regulatory, listing, and registration authorities in each participating market. As such, this Form is prepared for the benefit of issuer(s) aiming to issue bonds and notes to professional investors in ASEAN+3.
- This Form contains a common set of information to be submitted when applying for AMBIF bond and note issuance for each participating market; however, this does not impact the ability of the regulatory, listing, and registration authorities to request additional information, if deemed necessary, for review and approval.
- This Form is a standard submission document (template) for AMBIF bond and note issuance(s) that is readily available for the markets defined in this SSF's Chapter I, Section 3: Targeted Professional Investor Markets in ASEAN+3 Economies. As of the end of December 2020, the professional bond markets of Cambodia; Hong Kong, China; Japan; Malaysia; the Philippines; Singapore; and Thailand comprised the Targeted Professional Investor Markets in ASEAN+3.
- This Form is basically recognized by most of the regulatory, listing, and registration authorities in each participating market; however, this does not exclude the possibility of using another form or document when applying for an AMBIF bond or note issuance where the relevant authorities so admit or require.

For issuers who would like to submit this Form:

- The SSF can be used either as disclosure for bonds and notes issued under a program or shelf-registration, or for a discrete stand-alone AMBIF bond or note issuance.
- When used in conjunction with a note issuance program, this Form may be used separately for issuance approval of the program in a first instance, and individual drawdowns under the program in every instance thereafter. Please choose the type of submission accordingly.
- All the necessary disclosure information as specified by regulatory, listing, and registration authorities should be submitted together with this Form, as may be required by the applicable regulations and guidelines of the relevant jurisdictions. This means that such information may not be provided only by way of referring to a particular filing place or website.
- In order to facilitate a shorter time to market for the issuer, this Form may be submitted to all relevant regulatory authorities and market institutions at the same time.
- Before the submission of this Form, the AMBIF Implementation Guidelines for each participating markets should be referred to accordingly.

About terminology in this Form:

- The term "notes" is used in the SSF to describe debt instruments to be issued in a general manner to professional investors in participating ASEAN+3 markets. The other terms below correspond to the expressions commonly used in the context of bond and note issuance in international debt capital markets and are typically familiar to regular issuers, professional investors, and their service providers.
- For the purpose of the SSF, notes is meant to include various forms of debt instruments—such as bills, notes, and bonds—without any prejudice toward any of the definitions of individual terms as may exist in current practices, laws, and regulations of participating ASEAN+3 markets.

- The term “note issuance program” is intended to describe a program under which multiple issuances of notes are intended with a maximum outstanding amount and common disclosure of the issuer information. The term “note issuance program” is also meant to cover any equivalent debt instrument issuance forms, including but not limited to medium-term note programs and debt issuance programs commonly used in mature debt capital markets.

Introduction to AMBIF and AMBIF Elements

- AMBIF is a policy initiative under the Asian Bond Markets Initiative (ABMI) to help facilitate intra-regional transactions through standardized bond and note issuance and investment processes. By doing so, it will facilitate the process of recycling savings within the region in a practical and efficient manner. This can be expected to contribute to the region's economic growth and stability.
- An AMBIF Market is defined as a professional bond market or market segment for AMBIF bond and note issuance; an AMBIF Market may be constituted as a result of professional investor concepts (e.g., Qualified Buyer), professional market concepts (e.g., Private Placement to Accredited Investors), or because of exemptions from public offering regulations (e.g., Excluded Offers, Targeted Offers to Qualified Investors and similar regimes).
- AMBIF Investors are investors eligible for buying and trading bonds or notes issued under AMBIF.

The AMBIF Elements (AMBIF Core Components) are described below.

AMBIF Elements (AMBIF Core Components)	**Brief Description**
Domestic Settlement	Bonds and notes are settled at a national CSD in ASEAN+3 markets.
Harmonized Documents for Submission (Single Submission Form)	A common approach is of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information based on an ADRB recommendation needs to be included. ⓐ
Registration or profile listing at ASEAN+3 (Place of continuous disclosure)	Information on bonds, notes, and issuers needs to be disclosed continuously in ASEAN+3 markets. Registration or a listing authority function is required to ensure continuous and quality disclosure.
Currency	The denomination of an issue is generally expected to be in the domestic currency of each ASEAN+3 market.
Scope of Issuer	Resident of ASEAN+3
Scope of Investors	Professional investors defined in accordance with applicable laws and regulations, or market practice, in each ASEAN+3 market ⓑ

ADRB = AMBIF Documentation Recommendation Board; AMBIF = ASEAN+3 Multi-Currency Bond Issuance Framework; ASEAN+3 = Association of Southeast Asian Nations plus the People's Republic of China, Japan, and the Republic of Korea; CSD = central securities depository.

ⓐ For more on ADRB, please refer to AMBIF SSF Frequently Asked Questions No. 38 and 39.
ⓑ The following are characteristics of AMBIF Investors:

• Investors targeted under AMBIF are professional investors in ASEAN+3, as they may currently be defined in accordance with applicable laws and regulations in each jurisdiction or market practice.
• There is no intention to normalize professional investor concepts across markets at this stage, since it is the ASEAN+3 Bond Market Forum's (ABMF) policy to avoid changes to existing legislation as a result of defining and implementing AMBIF.
• Professional investors may also include foreign institutional investors if they are so defined in the laws and regulations as professional, or if market practice already shows evidence of foreign institutional investment activities.

Source: ABMF SF1.

Single Submission Form

Contents

I. General Information for Single Submission Form

Common Document for Submission to Regulatory, Listing, and Registration Authorities, and Market Institutions for Issuance of Notes under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF) to be submitted by Issuer(s) to Regulatory, Listing, and Registration Authorities, and Market Institutions for Regulatory Process(es) as applicable:

Date of Submission: 16 June 2023

Issuer's Name: Apeiron AgroCommodities Pte. Ltd.

Issuer's Address: 8 Eu Tong Sen Street #21-98/99 The Central, Singapore 059818

Issuer's Representative's Signature:____________________________________

Issuer's Representative's Name: Chen Ruhuang

Issuer's Representative's Title and Status: Director

1. Authorities and market institutions applied to for an approval and profile listing or registration in each market

Targeted Market	Regulatory, Listing, or Registration Authority, and Market Institution		Purpose of Submission	Tick
Cambodia	1-1.	Securities and Exchange Regulator of Cambodia (SERC)	Approval	
	1-2.	National Bank of Cambodia (NBC)	Approval	
	1-3	Cambodia Securities Exchange (CSX)	Submission for Listing	
People's Republic of China (CIBM)	2-C1.	People's Bank of China (PBOC)	Approval	
	2-C2.	National Association of Financial Market Institutional Investors (NAFMII)	Submission for Registration	
People's Republic of China (Exchange)	2-E1.	Shanghai Stock Exchange (SSE)	Submission for Examination for Issuance and Review for Listing/Enrolment	
		Shenzhen Stock Exchange (SZSE)		
	2-E2.	Shanghai Stock Exchange (SSE)	Submission for Listing/Enrolment	
		Shenzhen Stock Exchange (SZSE)		
	2-E3.	Securities Association of China (SAC)	Submission for Post-Issuance Reporting	

Hong Kong, China	3-1.	Hong Kong Exchanges and Clearing Limited (HKEx)	Submission for Listing	
	3-2.	Hong Kong Monetary Authority (HKMA)—Central Moneymarkets Unit (CMU)	Approval	
Indonesia	4-1.	Indonesian Financial Services Agency (OJK)	Approval	
	4-2.	PT Kustodian Sentral Efek Indonesia (KSEI)	Approval	
Japan	5.	Tokyo Stock Exchange (TSE)—TOKYO PRO-BOND Market	Submission for Listing	
Republic of Korea	6-1.	Korea Exchange (KRX)	Submission for Listing	
	6-2.	Korea Financial Investment Association (KOFIA)	Submission for Registration	
Lao People's Democratic Republic	7-1.	Securities and Exchange Commission Office (SCC)	Approval	
	7-2.	Bank of Lao PDR	Approval	
Malaysia	8-1.	Securities Commission Malaysia	Lodgement of Documents and Information under the Lodge and Launch Framework	
	8-2.	Bank Negara Malaysia (BNM)	Request for Approval (for Purposes of Foreign Exchange Administration)	
Philippines	10-1.	Securities and Exchange Commission of the Philippines (PH SEC)	Submission of Notice of Exemption	
	10-2.	Bangko Sentral ng Pilipinas (BSP)	Request for Approval	
	10-3.	Philippine Dealing & Exchange Corp. (PDEx)	Enrolment for Listing cum Trading	

	10-4.	Philippine Depository & Trust Corp. (PDTC)	Approval	

Singapore	11-1.	Singapore Exchange Securities Trading Limited (SGX)	Submission of Application for Listing	X
	11-2.	Central Depository Pte Ltd.(CDP)	Approval	X

Thailand	12-1.	The Securities and Exchange Commission, Thailand (Thai SEC)	Filing for Approval	
	12-2.	Public Debt Management Office (PDMO) of the Ministry of Finance	Request for Approval	
	12-3.	Thai Bond Market Association (ThaiBMA)	Submission for Registration	
	12-4.	Bank of Thailand (BoT) *(only if issuer is a financial institution and the use of proceeds is for capital requirements)*	Request for Approval	
	12-5.	Thailand Securities Depository (TSD)	Approval	

Viet Nam	13-1.	Ministry of Finance (MOF)	Notification	
	13-2.	State Bank of Vietnam (SBV)	Approval	
	13-3.	Hanoi Stock Exchange (HNX)	Submission of Application for Profile Listing	

2. **Issuer's Domicile:**

Issuer's Domicile (Home Jurisdiction)	No.*	Resident in
		Singapore

* Enumeration in case of multiple issuer domiciles

3. **Issuer's Parent Company's Jurisdiction:**

Issuer's Parent Company's Jurisdiction	N.A.

4. **Type of Submission:**

		Tick
Type-P	Note Issuance Program:	
Type-S	Shelf-Registration:	

	(regulatory system of collective registration of the total amount of the note issuances that can be executed within a certain period of time)	
Type-A	Stand-Alone Issuance:	X
Type-D	Drawdown Issuance from the Note Issuance Program or Shelf-Registration:	

5. Distinction of the Form:

		Tick
N.	New:	X
R.	Renewal (details are described below):	
A.	Amendment (details are described below):	

6. Targeted Professional Investor Markets in ASEAN+3:

No.	Targeted Professional Investor Market*		Tick
1.	**Cambodia: Targeted Offers to Qualified Investors**		
2-1.	People's Republic of China: Inter-Bank Bond Market (CIBM)		
	● Targeted Placements (PP) of Debt Financing Instruments to Specified Institutional Investors* (*: Institutional Investors who are designated by the issuer and the lead underwriter)		
	● Targeted Placements (PP) of Debt Financing Instruments to Specialized Institutional Investors** (**: Institutional Investors selected by NAFMII; a list of 120 institutions, to be reviewed periodically)		
2-2.	People's Republic of China: Exchange Bond Market		
	● Offering to Qualified Investors	Qualified Investors	
		Qualified Institutional Investors	
	● Non-public placement to Qualified Investors (Private Placement)		
3.	**Hong Kong, China: Professional Investors Only Market**		
4.	Indonesia: (Offering to Professional Investor)		
	Non-Public Offering (Private Placement)		
5.	**Japan: TOKYO PRO-BOND Market (Professional Investor Market)**		
6.	Republic of Korea: QIB Market		
7.	(Lao People's Democratic Republic: PP Market)		
8.	**Malaysia: Excluded Offers – Sophisticated Investors Market**		

9.		
10.	**Philippines: Qualified Buyers' Market**	
11.	**Singapore: Wholesale Market (Institutional Investors Market)**	X
12.	**Thailand: PP-II Regime**	
13.	Viet Nam: PP (Institutional Investors) Market	

AI = Accredited Investors, PP = Private Placement, PP-II = Private Placement to Institutional Investors.
* Markets that were not yet active at end-April 2019 are in parentheses. Those markets that had defined professional bond markets suitable for AMBIF at end-April 2019 are in **boldface type**.

7. Denominated Currency of the Notes:

No.	Denominated Currency of the Notes (ISO 4217 Code)		Tick
1.	KHR (Cambodia)		
	USD (Cambodia)		
2.	CNY	CNH: (HKMA-CMU settled)	
		CNH: (other than HKMA-CMU settled:)	
3.	HKD		
4.	IDR		
5.	JPY		
6.	KRW		
7.	LAK		
8.	MYR		
10.	PHP		
11.	SGD		X
12.	THB		
13.	VND		
14.	USD		

8. Clearing and Settlement:

No.	Denominated Currency of the Notes	Name of Central Depository	Name of Depository System	Distinction of DVP, Non-DVP, or N.A.
	SGD	The Central Depository (Pte) Limited	The Central Depository (Pte) Limited	Non-DVP

9. Place of Disclosure:

No.	Name of the Place of Disclosure
1.	Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions or reports contained in the Offering Circular attached hereto in Section VI ("**Offering Circular**").
2.	Admission of the Bonds to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor (as defined herein), their respective subsidiaries (if any) or associated companies or the Bonds.
Detailed explanation of the profile listing or registration, if necessary: N.A.	

10. Other Important Matters:

No.	Jurisdiction (Market)	Important Matter
1.	Cambodia	
2-1.	People's Republic of China - CIBM	
2-2.	People's Republic of China – Exchange Market	
3.	Hong Kong, China	See Part IV, Section 2, point 11 (Selling Restrictions at Issuance) of this form.
4.	Indonesia	
5.	Japan	
6.	Republic of Korea	
7.	Lao People's Democratic Republic	
8.	Malaysia	

10.	Philippines	
11.	Singapore	See Part IV, Section 2, point 11 (Selling Restrictions at Issuance) of this form.
12.	Thailand	
13.	Viet Nam	
14.	Other (if any)	The United States, the European Economic Area and the United Kingdom. See Part IV, Section 2, point 11 (Selling Restrictions at Issuance) of this form.

II. Issuer Information

(If two or more issuers intend to jointly establish a note issuance program, describe information for each of the issuers.)

Method of describing Issuer Information* *(An issuer can choose one method of describing as set forth below.)*		**Tick**
A.	Fully describe Issuer Information	X
B.	Specify the documents and places where AMBIF Investors are able to access the documents and designate them as Documents Incorporated by Reference	
C.	A combination of A and B above	

* An issuer can also choose not to designate Financial Information of the issuer as Documents Incorporated by Reference provided the issuer discloses its financial information in English in the Home Jurisdiction. For example, in case the issuer has continuously disclosed English annual reports that contain consolidated financial statements with independent auditor reports, the issuer may state such facts below and describe how AMBIF Investors can access such annual reports (e.g., via a website).

1. Information on the Issuer:

1.	Name of Issuer:	Apeiron AgroCommodities Pte. Ltd.
2.	Name and Title of Representative:	Chen Ruhuang, Director
3.	Address (Registered or Business Address):	8 Eu Tong Sen Street #21-98/99 The Central, Singapore 059818
4.	Liaison Contact Person:	Chen Ruhuang
5.	Telephone and e-Mail:	+65 9635 6370 chris.chen@apeironbioenergy.com
6.	Business Registration No. (if any):	200714891H
7.	Date and Place of Incorporation:	14 August 2007 Singapore
8.	Authorized and Paid-up Capital:	
9.	Trends of Key Financial Data:	See the Issuer's audited financial statements set forth in the Offering Circular.
10.	Description of Business: *(nature of business of the issuer in the domestic economy, if any)*	See "The Issuer" in the Offering Circular.
11.	Risk Factors: *(including risks related to the issuer's business, operations, and regulatory*	See "Risk Factors" in the Offering Circular.

	environment)	
12.	Board of Directors:	See "The Issuer – Management" in the Offering Circular.
13.	Controlling Shareholders or, in the Case of a Public Company, Names of Major Shareholders:	See the Issuer's audited financial statements set forth in the Offering Circular.
14.	Status of Affiliates:	See the Issuer's audited financial statements set forth in the Offering Circular.
15.	Website for Disclosure (if any):	Information about the Bonds will be disclosed on the website of the SGX-ST.

2. Financial Information on the Issuer:

1.	Consolidated Financial Statements: (i) Consolidated Balance Sheet (ii) Consolidated Income Statement and Consolidated Comprehensive Income Statement, or Statement of Consolidated Income and Comprehensive Income (iii) Consolidated Statement of Changes in Shareholders' Equity (iv) Consolidated Cash Flow Statement (v) Independent Auditor's Report (vi) Accompanied Notes	The audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2020 and 31 December 2021 which have been audited by RSM Chio Lim LLP, are included in the Offering Circular.
2.	Other Matters	
	● Subsequent Events:	See "The Issuer – Recent Developments" in the Offering Circular.
	● Litigations:	N.A.

* For (i), (ii), and (iii) only

3. Information on the Guarantor or Provider of other Credit Enhancement (if any):

1.	Name:	Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank ("CGIF" or the "Guarantor")
2.	Address:	Asian Development Bank Building, 6 ADB Avenue, Mandaluyong City 1550, Metro Manila, Philippines
3.	Description of Business:	See "Information on the Guarantor" in the Offering Circular.
4.	Guaranty or Support Agreement Details:	See "Description of the CGIF Guarantee" in the Offering Circular.

4. Financial Information on the Guarantor or Provider of Credit Enhancement:

The Guarantor’s financial statements are prepared and presented in accordance with International Financial Reporting Standards and audited by Deloitte & Touche LLP. The Independent Auditors' Report accompanying the audited financial statements of the Guarantor as at and for the year ended 31 December 2022 are included in the Offering Circular.

III. Information on the Program or the Shelf-Registration

(Except for Item No.14 below, the component information for Program and Shelf-Registration is exactly the same.)

N/A

1.	Issuer:	

2-1.	Guarantor (if any):	
2-2.	Provider of Credit Enhancement (if any):	

3.	Description of the Program or Shelf-Registration: *(Ref. I. 1. Type of Submission [Type-P] or [Type-S])*	

4.	Credit Rating(s) for the Program or Shelf-Registration:	

5.	Scheduled Issuance Period: *(DD/MM/YY) – (DD/MM/YY)*	

6.	Arranger(s) of the Program or Shelf-Registration:	
7.	Dealers and/or Underwriters or Equivalent: *(for example, Principal Adviser [MY] or Financial Adviser [TH])*	
8.	Bond Trustee or Equivalent (if any): *(Bond Administrator, Commissioned Company or Person, or Bondholder Representative)*	

9.	Fiscal Agent:	
10.	Paying Agents:	
11.	Registrar and Transfer Agent:	
12-1.	Other Agent ( ):	
12-2.	Other Agent ( ):	

13-1.	Legal Adviser(s) to the	

	Issuer(s):	
13-2.	Legal Adviser(s) to the Dealer(s):	

14-P.	Maximum Outstanding Amount under the Program:*	
14-S.	Total Amount of the Notes Issuances under Shelf-Registration:*	

15.	Method of Distribution: *(Subject to applicable selling restrictions. For instance, notes may be distributed [only to professional investors] on a syndicated or non-syndicated basis.)*	
16.	Issuance in Series: *(Describe if notes will be issued in a series and, if so, the salient points of it and tranches within the series.)*	
17.	Forms of Notes: *(book-entry)* *(bearer)* *(registered)*	

18.	Currencies: *(Describe currencies in which notes under the program may be denominated.)*	

19.	Status of the Notes:* *(subordinated)* *(preferred)* *(unsubordinated)*	

20.	Type of Notes: *(fixed-rate notes)* *(floating-rate notes)* *(zero-coupon notes)*	1.	
		2.	
		3.	

21.	Listing, Registration, or Filing Place(s): *(See I.-6.Place of Disclosure.)*	

22.	Use of Proceeds:	

23.	Governing Law(s) and Jurisdiction(s) of the Notes:**	

24.	Taxation and Tax Status: *(Prospective purchasers of the notes are advised to consult their own tax advisors on taxation in ASEAN+3 or taxation as may be applicable in other relevant countries or economies.)*	

25.	Selling Restrictions at Issuance: *(Notes shall not be sold, offered for sale, or distributed to nonprofessional investors in ASEAN+3.)*	
	1.	
	2.	
	Selling Restrictions Thereafter: *(Notes shall not be sold, offered for sale, or distributed to nonprofessional investors in ASEAN+3)*	
	1.	
	2.	

26.	Outstanding Debt from Previous Issues of Bonds and Notes : *(for example, in case of THB-denominated bonds and notes)*	

** Under the current prescriptions for AMBIF, subordinated notes, index-linked notes, dual currency notes, and other structured notes are not considered by ABMF for inclusion as AMBIF issuances.*

*** Governing law and jurisdiction, with respect to the Terms and Conditions of the Notes, will be those agreed among the contract parties, subject to applicable laws and regulations.*

IV. Information on the Notes

1. Summary of the Terms and Conditions of the Notes or Final Terms of Individual Issuance of Bonds/Notes:

(This section may be used for describing the information of individual issuance of bonds/notes for Type-D submissions.)

1.	Issuer(s):	Apeiron AgroCommodities Pte. Ltd.
2.	2-1.Guarantor (if any):	Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank
	2-2.Provider of Support Agreement (if any):	
3.	Name of the Notes:	S$50,000,000 4.487 per cent. Senior Unsecured Guaranteed Green Bonds due 2028 (the "**Bonds**")
4.	Aggregate Amount of the Notes (Issue Amount):	S$50,000,000
5.	Form of Notes:	Registered form.
6.	Status of the Notes:	See Condition 1(b) of "Terms and Conditions of the Bonds" in the Offering Circular.
7.	Denomination of the Notes: (i) minimum tradable amount (ii) multiple tradable amount	The Bonds are denominated in Singapore dollars, with a denomination of S$250,000 each.
8.	Issue Price:	100%
9.	Offer Price:	100%
10.	Date of Issue:	23 June 2023
11.	Date of Maturities: *(timing of amortization plan ([if any])*	Schedule maturity date: 23 June 2028 See Condition 7 of "Terms and Conditions of the Bonds" in the Offering Circular.
12.	Early Redemption: *(with call option, with put option, with call and put exercise dates [if any])*	The terms of the Bonds contain early redemption provisions. See Conditions 7(b) and 7(c) of "Terms and Conditions of the Bonds" in the Offering Circular.
13.	Type of Notes: *(fixed-rate notes)* *(floating-rate notes)* *(zero-coupon notes)*	Fixed Rate
14.	Interest or Coupon Rate:	4.487%

15.	Interest or Coupon Payment Method: *(record date rule, interest payment frequency, interest calculation frequency, first interest payment date, and timing of interest payment)*	See Condition 6 of "Terms and Conditions of the Bonds" in the Offering Circular.
16.	Negative Pledge:	See Condition 4 of "Terms and Conditions of the Bonds" in the Offering Circular for the negative pledge provision.
17.	Cross Default:	See Condition 10(a)(iii) of "Terms and Conditions of the Bonds" in the Offering Circular for the cross default provision.
18.	Governing Law and Jurisdiction*:	English law (except that the agreements to arbitrate are governed by Singapore law). Disputes will be subject to arbitration in Singapore.
19.	Special Withholding Tax Applied to Financial Institutions including FATCA (if any):	See "Taxation -- Foreign Account Tax Compliance Act" in the Offering Circular.

** Governing law and jurisdiction, with respect to the Terms and Conditions of the Notes, will be those agreed among the contract parties, subject to applicable laws and regulations.*

2. Other Information of the Notes:

1.	Dealers and/or Underwriters or Equivalent: *(for example, Principal Advisor [MY] or Financial Advisor [TH])*	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
2.	Trustee or Equivalent (if any): *(Bond Administrator, Commissioned Company or Person, Bondholders Representative)*	The Bank of New York Mellon, Singapore Branch
3.	Fiscal Agent:	N.A.
4.	Paying Agents:	The Bank of New York Mellon, Singapore Branch
5.	Registrar and Transfer Agent:	The Bank of New York Mellon, Singapore Branch
6-1.	Other Agent: ( ):	N.A.
6-2.	Other Agent: ( ):	N.A.
6-3.	Other Agent: ( ):	N.A.
7.	Listing, Registration, or Filing Place(s) of the Notes: *(See I.-6.Place of Disclosure.)*	The Bonds are expected to be listed on the SGX-ST.

8.	Settlement Place(s) of each Denominated Currency Notes: *(See I.-5.Clearing and Settlement.)*	1.	Singapore dollars	The Central Depository (Pte) Limited

9.	Use of Proceeds:		
	1.	Amount of Proceeds from Sale of Notes:	See "Use of Proceeds" in the Offering Circular.
	2.	Use of Proceeds [and Timing of Disbursement]: *(may include rationale or justification)*	See "Use of Proceeds" in the Offering Circular.
10.	Risk Factors relating to the Notes:		See "Risk Factors" in the Offering Circular.
11.	Selling Restrictions at Issuance: *(Notes shall not be sold, offered for sale, or distributed to nonprofessional investors in ASEAN+3.)*		
	1.	See "Subscription and Sale -- Selling Restrictions" in the Offering Circular.	
	2.		
	Selling Restrictions Thereafter: *(Notes shall not be sold, offered for sale, or distributed to nonprofessional investors in ASEAN+3.)*		
	1.	See "Subscription and Sale -- Transfer Restrictions" in the Offering Circular.	
	2.		
12.	Credit Rating for the Notes:		The Bonds are expected to be rated AA by S&P. See "Ratings" in the Offering Circular.

13-1.	Legal Adviser(s) to the Issuer(s):	DLA Piper Singapore Pte. Ltd. (English law) Rajah & Tann Singapore LLP (Singapore law)
13-2.	Legal Adviser(s) to the Dealer(s):	Clifford Chance Pte. Ltd. (English law)
13-3	Legal Adviser(s) to the Guarantor	Allen & Overy LLP (English and Singapore law)

14.	Method of Distribution: *(Subject to applicable selling restrictions. For example, notes may be distributed [only to professional*	Subject to selling restrictions on a non-syndicated basis.

	investors] on a syndicated or non-syndicated basis, and also in case of THB-denominated bonds and notes.)	

15.	Outstanding Debt from Previous Issues of Bonds and Notes : *(for example, in case of THB-denominated bonds and notes)*	N.A.

16.	Cross Currency Swap Information: *(for example, in case of issuance by nonresident, including intermediaries, if possible, and currencies, as and where necessary)*	N.A.

17.	Timing of Bond Issuance: *[for example, in case of Baht Bond issued by non-Thai resident [Public Debt Management Office authorized period])*	23 June 2023

18.	Other: *("final terms" for drawdown)*	N.A.

V. Terms and Conditions of the Notes

(This section is used for describing in detail the Terms and Conditions of the Notes for Program, Shelf-Registration, and Stand-Alone Notes.)

VI. Attachments

(if any)

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

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Confirmation of Your Representation: In order to be eligible to view this Document or make an investment decision with respect to the securities, investors must be purchasing the securities outside the United States in an offshore transaction in reliance on Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**"). This Document is being sent at your request and by accepting the email and accessing this Document, you will be deemed to have represented to The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (the "**Sole Lead Manager**"), Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank (the "**Guarantor**") and Apeiron Agrocommodities Pte. Ltd. (the "**Issuer**") that: (i) you are outside the United States; and (ii) that you consent to delivery of this Document and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing this Document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined under Section 4A of the Securities and Futures Act 2001 (the "**SFA**")) or a relevant person (as defined under Section 275(2) of the SFA), or a person to whom an offer is being made pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the SFA is a reference to the Securities and Futures Act 2001 and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

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If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Sole Lead Manager or any affiliate of the Sole Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Sole Lead Manager or such affiliate on the Issuer's behalf in such jurisdiction.

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You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

APEIRON AGROCOMMODITIES PTE. LTD.

(incorporated with limited liability in Singapore with Company Registration No. 200714891H)

S$50,000,000 4.487 PER CENT. SENIOR UNSECURED GUARANTEED GREEN BONDS DUE 2028 UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY

CREDIT GUARANTEE AND INVESTMENT FACILITY, A TRUST FUND OF THE ASIAN DEVELOPMENT BANK

Issue Price: 100 per cent.

The S$50,000,000 in aggregate principal amount of 4.487 per cent. Senior Unsecured Guaranteed Green Bonds due 2028 (the "**Bonds**") to be issued by Apeiron Agrocommodities Pte. Ltd. (the "**Issuer**") will mature on 23 June 2028 (the "**Maturity Date**"). The payment obligations of the Issuer under the Bonds and the Trust Deed (as defined in the terms and conditions of the Bonds (the "**Conditions**")) will be unconditionally and irrevocably guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank ("**CGIF**" or the "**Guarantor**", and such guarantee, the "**CGIF Guarantee**") to the extent of, and in accordance with and subject to the terms of, the CGIF Guarantee.

The Bonds will bear interest on their outstanding principal amount from time to time (as determined in accordance with the Conditions). The Bonds will bear interest from (and including) 23 June 2023 at the rate of 4.487 per cent. per annum, payable semi-annually in arrear on 23 June and 23 December, in each year, commencing on 23 December 2023, subject as provided under Condition 8 (*Payments*) of the Bonds. Unless previously redeemed, or purchased and cancelled as provided in the Conditions, the Issuer will redeem the Bonds at 100 per cent. of their principal amount on the Maturity Date.

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*) of the Bonds) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future. The payment obligations of the Issuer under the Bonds and the Trust Deed are unconditionally and irrevocably guaranteed by the Guarantor to the extent of, and in accordance with and subject to the terms of, the CGIF Guarantee. Such obligations of the Guarantor under the CGIF Guarantee are direct, unconditional and general obligations of the Guarantor and rank *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any).

In addition, at any time following the occurrence of a CGIF Acceleration (as defined in the Conditions), the Guarantor may at its discretion, on giving not less than seven (7) nor more than fifteen (15) days' notice to the Issuer, the Trustee and the Paying Agent (both as defined in the Conditions), require the Issuer to redeem the Bonds in whole, but not in part only, at their principal amount, together with interest accrued but unpaid to the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so the Guarantor may, give notice to the Bondholders, the Trustee and the Paying Agent in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable).

For a description of these and certain further restrictions on offers, sales and resales of the Bonds and the CGIF Guarantee and the distribution of this Offering Circular, see the section entitled "***Subscription and Sale***".

The Bonds are expected to be rated AA by S&P Global Ratings, a division of S&P Global Inc. ("**S&P**"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in the Bonds involves risks. **For a description of certain risks to be considered in connection with an investment in the Bonds, see the section entitled "*Risk Factors*" beginning on page 10**.

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**"). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2011 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA), (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The Bonds will be issued in registered form and in the denomination of S$250,000 each. The Bonds will initially be represented by a global certificate in registered form (the "**Global Certificate**"), which will be deposited with The Central Depository (Pte) Limited (the "**CDP**") on or about 23 June 2023 (the "**Issue Date**"). The transfer of Bonds will be effected in accordance with the rules and procedures for the time being of CDP.

Application will be made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions or reports contained in this Offering Circular. Approval in-principle from, admission of the Bonds to the Official List of the SGX-ST and the listing and quotation of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries (if any) or associated companies (if any) or the Bonds. The Bonds will be traded on the SGX-ST in a minimum board lot size of S$250,000 for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Bonds and the CGIF Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any other jurisdiction. The Bonds and the CGIF Guarantee may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account of benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds and the CGIF Guarantee are being offered and sold only outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**"). For a description of these and certain further restrictions on offers, sales and transfers of the Bonds and the CGIF Guarantee and distribution of this Offering Circular, see the section entitled "***Subscription and Sale***".

Sole Lead Manager

HSBC

The date of this Offering Circular is 16 June 2023

IMPORTANT NOTICE

The Issuer confirms that this Offering Circular (other than the section entitled "***Information on the Guarantor***") contains as of its date of issue all information with respect to it and the Group (taken as a whole) (the "**Issuer Sections**") and to the Bonds which is (in the context of the issue, offering and sale of the Bonds) material and does not, as of its date of publication, contain any untrue statement of a material fact nor does it, as of such date, omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Any opinions, predictions or intentions expressed in this Offering Circular (other than the section entitled "***Information on the Guarantor***") are as of such date honestly and reasonably held or made; and all reasonable enquiries have been made to ascertain or verify the accuracy of the foregoing.

The Guarantor confirms that as of its date of issue, the information contained in the section entitled "***Information on the Guarantor***" of this Offering Circular is true and accurate in all material respects and is not misleading in any material respect and the section entitled "***Information on the Guarantor***" of this Offering Circular does not omit to state any material fact necessary to make such information relating to the Guarantor (in the context of the giving of the CGIF Guarantee) not misleading in any material respect; and all reasonable enquiries were made by the Guarantor to ascertain or verify the foregoing.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the issuance and offering of the Bonds described herein. The Sole Lead Manager reserves the right, for any reason, to reject any offer to subscribe for the Bonds, in whole or in part.

The distribution of this Offering Circular and the offering, sale or delivery of the Bonds in certain jurisdictions may be restricted by law. Persons who acquire this Offering Circular are required by the Issuer, the Guarantor, the Sole Lead Manager, the Trustee and the Agents to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the possession or distribution of this Offering Circular or any offering or publicity material relating to the Bonds in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and the distribution of this Offering Circular, see the section entitled "***Subscription and Sale***". This Offering Circular does not constitute or form part of an offer of, or an invitation to subscribe for or purchase, any of the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer, invitation to subscribe or purchase, or solicitation is not authorised or would be unlawful. By purchasing the Bonds, investors represent and agree to all of those provisions contained in that section of this Offering Circular. Nothing contained in this Offering Circular is, or shall be relied upon as a promise or representation, whether as to the past or the future.

No person has been authorised to give any information or to make any representation concerning the Issuer, the Guarantor, the Bonds or the CGIF Guarantee other than those included in this Offering Circular in connection with the issuance, offering or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Sole Lead Manager, the Trustee or the Agents or any of their respective affiliates. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication or constitute any representation that there has been no change in the affairs of the Issuer or the Guarantor or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or create an implication that any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Information in respect of the Guarantor contained in this Offering Circular has been provided by the Guarantor and has not been verified by the Issuer, and the Issuer does not take any responsibility, express or implied, for any information contained in the section entitled "***Information on the Guarantor***". The Issuer has not taken any steps to verify the accuracy of any of the information contained in the section entitled "***Information on the Guarantor***", and no representation or warranty, express or implied, is made by the Issuer as to the accuracy or completeness of the information contained in that section.

Information in respect of the Issuer contained in this Offering Circular has been provided by the Issuer, and has not been verified by the Guarantor. None of the Guarantor, its management nor its employees take any responsibility, express or implied, for any information contained in this Offering Circular, other than the information contained in the section entitled "***Information on the Guarantor***". In addition, none of the foregoing parties has taken any steps to verify the accuracy of any of the information included in this Offering Circular, other than the information contained in the section entitled "***Information on the Guarantor***", and no representation or warranty, express or implied, is made by any such parties as to the accuracy or completeness of the information contained in this Offering Circular other than the section entitled "***Information on the Guarantor***".

None of the Sole Lead Manager, the Guarantor, the Trustee and the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Circular. None of the Sole Lead Manager, the Trustee and the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers has independently verified any of such information and assumes no responsibility for its accuracy or completeness. Each person receiving this Offering Circular acknowledges that such person has not relied on the Issuer, the Sole Lead Manager, the Guarantor, the Trustee and the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers in connection with its investigation of the accuracy of such information or its investment decision. Neither this Offering Circular nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor, the Sole Lead Manager, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers that any recipient of this Offering Circular, or any other information supplied in connection with the offering of the Bonds, should purchase the Bonds. Each person contemplating making an investment in the Bonds must make its own investigation and analysis of the Issuer's and the Guarantor's creditworthiness and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. No person should construe the contents of this Offering Circular as legal, business or tax advice and each person should be aware that it may be required to bear the financial risks of any investment in the Bonds for an indefinite period of time. Each person should consult its own counsel, accountant and other advisers as to legal, tax, business, financial and related aspects of an investment in the Bonds. To the fullest extent permitted by law, none of the Sole Lead Manager, the Guarantor, the Trustee and the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers accepts any responsibility for the contents of or any omission from this Offering Circular or for any statement made or purported to be made by it or on its behalf with respect to the Issuer or the offering and issuance of the Bonds for so long as the Bonds remain outstanding nor undertake to advise any investor or potential investor of the Bonds of any information coming to the attention of any of the Sole Lead Manager, the Guarantor, the Trustee, the Agents or their respective affiliates, officers, representatives, directors, employees, agents or advisers. Each of the Sole Lead Manager, the Guarantor, the Trustee and the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers accordingly disclaims any and all liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular.

This Offering Circular does not constitute or form part of an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Sole Lead Manager, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers to subscribe for or purchase, any Bonds in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer, invitation or solicitation.

None of the Issuer, the Guarantor, the Sole Lead Manager nor or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers makes any representation to any investor regarding the legality of an investment by such investor under applicable laws. Investors should not consider any information in this Offering Circular to be legal, business and tax advice regarding an investment in the Bonds. See the section entitled "***Risk Factors***" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Issuer and the Sole Lead Manager are relying on the exemption from registration under the Securities Act provided by Regulation S for offers and sales of securities made outside the United States. The Bonds and the CGIF Guarantee have not been registered under the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may be offered or sold only in transactions that are exempt from or not subject to, the registration requirements of the Securities Act and any other applicable laws.

Each purchaser of the Bonds must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Bonds or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Bonds under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales and none of the Issuer, the Guarantor and the Sole Lead Manager shall have any responsibility therefor.

The Sole Lead Manager and any of its respective affiliates may purchase the Bonds for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer or the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). Furthermore, investors in the Bonds may include entities affiliated with the Issuer or the Guarantor.

Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult his or her adviser.

Each of the Sole Lead Manager and the Guarantor does not accept any responsibility for any social, environmental and sustainability assessment of the Bonds or makes any representation or warranty or assurance whether the Bonds will meet any investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels. Each of the Sole Lead Manager and the Guarantor is not responsible for the use or allocation of proceeds for the Bonds, nor the impact or monitoring of such use of proceeds nor does the Sole Lead Manager or the Guarantor undertake to ensure that there are sufficient Eligible Projects (as defined in "***Use of Proceeds***" below) to allow for allocation of a sum equal to the proceeds of the issue of the Bonds in full.

In addition, neither the Sole Lead Manager nor the Guarantor are responsible for the assessment of the Issuer's Green Finance Framework (as defined in "***Use of Proceeds***" below) including the assessment of the applicable eligibility criteria in relation to the Bonds set out in therein. Morningstar Sustainalytics has issued an independent opinion, dated 12 May 2023, on the Issuer's Green Finance Framework (the "**Second Party Opinion**"). Morningstar Sustainalytics, a globally-recognized provider of ESG research, ratings and data, evaluated the Issuer's Green Finance Framework and the alignment thereof with relevant industry standards and provided views on the robustness and credibility of the Issuer's Green Finance Framework. In no event the Second Party Opinion nor any portion thereof shall be construed as part of the offering, nor shall be considered as an offer or advertisement to buy a security, solicitation of votes or proxies, investment advice, expert opinion or negative assurance letter as defined by the applicable legislation. The Second Party Opinion is a statement of opinion, not a statement of fact. No representation or assurance is given by the Sole Lead Manager or the Guarantor as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with the Bonds. As at the date of this Offering Circular, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. The Second Party Opinion and any other such opinion or certification is not, nor should be deemed to be, a recommendation by the Sole Lead Manager, the Guarantor or any other person to buy, sell or hold the Bonds and is current only as of the date it is issued. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference, in this Offering Circular. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Issuer's Green Finance Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Circular.

The contents of this Offering Circular have not been reviewed by any regulatory authority in any jurisdiction. Investors are advised to exercise caution in relation to the offer. If investors are in any doubt about any of the contents of this Offering Circular, investors should obtain independent professional advice.

MARKET AND INDUSTRY DATA

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the Issuer and the Guarantor believe this information to be reliable, this information has not been independently verified by the Issuer, the Guarantor, the Sole Lead Manager, the Trustee or the Agents or their respective affiliates, officers, representatives, directors, employees, agents or advisers, and none of the Issuer, the Guarantor, the Sole Lead Manager, the Trustee or the Agents or their respective affiliates, officers, representatives, directors, employees, agents or advisers makes any representation as to the accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Investors should not unduly rely on such market data, industry forecasts and industry statistics. This Offering Circular summarises certain documents and other information, and investors should refer to them for a more complete understanding of what is discussed in those documents.

CERTAIN DEFINED TERMS AND CONVENTIONS

All references to the "**Issuer**" are references to Apeiron Agrocommodities Pte. Ltd..

All references to the "**United States**" or "**U.S.**" are to the United States of America. All references to "**Singapore**" are to the Republic of Singapore.

Unless otherwise indicated or required by the context, all references in this Offering Circular to "**U.S. dollars**", "**USD**" or "**US$**" are to United States dollars, the lawful currency of the United States; "**Singapore dollars**" or "**S$**" and "**Singapore cents**" are to Singapore dollars and Singapore cents, the lawful currency of Singapore; "**Indonesian Rupiah**", "**Rupiah**" or "**Rp.**" are to Indonesian Rupiah, the lawful currency of Indonesia; "**Japanese Yen**" or "**JPY**" are to Japanese Yen, the lawful currency of Japan; "**Euro**", "**EUR**" or "**€**" are to Euro, the lawful currency of the Member States of the European Union; "**MYR**" or "**RM**" are to Malaysia Ringgit, the lawful currency of Malaysia; "**Peso**", "**PHP**" or "**₱**" are to Philippines Pesos, the lawful currency of Philippines; "**Baht**" or "**THB**" are to Thai Baht, the lawful currency of Thailand; and "**VND**" or "**Dong**" are to Vietnamese Dong, the lawful currency of Vietnam. Rounding adjustments have been made in calculating some of the financial information included in this Offering Circular. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

This Offering Circular contains translations of certain U.S. dollars to Singapore dollars at specified rates solely for the convenience of the reader. Such translation should not be construed as representations that the U.S. dollars amounts actually represent such Singapore dollars amounts or could have been or could be converted into Singapore dollars at any particular rate, or at all. Unless otherwise specified, all conversions were made at an exchange rate of USD0.7536 = S$1.00 (being the exchange rate published by the Monetary Authority of Singapore on 31 March 2023.

All references to the "**Agency Agreement**", "**Agent(s)**", "**CGIF Acceleration**", "**Registrar**", "**Trust Deed**" and "**Trustee**" are to such capitalised terms as defined in the Conditions.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2020 and 31 December 2021 which have been audited by RSM Chio Lim LLP ("**RSM**") (the "**Audited Financial Statements**"). The Audited Financial Statements were prepared in accordance with the Singapore Financial Reporting Standards ("**SFRSs**") in Singapore.

This Offering Circular also contains the audited financial statements of the Guarantor as at and for the year ended 31 December 2022 (the "**Guarantor's Audited Financial Statements**"). The Guarantor's Audited Financial Statements were prepared in accordance with IFRS and have been audited by Deloitte & Touche LLP ("**Deloitte**").

In making an investment decision, investors must rely upon their own independent examination of the Issuer and the Guarantor, the terms of this offering and the recent financial information of the Issuer and the Guarantor.

ROUNDING

In this Offering Circular, amounts may have been rounded up or down. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. References to information in billions of units are to the equivalent of a thousand million units.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

This Offering Circular includes words such as "believe", "plan", "expect", "intend", "should", "seek", "estimate" "will", "aim" and "anticipate" and similar expressions that constitute "forward-looking statements".

Such statements are subject to certain risks and uncertainties because they relate to and depend on events and circumstances that may or may not occur. The Issuer caution potential investors that forward-looking statements are not guarantees of future performance and that the actual financial condition, results of operations and cash flows, and prospects of the Issuer may differ materially from those made in or suggested by the forward-looking statements included in this Offering Circular. In addition, even if the financial condition, results of operations and cash flows and prospects of the Issuer are consistent with such statements, those results or developments may not be indicative of results or prospects in subsequent periods. Actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors, many of which are beyond the control of the Issuer, including:

- changes in general political, social and economic conditions. See "***Risk Factors – Risks Relating to the Issuer – Social, economic and other risks in the global economy and markets where the Group operates may cause its business, results of operations and financial condition to be materially or adversely affected.***", ***Risk Factors – Risks Relating to the Issuer – The Group's business is subject to governmental regulations and laws of the jurisdictions it operates in.***", "***Risk Factors – Risks Relating to the Issuer – The Group is subject to various environmental, safety and health regulations and standards in the jurisdictions in which the Group operates, and any failure to comply with such regulations and standards may result in penalties, fines, governmental sanctions, proceedings or suspension or revocation of the Group's licences or permits.***" and "***Risk Factors – Risks Relating to the Issuer – The Group's international operations expose it to risks of imposition of international trade barriers including in jurisdictions in which it operates or seeks to operate, which could materially or adversely affect its business, financial condition, results of operations and prospects.***";

- changes in currency exchange and interest rates. See "***Risk Factors – Risks Relating to the Issuer – The Group's operations are conducted in many countries and, consequently, volatility in the value of United States dollar against relevant foreign currencies could adversely affect the Group's business. The Group is exposed to foreign exchange controls risks.***" and "***Risk Factors – Risks Relating to the Group – The Group relies on borrowings from financial institutions and funding from counterparties for its working capital and inability to obtain further borrowings or fundings may have a material adverse effect on the Group. The Group is also subject to risks associated with interest rate fluctuations.***";

- demographic changes;

- changes in competitive conditions. See "***Risk Factors – Risks Relating to the Issuer – The Group faces competition in the Group's various products and geographic markets as well as from alternative sources of energy.***";

- other factors beyond the control of the Issuer. See "***Risk Factors – Risks Relating to the Issuer – Occurrence of any acts of God, natural disasters, war and terrorist attacks may disrupt the operations of the Group.***"; and

- those other risks identified in the "***Risk Factors***" section of this Offering Circular.

These factors, among others, could cause the Issuer's actual results to vary materially from those estimated, anticipated or projected. Although the Issuer believe that management's expectations as reflected in such forward-looking statements are reasonable based on information currently available to the Issuer, it cannot be assured that such expectations will be realised. Accordingly, prospective purchasers are cautioned to not place undue reliance on such forward-looking statements and to carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Issuer operates. Such forward-looking statements speak only as of their dates, and the Issuer undertakes no obligation to publicly revise any of them, whether as a result of new information, future events or otherwise, subject to compliance with all applicable laws, including the rules of the SGX-ST. The Issuer urges potential investors to read this Offering Circular, including the sections entitled "***Risk Factors***" and "***The Issuer***" for a more complete discussion of the factors that could affect the performance of the Issuer.

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SUMMARY OF THE OFFERING

*The following is a general summary of the terms of the Bonds and the CGIF Guarantee and it is qualified in its entirety by reference to, and should be read in conjunction, with the section entitled "**Terms and Conditions of the Bonds**" and the Trust Deed. The Trust Deed and the Conditions prevail to the extent of any inconsistency with the general summary set forth in this section. Terms used in this summary and not otherwise defined have the meanings given to such terms in "**Terms and Conditions of the Bonds**".*

Issuer	Apeiron Agrocommodities Pte. Ltd.
Legal Entity Identifier	254900YP7WOOIUTAG660.
Guarantor	Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank.
Bonds Offered	S$50,000,000 in aggregate principal amount of 4.487 per cent. Senior Unsecured Guaranteed Green Bonds due 2028.
Guarantee of the Bonds	The payment obligations of the Issuer under the Bonds and the Trust Deed are unconditionally and irrevocably guaranteed by the Guarantor to the extent of, and in accordance with and subject to the terms of, the CGIF Guarantee.
Issue	The Bonds are proposed to be issued under the ASEAN+3 Multi-Currency Bond Issuance Framework ("**AMBIF**").
Issue Price	100 per cent.
Issue Date	23 June 2023.
Maturity Date	23 June 2028.
Redemption	Unless previously redeemed, or purchased and cancelled as provided in the Conditions, the Bonds will be redeemed on the Maturity Date.
Interest	The Bonds will bear interest on their outstanding principal amount from time to time from (and including) the Issue Date at the rate of 4.487 per cent. per annum, payable semi-annually in arrear.
Interest Payment Dates	23 June and 23 December in each year, commencing 23 December 2023, subject as provided in Condition 8 (*Payments*) of the Bonds.
Status of the Bonds	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*) of the Bonds) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future.

Status of the CGIF Guarantee	The payment obligations of the Issuer under the Bonds and the Trust Deed will be unconditionally and irrevocably guaranteed by the Guarantor to the extent of, and in accordance with and subject to the terms of, the CGIF Guarantee. Such obligations of the Guarantor under the CGIF Guarantee are direct, unconditional and general obligations of the Guarantor and rank *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any). The CGIF Guarantee does not cover any relevant amounts of principal or accrued but unpaid interest that become payable by the Issuer on the exercise by it of an early redemption option, including as a result of the Issuer's redemption for tax reasons (see Condition 7(b) (*Redemption and Purchase – Redemption for tax reasons*) of the Bonds). In order to mitigate any risk of the Issuer not paying the relevant amount of principal and/or accrued but unpaid interest arising out of or in connection with the Issuer exercising any of its rights of early redemption, the Issuer, in exercising its rights for redemption for tax reasons, is required to, not less than one Business Day[1] prior to the publication of any notice of redemption in relation to redemption for tax reasons under Condition 7(b) (*Redemption and Purchase – Redemption for tax reasons*) of the Bonds, (i) transfer to a Singapore dollar escrow account as advised by the Escrow Agent (to be appointed by the Issuer in connection with such redemption) for the benefit of the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds at their principal amount together with any interest accrued but unpaid to the relevant date fixed for redemption, and (ii) deliver to the Escrow Agent an irrevocable written instruction (with a copy to the Trustee and Paying Agent) to transfer such amounts to the Paying Agent by no later than 3 p.m. (Singapore time) on the Business Day immediately preceding the date fixed for redemption. Notwithstanding any other provisions of the Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee or any other document related to the issuance of the Bonds, the recourse of the Bondholders against CGIF under the Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee or any other document related to the issuance of the Bonds is limited solely to the CGIF Assets (as defined in the Conditions) and the Bondholders have no recourse to any assets of Asian Development Bank or any other contributors to CGIF. Any obligation of CGIF under the Conditions does not constitute an obligation of Asian Development Bank or any other contributors to CGIF. For further information on the terms of the CGIF Guarantee, see the section entitled "***Description of the CGIF Guarantee***" and **Appendix A: Form of CGIF Guarantee**.

[1] "**Business Day**" with reference to the CGIF Guarantee means a day (other than a Saturday or Sunday or public holiday) on which banks are open for general business in Manila, New York and Singapore.

Use of Proceeds	The proceeds of the offering of the Bonds will initially be deposited into a bank account of the Issuer, and will be released subject to certain restrictions as agreed with CGIF. Such proceeds will subsequently be applied towards: (i) capital expenditure and asset improvement for collection points/pre-treatment facilities for waste-based feedstocks for Apeiron Bioenergy Inc. in the Philippines, Apeiron Bioenergy (Thailand) Co. Ltd in Thailand, and Apeiron Bioenergy (Viet Nam) Company Limited in Vietnam at around US$20,000,000 in total, and (ii) working capital for the Issuer for payment of suppliers at around US$16,000,000. For the avoidance of doubt, the proceeds of the Bonds will not be used directly for the purposes of financing, or in any way in connection with, the crude palm oil or palm oil mill effluent business, or the purchase of crude palm oil or palm oil mill effluent. See the section entitled "***Use of Proceeds***". Please also see "***Risk Factors – Risks Relating to the Bonds – The proceeds from the offering of the Bonds will be initially deposited into a bank account, and will be released subject to certain restrictions as agreed with CGIF.***"
Negative Pledge	The terms of the Bonds contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*) of the Bonds.
Redemption for tax reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Bondholders, the Guarantor, the Trustee and the Paying Agent in accordance with the Conditions (which notice shall be irrevocable) at their principal amount, together with interest accrued but unpaid to the date fixed for redemption, in the event of certain tax changes if, immediately before giving such notice, the Issuer satisfies certain conditions as described in Condition 7(b) (*Redemption and Purchase – Redemption for tax reasons*) of the Bonds.
Redemption in the event of a CGIF Acceleration	At any time following the occurrence of a CGIF Acceleration (as defined in the Conditions), the Guarantor may at its discretion, on giving not less than seven (7) nor more than fifteen (15) days' notice to the Issuer, the Trustee and the Paying Agent, require the Issuer to redeem the Bonds in whole, but not in part only, at their principal amount, together with interest accrued but unpaid to the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so the Guarantor may, give notice to the Bondholders, the Trustee and the Paying Agent in accordance with the Condition 16 (*Notices*) (which notice shall be irrevocable).
Events of Default	The terms of the Bonds contain certain events of default as further described in Condition 10 (*Events of Default*) of the Bonds.

Selling and Transfer Restrictions	The Bonds and the CGIF Guarantee will not be registered under the Securities Act or under any state securities laws of the United States or of any other jurisdiction, and will be subject to customary restrictions on transfer and resale. See the section entitled "***Subscription and Sale***".
Form and Denomination of the Bonds	The Bonds will be issued in registered form and in the denomination of S$250,000 each. The Bonds will be represented by the Global Certificate, which will be deposited with CDP on or about the Issue Date. The transfer of Bonds will be effected in accordance with the rules and procedures for the time being of CDP.
Clearing and Settlement	Clearance of the Bonds will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. For a description of certain factors relating to clearance and settlement, see the section entitled "***Clearing and Settlement***".
Trustee and Registrar	The Bank of New York Mellon, Singapore Branch.
Paying Agent and Transfer Agent	The Bank of New York Mellon, Singapore Branch.
ISIN Code	To be obtained.
Listing	Application will be made to the SGX-ST for the listing and quotation of the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions or reports contained in this Offering Circular. Approval in-principle from, admission of the Bonds to the Official List of the SGX-ST and the listing and quotation of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries (if any) or associated companies (if any) or the Bonds. The Bonds will be traded on the SGX-ST in a minimum board lot size of S$250,000 for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require. The Bonds issued are proposed to be issued under the AMBIF. AMBIF is a policy initiative under the Asian Bond Markets Initiative ("**ABMI**") that seeks to facilitate intra-regional bond and note issuances by streamlining market practices, documentation and disclosure information requirements common among ASEAN+3 (as defined herein) domestic bond markets. Through the AMBIF, issuers are able to expand into ASEAN+3 markets outside their country of domicile, and investors are able to actively participate in the region's various investment opportunities.

	Since ABMI established the ASEAN+3 Bond Market Forum in 2010, four entities have issued debt under the AMBIF format in four different jurisdictions. The Bonds serve as the benchmark for issuers that may seek to tap ASEAN+3 markets in the future as a means of diversifying funding and expanding regional capital markets presence.
Governing Law	The Bonds (other than Condition 18(b) (*Governing law – Dispute Resolution*)), the Trust Deed (other than Clause 34.2 of the Trust Deed), the Agency Agreement (other than Clause 23.2 of the Agency Agreement), the CGIF Guarantee (other than Clause 17 of the Guarantee) and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with English law. Condition 18(b) (*Governing law – Dispute Resolution*), Clause 34.2 of the Trust Deed, Clause 23.2 of the Agency Agreement, Clause 17 of the Guarantee and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, Singapore law and any disputes arising under the Bonds are subject to arbitration under the Arbitration Rules of the Singapore International Arbitration Centre (the "**SIAC Arbitration Rules**").
Ratings	The Bonds are expected to be rated AA by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. No guarantee is made that such ratings will not be adversely revised or withdrawn either before or after delivery of the Bonds. See the section entitled "***Risk Factors – Risk Relating to the Bonds***".
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Bonds, see the section entitled "***Risk Factors***".

RECENT DEVELOPMENTS

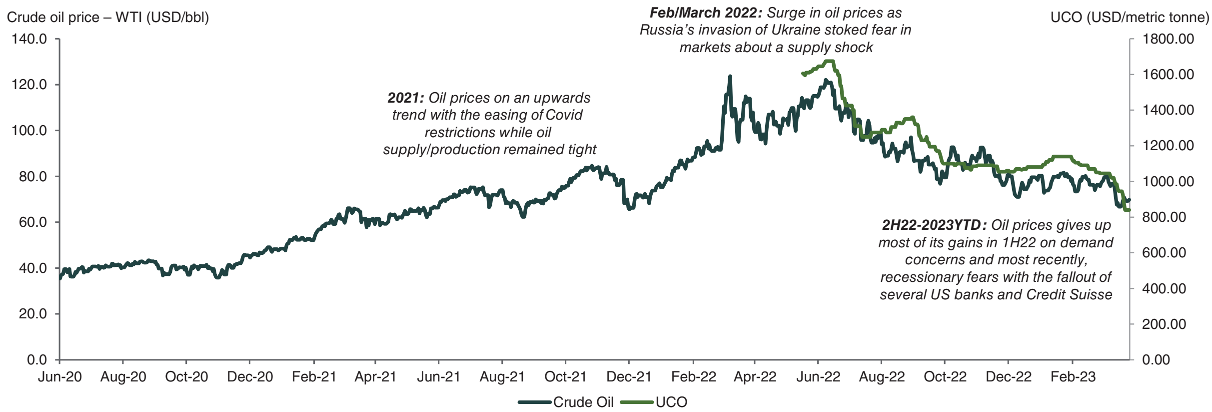
The Group's financial performance for the year ended 31 December 2022

For the year ended 31 December 2022, the Group's stronger financial performance in the first half of the year ended 31 December 2022 was offset by a weaker third quarter and a materially weaker fourth quarter, which adversely affected the Group's performance for the year ended 31 December 2022. In the year ended 31 December 2022, the Group recognised an increase in revenue. However, there was a decrease in margins, resulting in a material decrease in EBITDA and net income for the year. Further details are set out below.

Macroenvironment factors

During the first half of the year ended 31 December 2022, the Group witnessed a strong growth in sales volume of UCO, primarily due to enhanced collection capabilities across its operating units and strong feedstock (i.e.: Used Cooking Oil ("**UCO**")) demand. The Group's weaker performance in the second half of the year ended 31 December 2022 was primarily due to a sharp decrease in the price of UCO as shown in the figure below.

Used Cooking Oil and Crude Oil Prices



Source: Bloomberg

Another key factor that contributed to the weaker performance in the second half of the year ended 31 December 2022 was the ongoing Russia-Ukraine conflict, which led to an increase in utility costs. This caused significantly higher production costs for biodiesel producers in Europe, which led to a decrease in biodiesel production, and consequently reduced the demand for the Group's biodiesel feedstock (i.e.: UCO) as well. As a result, the sales volume of UCO in the second half of the year ended 31 December 2022 declined. On the other hand, the reduced biodiesel production from European biodiesel producers led to a gap in the market which the Group was able to fill. This subsequently led to the Group recognizing an increase in sales volume of biodiesel in the second half of the year ended 31 December 2022.

Despite these macro factors, the Group remained profitable for the year ended 31 December 2022 (albeit witnessing a sharp decline in profit margins). The Group's revenue also increased in the year ended 31 December 2022 despite the sharp decrease in price of UCO. The Group deems this to be an indicator of growth despite the challenging operating environment in the second half of the year ended 31 December 2022.

Key trends in the Group's financial performance for the year ended 31 December 2022

The key trends in the Group's financial performance for the year ended 31 December 2022 are as described below.

- *Revenue*

  The Group's revenue increased from the financial year ended 31 December 2021 to the year ended 31 December 2022. The increase in revenue was mainly attributable to (a) an increase in revenue from sales of UCO, driven by sales in the first half of the year ended 31 December 2022 as compared to the second half of the year ended 31 December 2022, and (b) an increase in revenue from sales of biodiesel largely due to the market dynamics as described above.

  The increase in revenue in the year ended 31 December 2022 was offset in part by a substantial decrease in revenue from POME largely due to the weaker demand for POME from biofuel producers.

- *Earnings before interest, taxes, depreciation and amortisation ("**EBITDA**")*

  Due to the price volatility of UCO and a fall in demand for UCO in Europe, there was a material decrease in EBITDA and EBITDA margins, particularly in the fourth quarter of the year ended 31 December 2022. This materially weakened the overall EBITDA results of the Group in FY2022 (compared to financial year ended 31 December 2021). Overall, the Group's EBITDA margins remained positive for the year ended 31 December 2022.

- *Interest expense*

  Interest expense increased in the year ended 31 December 2022 due to rising SORA and SIBOR rates in the year ended 31 December 2022 as compared to the year ended 31 December 2021.

- *Profit net of tax*

  Profit net of tax decreased significantly in the year ended 31 December 2022 largely due to reduced gross margins caused by price volatility of the Group's products, coupled with higher selling, general and administrative expenses, which the Group had incurred in the course of building up its operational capability and capacity, and the expansion of business operations in certain countries. The Group remained profitable for the year ended 31 December 2022.

- *Net Debt*

  Net debt of the Group remained largely unchanged for the year ended 31 December 2022, as compared to the year ended 31 December 2021.

- *Equity*

  The total equity for the Group increased materially in the year ended 31 December 2022 due to additional equity investments of certain new shareholders in the year ended 31 December 2022, namely from Proterra Investment Partners Asia ("**Proterra**") and Mitsui Chemicals, Inc ("**Mitsui**").

- *Assets*

  The total assets of the Group increased significantly in the year ended 31 December 2022, as compared to the year ended 31 December 2021, due to an increase in inventory levels as a result of longer inventory turns.

- *Cash flow*

  The Group's total cash and cash equivalents decreased in the year ended 31 December 2022. The Group had negative operating cash flows as a result of a material increase in working capital, primarily due to increased inventory balance and prepayments in the year-end balance for the year ended 31 December 2022. This was funded by an increase in the Group's cash flow from the equity financing from Proterra and Mitsui.

- *Leverage ratios*

  The Group's Net Debt to EBITDA increased in the year ended 31 December 2022 compared to the year ended 31 December 2021 as a result of relatively unchanged Net Debt and a material decrease in EBITDA in the year ended 31 December 2022 as compared to the year ended 31 December 2021. The Group's Net Debt to Assets and Net Debt to Equity ratios conversely decreased due to the Group's increase in total assets and total equity respectively.

- *EBITDA/Interest Expense*

  Due to the reduced earnings and higher interest costs in the year ended 31 December 2022 as compared to the year ended 31 December 2021, there is a substantial reduction in the Group's EBITDA/Interest Expense.

The Group's financial performance for the three months ended 31 March 2023

In the three months ended 31 March 2023, biofuel demand continued to remain weak. The collapse of Credit Suisse and other banks led to a fall in demand for biofuel, as the ability of the Group's customers or prospective customers in obtaining credit lines for the purchase of biofuels were adversely affected. With a fall in demand for biofuel, the price of UCO has also continued to decrease. This led to a decrease in revenue, EBITDA and net income in the three months ended 31 March 2023 as compared to the three months ended 31 March 2022. Consequently, the Group's EBITDA and net income margins in the three months ended 31 March 2023 turned slightly negative.

For 2023 and going forward, the Group has adopted the following strategies to improve business stability:

(1) improve the quality and consistency of the Group's earnings by entering into offtake contracts with its customers, as the Group expects that the offtake contracts would typically provide for a fixed quantity and fixed profit margins;

(2) deploy hedging solutions in respect of biofuels so as to maintain the profit margins,

(3) expand the Group's trading partners in Asia and North America beyond its current customer portfolio which is focused in Europe and certain parts of Asia;

(4) focus on downstream integration through building refineries and deploying a contract-manufacturing model to increase capacity for downstream products; and

(5) expand the Group's upstream product offering to include the collection and sale of waste-based feedstock such as animal fat and downstream capabilities to produce products such as biobunker fuel,

See *"**The Issuer – The Group's strategies**" for more details.*

The Group believes that the fundamental demand for biofuel is expected to continue to be driven by government mandates. In Europe, the Renewable Energy Directive, if implemented, is likely to result in upward revisions on renewable energy targets which are likely to impact favorably on demand for biofuel. However, there is no assurance that the Renewable Energy Directive and/or other favourable environmental measures, regulations and laws would be implemented. See also "***Forward-Looking Statements and Associated Risks.***" and "***Risk Factors – Risks Relating to the Issuer – The implementation of, and changes in, biofuel legislations in the European Union and other key markets may influence the speed at which demand for such fuels develops and new raw material sources are taken into use, which may have a material adverse effect on the Group's business, results of operations and financial condition.***"

No audit or review has been performed on the financial information of the Group for the 12 months ended 31 December 2022 (the "**2022 Financial Information**") and the three months ended 31 March 2023 (the "**First Quarter 2023 Financial Information**"). The 2022 Financial Information and the First Quarter 2023 Financial Information may not be indicative of the Group's actual financial condition or results of operations for any period (including the financial year ended 31 December 2022 and the financial year ending 31 December 2023). Save as disclosed above, the 2022 Financial Information and the First Quarter 2023 Financial Information are not included in, and do not form, part of this Offering Circular and should not be relied upon by prospective investors to provide the same type or quality of information that has been subject to an audit or review by an independent auditor. Investors should exercise caution when using such data to evaluate the Group's financial condition and results of operations. See also "***Risk Factors – Risks Relating to the Issuer – Investors should not place undue reliance on financial information which is not audited or reviewed.***"

RISK FACTORS

*An investment in the Bonds is subject to a number of risks. Potential investors should carefully consider all the information contained in this Offering Circular including the risks described below before making an investment decision. The business, financial condition and results of operations of the Issuer and its subsidiaries, taken as a whole (the "**Group**"), could be materially or adversely affected by any of these risks. The market price of the Bonds could decline due to any of these risks and investors may lose all or part of their investment. The risks described below are not the only ones that may affect the Issuer, the Group or the Bonds. This Offering Circular contains forward-looking statements relating to events that involve risks and uncertainties. The actual results of the Issuer and the Group may differ materially from those anticipated in forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Circular.*

RISKS RELATING TO THE ISSUER

The Group's results of operations and profitability are dependent on the spread between the costs of raw materials and biofuel feedstock and biofuel prices.

The Group's results of operations and profitability are dependent on the spread between the costs of raw materials and the prices of biofuel feedstock and biofuel. Such costs and prices can be volatile which will, in turn, cause the Group's gross margins to fluctuate substantially. If there is a decrease in the spread between the costs of raw materials and prices of biofuel feedstock and biofuel, the Group's gross margins, cash flow and results of operations would be materially and adversely affected. A decrease in the availability, or an increase in the price of, raw materials on one hand, along with a decrease in the prices of biofuel feedstock and biofuel on the other, may have a material adverse effect on the Group's business, financial condition and results of operations. The price and availability of feedstocks and other raw materials may be influenced by various factors including general economic, market, environmental and regulatory factors, see "***Risk Factors – Risks relating to the Issuer – Fluctuations in prices of biofuel and biofuel feedstock, as a result of macroeconomic, regulatory and other external factors may pose uncertainty to the Group's business.***"

Fluctuations in prices, supply and demand of biofuel and biofuel feedstock, as a result of economic, regulatory and other external factors may pose uncertainty to the Group's business.

The price, supply and demand of biofuel and biofuel feedstock are directly affected by general economic, market, environmental and regulatory factors, including the supply and demand for biofuel and biofuel feedstock, currency exchange rates, interest rates and the level of inflation, inventory levels, actions and speculative activities of participants in the commodity markets, global political conditions, economic trends and related industry cycles, production costs in major producing countries, and many other factors beyond the Group's control. In particular, economic and global political conditions such as the conflict between Russia and Ukraine may have an adverse impact on the demand and prices of biofuel and biofuel feedstock. For instance, due to the ongoing Russia-Ukraine conflict, utility costs increased significantly leading to higher production costs for biodiesel.

In the foregoing circumstances, there can be no assurance that the market price of the Group's products will not decline in the future or that such prices will otherwise remain at sufficiently high levels to support the Group's profitability.

The Group's business and growth is dependent on demand for its customers' products. Adverse conditions in the global economy or the industries in which the Group's customers operate could adversely affect demand for its customers' products which would in turn adversely affect the demand for its products. Fluctuations in the performance of the industries which the Group's customers' operate will cause the demand for and selling prices of the biofuel and biofuel feedstock to fluctuate. Any of the foregoing could materially or adversely affect the Group's business, financial condition and results of operations.

Problems or delays in the Group's supply chain could result in, among other things, impaired access to renewable biofuel feedstock at competitive prices, which could have a material adverse effect on the Group.

The Group collects, processes, refines and sells renewable biofuel feedstock, which is one of the raw materials used to produce biofuel. In addition, the Group also produces and trades biodiesel. The Group's biofuel feedstock portfolio primarily comprises used cooking oil (UCO) and palm oil mill effluent (POME). The Group sources and collects renewable biofuel feedstock through its network of collectors and palm plantations in Asia. See "***The Issuer***". Access to such feedstock might be disrupted as a result of, among other things, natural catastrophes, increased competition, governmental restrictions, economic and trade sanctions, regional, political, economic or social instability or problems in transporting sufficient quantities of feedstock to the Group's collection and processing facilities. Any significant and/or extended disruptions in deliveries may have a material adverse effect on the Group's business, financial condition, results of operations and future prospectus. See "***Risk Factors – Risks Relating to the Issuer – The Group is dependent on third party transportation and logistics providers. Any disruptions in logistics and transportation or significant increase in freight charges could adversely affect the Group's business, results of operations and financial condition***."

The implementation of, and changes in, biofuel legislations in the European Union and other key markets may influence the speed at which demand for such fuels develops and new raw material sources are taken into use, which may have a material adverse effect on the Group's business, results of operations and financial condition.

The Group has in the past benefitted from increased support for biofuels. Changes in biofuel regulations especially in the European Union and other key markets influence the speed at which the demand for renewable products develops and new raw material sources are taken into use. There is no assurance that the Group would benefit from the same level of support as in the past or at all. For renewable energy products, a significant source of uncertainty arises from the fragmented regulations around acceptability and use of waste and residue feedstock. Any unfavourable legislative developments relating to biofuel feedstock or by products or end products may have a material adverse effect on the demand for the Group's products as well as price and availability of the relevant feedstocks. Any such events may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The volume of products that the Group trades is affected by supply and demand conditions which may be beyond the Group's control.

The Group's profitability is dependent on, among other things, the volume of product transactions it undertakes. Under volatile or uncertain market conditions, or when there is depressed demand or oversupply, the volume of physical goods being traded or to be traded may be reduced for long periods. As such, the Group may not be able to sell the Group's products or be forced to sell them at reduced prices which will result in the Group's profit margins being further reduced. The inability to sell the Group's products will prolong the Group's exposure to price risks. It may also cause severe cash flow problems, especially when the tenures for sale and purchase of the Group's products as agreed with the Group's bankers are exceeded. This may lead to banks recalling or refusing to extend the loans of the Group. As a result, the business, results of operations and financial condition of the Group may be adversely affected.

The availability and pricing of biofuel feedstock and biodiesel are subject to unpredictable factors, such as government regulations and policies affecting the biofuel feedstock and biodiesel sector and carbon credits, demand for biofuel feedstock and biodiesel, etc. Volatility in the price of, and demand for, biofuel feedstock and biodiesel may materially or adversely affect the Group's business, results of operations and financial condition.

Cyclicality in the bioenergy industry and changes in demand for the Group's products may adversely affect, the Group's business, results of operations and financial condition.

The bioenergy industry is cyclical and demand for bioenergy and related products has fluctuated, and may fluctuate in the future, depending on general economic and market conditions in the regions that the Group operates in, and other factors beyond the Group's control. See "***Risk Factors – Risks Relating to the Issuer – Social, economic and other risks in the global economy and markets where the Group operates may cause its business, results of operations and financial condition to be materially or adversely affected.***"

An imbalance between supply and demand will result in pricing pressures, as well as uncertainty regarding the future prospects for the global bioenergy industry. Such cyclicality and volatility may reduce the Group's revenue and margin, including as follows:

- downturns in general business and economic activity may cause demand for the Group's products to decline;

- when demand for biofuel falls, the Group may face competitive pressures to lower its prices; and

- if the Group decides to expand its collection/storage capacity, or decides to keep more inventory, it may do so based on an estimate of future demand that never materialises or materialises at levels lower than the Group expected, resulting in excess stock.

Whilst the Group seeks to (i) enhance operational efficiency in order to maintain its margins and strengthen its market position and (ii) assess the market conditions and to anticipate future demand properly based on market projections, with a view to avoid overstocking its products, deterioration in global economic conditions, there is no assurance that such measures would be effective and an oversupply of bioenergy related products and the occurrence of events beyond the Group's control (including but not limited to acts of God, war and terrorist attack) may result in a decline in demand for the Group's products, significant price competition and declines in margins, which may inadvertently impact the Group's revenues and working capital. Any such foregoing events may materially or adversely affect the Group's business, results of operations and financial condition. See also "***Risk Factors – Risks Relating to the Issuer – Fluctuations in prices, supply and demand of biofuel and biofuel feedstock, as a result of economic, regulatory and other external factors may pose uncertainty to the Group's business***" and "***Risk Factors – Risks Relating to the Issuer – Occurrence of any acts of God, natural disasters, war and terrorist attacks may disrupt the operations of the Group.***".

There can be no assurance that the Group will not be materially or adversely affected by such factors, as well as by the volatility of prices of bioenergy products in the international markets. Any of these events may have a material adverse impact on the Group's business, results of operations and financial position.

The Group is exposed to counterparty and credit risks.

The Group is subject to counterparty and credit risks, where the Group's counterparties fail to perform their contractual obligations resulting in monetary loss to the Group. Counterparty risk arises from various contractual relationships that the Group has with its customers, suppliers or other business parties, for example, in the area of sales, supply and financing. Some possible scenarios of counterparty and credit risk are as follows:

- a significant rapid increase in feedstock prices could result in suppliers being unwilling to honour their contractual commitments to sell feedstock to the Group at pre-agreed prices;
- a significant rapid reduction in bioenergy prices could result in customers being unwilling or unable to honour their contractual commitments to purchase biofuel feedstock or biofuel from the Group at pre-agreed prices;
- customers may take delivery of products from the Group and thereafter find themselves unable to honour their payment obligations due to financial distress or any other reasons; and
- the Group may have prepaid on behalf of its suppliers who subsequently fail to fulfil their payment obligations due to financial distress or any other reasons.

Credit and counterparty risk may, if it materialises, have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Whilst the Group seeks to mitigate such risks by, among other things, (a) establishing internal credit limits, (b) periodically assessing the credit risks of its customers and suppliers, and (c) monitoring world events which may affect its credit and counterparty risks, there is no assurance that such measures will be effective in mitigating such risks. Any such event, if it materialises, could have a material adverse impact on the Group's business, results of operations and financial condition.

The Group relies on borrowings from financial institutions and funding from counterparties for its working capital and inability to obtain further borrowings or fundings may have a material adverse effect on the Group. The Group is also subject to risks associated with interest rate fluctuations.

The Group relies on borrowings from financial institutions and funding from counterparties to fund its working capital. The cash flows of the Group may not be sufficient to always fund its ongoing business activities, and from time to time, the Group may require additional financing by way of bank borrowings or from its counterparties. The Group's ability to obtain such financing depends on, among other things, the Group's credit rating and prevailing interest rates, and the availability of government financing schemes under which the relevant government agency agrees to share part of the Group's loan default risk with certain participating banks. For example, as at the date of this Offering Circular, the Group relies on the Enterprise Financing Scheme implemented by Enterprise Singapore under which Enterprise Singapore will share 50% to 70% of the loan default risk with certain participating banks in respect of trade loans (including green trade loans), overseas project loans, green project trade loans, green development capital and/or business venture term loans, which the Group obtains from such banks.

There is no assurance that Enterprise Singapore would not terminate the Enterprise Financing Scheme or modify its terms to those which are less favourable than the current terms. In addition, the Enterprise Financing Scheme is also subject to certain conditions and there is no assurance that the Group will be able to satisfy such conditions to continue to avail itself to the Enterprise Financing Scheme on the current terms or at all. The Group's ability to obtain financing may be reduced if there are changes to any of the foregoing factors, and in particular, if the Enterprise Financing Scheme is no longer available to the Company for any reason. As such, the Group cannot be assured that it will always be able to obtain adequate financing on acceptable terms, or at all, to meet its working capital requirements. In addition, uncertainty in the credit markets may adversely affects the Group's ability to obtaining financing on acceptable terms, or at all. This may result in the Group being in net liability position, which will in turn, materially or adversely affect the Group's business, results of operations and financial condition.

Changes in the cost of current and future borrowings, including a rise or fluctuations in interest rates, may materially or adversely affect the profitability of the Group and result in the risks that its cash flow will be insufficient to meet required payments under such financing, which may in turn materially or adversely affect the Issuer's ability to make payments to Bondholders. The Group may also be subject to the risk that it may not be able to refinance its existing borrowings or that the terms of such refinancing will not be as favourable as the terms of its existing borrowings. If prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Since February 2020, the COVID-19 pandemic has caused significant fluctuations in market interest rates. On 3 March 2020, the yield of the 10-year United States Treasury bond fell below 1.00 per cent. for the first time. Governments and central banks around the globe have introduced or are planning fiscal and monetary stimulus measures including tax cuts, direct subsidies, rate cuts, bond repurchase programmes and suspension or relaxation of prudential bank capital requirements. These measures aim to contain the economic impact of COVID-19, stabilise the markets and provide liquidity easing to the markets. In the United States, the Federal Open Market Committee ("**FOMC**") reduced the target federal funds rate ("**FFR**") by 50 basis points to 1.00 per cent. – 1.25 per cent. on 3 March 2020. Subsequently on 16 March 2020, the FOMC further reduced the target FFR by an additional 100 basis points to 0.00 per cent. – 0.25 per cent. In the first half of 2022, the FOMC has raised the target FFR multiple times in response to the high inflation rate, the COVID-19 pandemic and various other factors. The target FFR was raised to 0.25 per cent. – 0.50 per cent. in March 2022 and 0.75 per cent. – 1.00 per cent. in May 2022. The FOMC further raised the target FFR by 75 basis points for multiple times to 1.50 per cent. – 1.75 per cent. in June 2022, to 2.25 per cent. – 2.50 per cent. in July 2022, to 3.00 per cent. – 3.25 per cent. in September 2022 and to 3.75 per cent. – 4.00 per cent. in November 2022. In December 2022, the target FFR reached 4.25 – 4.50 per cent, an increase of 50 basis points compared to November 2022. In 2023, the FOMC raised the target FFR by 25 basis points on several occasions to 4.50 per cent. – 4.75 per cent. in February 2023, to 4.75 per cent. – 5.00 per cent. in March 2023 and to 5.00 per cent. – 5.25 per cent. in May 2023, marking the largest increase since 1994. These fluctuations in interest rates may result in continued significant volatility in global capital markets.

Some of the Group's existing debt, and the Group's future borrowings may, carry floating interest rates. Consequentially, the interest cost to the Group for such loans will be subject to fluctuations in interest rates. There is no certainty that interest rates will not increase to the detriment of the Group, and the risk of increase in short-term interest rates may adversely affect the borrowings which are pegged to floating rates. Accordingly, interest rate fluctuations could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Whilst the Group has implemented certain measures which include, among other things, (a) the use of a variety of financing including trade lines from banks, prepayments from customers and bank loans, and (b) ensuring that trade finance utilised is backed by a customer sales order, there is no assurance that such measures will be effective to mitigate any such risk. Any inability to raise financing could result in delays, reduction or termination of certain operations, which may, in turn, have a material adverse effect on the Group's business, results of operations, financial condition as well as future prospects. See "***Risk Factors – Risks Relating to the Issuer – Restrictions imposed on the Group's financing agreements and other outstanding indebtedness may limit its ability to operate its business and to finance its future operations or capital needs.***"

The Group is exposed to information technology and cybersecurity risks.

The Group's business and operations are exposed to risks of cybersecurity threats and data privacy breaches, which may result in sensitive company data and information being exposed to the public. In addition, computer viruses, malware, ransomware, worms or trojans may harm the Group's information technology systems or cause the loss or alteration of sensitive data and the transmission of computer viruses or malware to its counterparties, which could expose the Group to litigation, as well as regulatory investigations and penalties. Any such security breach or cyber-attacks could also harm the Group's reputation, increase the Group's operating expenses in order to contain or remediate the incident, expose the Group to unbudgeted or uninsured liability, disrupt its operations and distract management. As such, disruptions to the Group's information technology systems caused by security breach, cyber-attacks or otherwise could therefore have a material adverse effect on the Group's business, results of operations and financial condition. Whilst the Group has established appropriate policies and framework to ensure information system security and network stability, there can be no assurance that such policies and frameworks are sufficient or that the Group's business, results of operations and financial condition would not be materially or adversely affected by such cybersecurity threats, data privacy breaches or computer viruses.

The Group's business is subject to governmental regulations and laws of the jurisdictions it operates in.

The Group is required to comply with relevant laws and regulations, including obtaining necessary licences and permits required for its operations, in the countries which it operates. See "***Risk Factors – Risks Relating to the Issuer – The Group's failure to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate its business will have a material adverse effect on its business.***" and "***Risk Factors – Risks Relating to the Issuer – The Group is subject to various environmental, safety and health regulations and standards in the jurisdictions in which the Group operates, and any failure to comply with such regulations and standards may result in penalties, fines, governmental sanctions, proceedings or suspension or revocation of the Group's certifications, licences or permits.***"

Such laws and regulations include environmental and industrial regulations and laws, anti-money laundering, anti-bribery and corruption regulations as well as trade sanctions and restrictions. New laws, regulations or policies may also be adopted from time to time, which require the Group to constantly monitor and ensure compliance with the relevant laws and regulations. Non-compliance with applicable laws and regulations may result in severe penalties and consequences, including the revocation or suspension of the Group's business licenses, permits, approvals and/or imposition of penalties, fines and/or sanctions in those jurisdictions.

There is no assurance that the regulatory environments in which the Group operates will not change significantly or become more stringent in the future. Compliance with changes in existing or new laws or regulations may increase the Group's compliance costs, which may adversely affect its business, results of operations, financial condition and prospects. In addition, there is no assurance that the Group would be able to comply with such amended or new laws and regulations, which may have an adverse effect on the Group's business, results of operations, financial condition and prospects. In the event that the Group fails to comply with the relevant laws and regulations, the Group may be penalized for such non-compliance, and the Group's business, results of operations, financial condition and prospects may be materially or adversely affected.

The Group's failure to obtain, renew or maintain the statutory and regulatory permits, licences and approvals required to operate its business will have a material adverse effect on its business.

The Group requires certain statutory and regulatory permits, licenses and approvals to operate its business. Such permits, licences, approvals are subject to revocation, renewal or modification and may require the Group to make certain changes to its operations, which may involve significant costs, in order to comply with the terms and conditions of such permits, licences and approvals. A violation of such authorization or permit conditions or other legal or regulatory requirements could result in substantial fines, criminal sanctions, penalties, permit revocations, injunctions and/or temporary or permanent shutdown at the Group's plants, facilities and refineries. There is no assurance that the Group will be able to obtain renewed licences, permits and approvals upon their expiration in a timely manner, or at all. Any failure by the Group to renew, maintain or obtain the required permits, licenses or approvals, or any requirement for a more stringent compliance standard may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is dependent on third party transportation and logistics providers. Any disruptions in logistics and transportation or significant increase in freight charges could materially or adversely affect the Group's business, results of operations and financial condition.

The Group depends on third party transportation and logistics providers to deliver the renewable biofuel feedstock to its collection and processing facilities and refineries as well as its products to its customers. For the financial years ended 31 December 2020 and 31 December 2021, the Group's expenses towards logistics and freights amounted to S$7,308,703 and S$12,019,375, respectively, representing 3.3% and 3.4% of the Group's revenue from operations, respectively.

Transportation disruptions may have a material adverse effect on supplies and deliveries to and from the Group's suppliers and customers. In addition, the renewable biofuel feedstock and biofuel products may be lost or damaged in transit for various reasons including factors beyond the Group's control, for example, the occurrence of accidents, natural disasters or epidemics or pandemics, such as the COVID-19 outbreak. See "***Risk Factors – Risks Relating to the Issuer – An outbreak of disease, global or localised health pandemic or epidemic or a similar public health threat, or fear of or response measures to such an event, could have a material adverse effect on the Group's, its suppliers' and customers' business, financial condition and results of operations.***" Any non-satisfactory performance by third party transportation and logistics providers may result in delays or the Group's inability to fulfil its delivery obligations to its customers as planned, which may in turn result in the Group having to pay compensation to its customers. There is no assurance that the Group will be able to recover the losses in part or in full. Failure to maintain an undisrupted supply of collected feedstock or delivery of the products to the Group's customers in an efficient and reliable manner could have a material adverse effect on the Group's business, financial condition and results of operations. Any recompense received from insurers or third-party transportation and logistics providers may be insufficient to cover the cost of any delays and may damage the Group's relationships with affected customers. Furthermore, any increase in fuel costs could have a corresponding impact on freight charges which the Group may not be able to pass on to its customers. Any significant increase in the Group's freight costs which it is not able to pass on to its customers may materially or adversely affect the Group's business, financial condition and results of operations.

The Group's international operations expose it to risks of imposition of international trade barriers including in jurisdictions in which it operates or seeks to operate, which could materially or adversely affect its business, financial condition, results of operations and prospects.

As at 31 March 2023, the Group has customers from more than nine countries across Europe and Asia, including Singapore, the People's Republic of China, Austria, Italy and Belgium. The Group may be subject to tariffs, quotas and other tariff and non-tariff trade barriers from time to time on its products in jurisdictions in which the Group operates or sells its products.

In recent years, there has been a general escalation in risks related to the geopolitical environment, including political and trade tensions among a number of the world's major economies, for example, the conflicts in Ukraine and trade tensions between the United States and the People's Republic of China. These tensions have resulted in the implementation of tariffs and non-tariff trade barriers and sanctions, including the use of export control restrictions and sanctions against certain countries and individual companies. Increasing protectionism and economic nationalism may also lead to further changes in trade policy, domestic sourcing initiatives, or other formal and informal measures that could make it more difficult to sell the Group's products in certain countries. Any such tariffs and non-tariff trade barriers, sanctions and other protectionist measures could have a material adverse effect on the Group's ability to access feedstock, increase the Group's costs, make the Group's products less competitive, reduce customer demand, or impede or slow the movement of the Group's products across borders, which may in turn, have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group faces competition in the Group's various products and geographic markets as well as from alternative sources of energy.

The Group faces competition in its various products and in the geographic markets which it operates. The Group's competitors range from global trade houses to local distributors and buying agents. The Group also faces additional competition from the Group's existing customers, some of whom may be becoming more involved in sourcing to satisfy their own needs. The Group's competitors primarily compete with it on pricing of products and procuring of raw materials.

The Group's competitors may have larger business operations, access to greater financial resources and better network connections to suppliers and customers. Any inability on the Group's part to effectively compete in terms of pricing, provide competitive products or expand into new markets may adversely affect the Group's business, financial condition and results of operations. Increased competition may reduce the growth in customer base, reduce the profit margin and the market share that the Group currently enjoys, and result in higher selling and marketing expenses. There can be no assurance that other competitors will not surpass the Group's performance in the future. In the event that the Group fails to sustain its competitive advantages, the Group's business, results of operations and financial condition may be materially or adversely affected.

In addition, the Group also faces competition from conventional and other renewable energy producers. A reduction in demand for energy from biofuel may materially or adversely affect its business and financial condition. Furthermore, technological progress in conventional forms of energy generation or in renewable energy production could make them more cost- and/or environmentally-friendly, and therefore reduce the demand for energy from biofuel, which may affect the Groups business, financial condition, results of operations and prospects. Demand for biofuel may also be adversely impacted by public perceptions of the direct and indirect benefits of adopting biofuel technologies as compared to using conventional forms of energy. Any of the foregoing events may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Some of the Group's customers purchase the Group's products on a purchase order basis and the Group does not have long-term contracts with them.

The Group's business with some of its customers is conducted on a purchase order basis, depending on customer requirements, and the Group may not have long-term contracts with such customers. As such, there can be no assurance that the Group will continue to receive repeat orders from any of such customers. Further, even if the Group was to continue receiving orders from the Group's customers, there can be no assurance that they will be on the same terms, and the new terms may be less favorable to the Group than those under the present terms. There is no assurance that the Group would be able to retain its customers. Any of the foregoing events may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group does not have any long-term agreement or contract for supply of raw materials and consequently is exposed to price and supply fluctuations for raw materials.

The Group is dependent on its network of external collectors and palm plantations for the sourcing and collection of raw materials in respect of the waste-based biofuel feedstock/biofuel which it processes or refines (as the case may be) and sells. The Group does not have any long-term supply agreements or commitments in relation to such supply of raw materials.

Consequently, the Group is exposed to price and supply fluctuations in raw materials. Any such fluctuations in the price and supply of raw materials may adversely affect the Group's costs, profit margins, ability to deliver orders on a timely basis, which may in turn, result in material adverse impact on its business, results of operations and financial condition. In addition, the economies which the Group operates in are also subject to inflation and such inflationary pressures may lead to an increase in the price of raw materials. See "***Risk Factors – Risks Relating to the Issuer – Social, economic and other risks in the global economy and markets where the Group operates may cause its business, results of operations and financial condition to be materially or adversely affected.***" Any significant increase in the costs of raw materials, whether as a result of inflationary pressures or fluctuations in price and supply of raw material or otherwise, which the Group is not able to pass on to its customers may materially or adversely affect the Group's business, financial condition and results of operations. See also "***Risk Factors – Risks Relating to the Issuer – Fluctuations in prices of biofuel and biofuel feedstock, as a result of macroeconomic, regulatory and other external factors, may pose uncertainty to the Group's business.***"

The Group incurs significant expenses to maintain and upgrade its operating equipment and facilities, and any disruption in the operation of its facilities may have a material adverse effect on the Group's business, results of operations and financial condition.

The machines and equipment which the Group use to process the renewable biofuel feedstock and refine biofuel are complex, have many parts and some operate on a continuous basis. The Group is required to perform routine maintenance on its machines and equipment and will need to periodically replace a variety of parts and components. In addition, the Group's facilities require periodic shutdowns to perform major maintenance and upgrades. Such scheduled shutdown of machines, equipment and facilities may result in decreased sales and increased costs in the period during which a shutdown occurs and could result in unexpected operational issues as a result of changes in equipment, operational and mechanical processes made during the shutdown. Any of the foregoing events may have a material adverse effect on the Group's business, results of operations and financial condition.

The disruption to the operation of any of the Group's collection, storage, processing or refinery facilities, could adversely affect the Group's business, results of operations and financial condition.

The Group's business and trading activities depend on, among other things, the continued operation at the Group's collection, storage, processing and refinery facilities and the relevant machinery in such facilities. Any disruption to the operation of any of the Group's facilities, whether due to natural or man-made disasters, outbreak of disease, global or localised health pandemic or epidemic or a similar public health threat, workforce disruptions, regulatory approval delays, fire or the failure of any machinery, would materially or adversely impact the Group's ability to meet customer's demands and its contractual obligations. Any such occurrence would adversely affect the Group's business, prospects, results of operations and financial conditions.

Occurrence of any acts of God, natural disasters, war and terrorist attacks may disrupt the operations of the Group.

Acts of God, such as natural disasters like earthquakes, flooding, war, terrorist attacks, humanitarian crisis and global pandemics are beyond the control of the Group. The Group's business, financial condition and results of operations may be adversely affected should such events occur. See also "***Risk Factors – Risks Relating to the Issuer – Social, economic and other risks in the global economy and markets where the Group operates may cause its business, results of operations and financial condition to be materially or adversely affected.***" and "***Risk Factors – Risks Relating to the Issuer – An outbreak of disease, global or localised health pandemic or epidemic or a similar public health threat, or fear of or response measures to such an event, could have a material adverse effect on the Group's, its suppliers' and customers' business, financial condition and results of operations.***"

There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the Group's business operations, including the operation of its collection, storage, processing and refinery facilities and delivery of its supplies and products, among other things, therefore affecting the Group's revenue. In addition, physical damage to the Group's properties and facilities resulting from fire, earthquakes, floods or other acts of God or acts of war, civil unrest, political disruption or instability, terrorist attacks or other hostilities in any part of the world, potential, threatened or otherwise, may directly or indirectly result in a significant disruption to the Group's operations. Any such occurrence may result in disruption or failure in the Group's ability to collect, process, store and/or refine the raw materials and to produce the biofuel feedstock or biodiesel (as the case may be) for sale which would in turn result in a loss of revenues and have a material adverse effect on the Group's business, results of operations and financial condition.

Social, economic and other risks in the global economy and markets where the Group operates may cause its business, results of operations and financial condition to be materially or adversely affected.

Through the geographic diversity of its operations, the Group is exposed to risks of political or other civil unrest, strikes, war and economic and other forms of instability, such as natural disasters, pandemics, epidemics, widespread transmission or communicable or infectious diseases, terrorist attacks and other events beyond its control that may adversely affect local economies, infrastructure and livelihoods. General economic conditions in the countries where the Group operates are influenced by, among other things, levels of inflation or deflation, investor and consumer sentiment, availability and cost of credit, liquidity of financial markets and changes in interest rates.

Unfavourable financial or economic environments, including the continued global financial uncertainties, have had and may continue to have an adverse impact on global financial markets. The global financial markets have suffered significant disruption and volatility since 2007, initially triggered by the collapse of the United States sub-prime mortgage sector. The ensuing contraction of liquidity, diminished credit availability, deteriorations in asset values, increase in bankruptcies, rising unemployment rates and declining consumer and business confidence have caused an overall slowdown in the global economy. The European debt crisis due to serious concerns over the abilities of certain European Union member countries to repay their debt since early 2010 has also led to further uncertainty for the global economy and financial markets.

The U.S. government is expected to hit its debt ceiling in June 2023. Protracted negotiations concerning the debt ceiling, the government's failure or expected failure to raise the ceiling, or the possibility of a government shutdown, including the risk of a U.S. credit rating downgrade or default, may introduce additional volatility in the U.S. economy. This may cause disruptions in the financial markets, impact interest rates, and result in other potential unforeseen consequences. In such an event, our liquidity, financial condition and results of operations may be materially and adversely affected.

Furthermore, the sustained tension between the United States and China over trade policies could undermine the stability of the global financial markets. The United States and China have been involved in disputes over trade barriers which have escalated into a trade war between the two countries. Both countries have implemented tariffs on certain imported products from the other, casting uncertainty over tariffs and barrier to entry for products on both sides. On 15 January 2020, the two governments entered into an initial phase one agreement to resolve the disputes. However, there are uncertainties as to when and whether the phase two negotiations will begin and whether the two governments will fulfil their respective obligations under the phase one agreement.

In addition, on 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. In December 2020, the United Kingdom, the European Union and the European Atomic Energy Community concluded the EU-UK Trade and Cooperation Agreement, which was rectified in April 2021 by the European Parliament and the Council of the EU. Given the lack of precedent, it is unclear how Brexit and the implementation of the EU-UK Trade and Cooperation Agreement would affect the fiscal, monetary and regulatory landscape within the United Kingdom, the European Union and globally. In 2022, the military conflict between Russia and Ukraine has caused volatility in financial markets globally, as well as a new landscape in relation to international sanctions and export-control measures. Moreover, there are ongoing concerns about European sovereign debt levels, fiscal policies and the consequences for economic growth and investor confidence in the Eurozone, political gridlock in the United States over government spending, debt levels and civil rights issues and the consequences for economic growth and investor confidence in the United States, and the uncertainty around the Federal Reserve's future monetary policies. More recently, the fall of several major financial institutions around the world has shaken the public's confidence in banks, causing volatility in the global bank stocks. All these factors would add to the uncertainties relating to the overall prospects for the global economies, which may have a material adverse impact to the Group's business, results of operations and financial condition.

In addition, there are also uncertainties in global economy due to factors such as the COVID-19 pandemic and geopolitical risks, including protectionist trade policies, supply chain disruptions and delay, increases in energy prices globally, increased inflation and political instability in the Middle East, Southeast Asia, People's Republic of China, Taiwan, Europe, United States and other regions. Any of the foregoing may cause or contribute to a broader global economic downturn, which could affect the global or regional demand for the Group's products, which could in turn, materially and adversely affect the Group's business, results of operations and financial condition.

The foregoing events and circumstances could result in disruption to the Group's, its customers' or suppliers' businesses. Such events could also cause the destruction of key equipment, machinery and infrastructure, including infrastructure located at or serving the Group's business activities, the infrastructure that supports the freight and logistics required by the Group's trading operations, as well as the Group's collection, storage, processing and refinery facilities.

These events could also result in the partial or complete closure of particular ports or significant sea passages, potentially resulting in higher costs, congestions of ports or sea passages, vessel delays or cancellations on some trade routes, affecting the delivery of the Group's products and its collection and transportation of raw materials. The occurrence of any of these events could adversely impact the Group's business, results of operations and financial condition.

Furthermore, the regulations to which the Group is subject differ from one jurisdiction to the other, as may the implementation or interpretation of seemingly similar regulations. Moreover, these regulations are often highly complex and are subject to changes in both substance and interpretation. In particular, areas such as taxes, export and import duties and quotas and environmental compliance are characterised by a high degree of complexity. Changes in investment policies or shifts in the prevailing political climate in any of the countries in which the Group operates, buys from or sells to, could result in the introduction of increased government regulations including, among other things, embargos in relation to price controls, import and export controls, levies, duties and tariffs, income, withholding and value added taxes, environmental legislation, foreign exchange and currency controls as well as land and water use. For instance, in 2022, the Indonesian government imposed strict levies in respect of the export of used cooking oil, which is expected to result in higher costs recorded by the Group. In the event any such increased government regulations result in disruptions to the Group's business, this may result in a material adverse effect on the Group's business, prospects, results of operations and financial condition. See "***Risk Factors – Risks Relating to the Issuer – The Group's business is subject to governmental regulations and laws of the jurisdictions it operates in.***", "***Risk Factors – Risks Relating to the Issuer – The Group is subject to various environmental, safety and health regulations and standards in the jurisdictions in which the Group operates, and any failure to comply with such regulations and standards may result in penalties, fines, governmental sanctions, proceedings or suspension or revocation of the Group's licences or permits.***" and "***Risk Factors – Risks Relating to the Issuer – The Group's international operations expose it to risks of imposition of international trade barriers including in jurisdictions in which it operates or seeks to operate, which could materially or adversely affect its business, financial condition, results of operations and prospects.***"

An outbreak of disease, global or localised health pandemic or epidemic or a similar public health threat, or fear of or response measures to such an event, could have a material adverse effect on the Group's, its suppliers' and customers' business, financial condition and results of operations.

The outbreak of infectious disease in Asia or elsewhere, or fear of an outbreak, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activities and thereby adversely impact the Group's business, financial condition and results of operations. Examples of such outbreaks include, for example, the outbreaks of severe acute respiratory syndrome in 2003, avian influenza (also known as bird flu) in 2004 and 2005, the H1N1 influenza in 2009, Ebola from 2014 to 2016 and COVID-19, which was recognised by the World Health Organisation ("**WHO**") as a pandemic in March 2020 and subsequently declared by WHO in May 2023 to no longer be a global public health emergency.

An outbreak of disease, global or localised health pandemic or epidemic or a similar public health threat, including the resurgence or possibility of any outbreaks or public health emergency in respect of existing diseases (such as, among others, H1N1 influenza, Ebola and COVID-19), may disrupt the markets which the Group operates in and impact the Group, its customers and suppliers in an adverse manner and may result in, among other things:

- the Group's inability to source and collect renewable biofuel feedstock from its network of collectors and palm plantations as a result of disruptions in the business continuity of the Group's collectors and palm plantations due to, among other things, travel or government restrictions or illness in connection with the outbreak of disease or public health threat;

- the Group's collection and processing facilities and refineries being shut down due to government restrictions or illness in connection with the outbreak of disease or public health threat;

- the Group's workforce being unable to work because of travel or government restrictions, including stay at home orders, which could result in a slowdown of the Group's business and operations;

- delays in orders or delivery of orders, which may materially or adversely impact the Group's exports and consequently the Group's cash conversion cycle and ability to convert its backlog into cash;

- the Group's inability to collect full or partial payments from customers due to deterioration in customer liquidity which would negatively impact the Group's profitability and cash flows;

- the Group's customers and suppliers declared bankruptcy or become subject to dissolution or liquidation proceedings which may in turn negatively impact the Group's profitability and cashflow as well as adversely affect the collection and supply of renewable biofuel feedstock; and

- volatility in the price of and demand for biofuel feedstock and biofuel. For instance, restrictions on transport of goods and travel during a pandemic are likely to reduce the demand for biofuel feedstock and biofuel.

In particular, the restrictions on global travel as a result of COVID-19 from 2020 to early 2022 resulted in a decrease in demand for biofuels, and had a negative impact on the Company's revenue. Nonetheless, following the easing of global travel restrictions in early 2022, the Group experienced a sudden increase in demand for biofuels, which required the Group to respond quickly by enhancing its operations, compete for supply of materials, and increase production in a compressed period of time. There is no guarantee that there will not be any resurgence of the spread of COVID-19 or outbreak of any new variants of the COVID-19, which may have a material adverse impact on the Group's business, financial condition and results of operations.

The occurrence of any such events may have a material adverse effect on the Group, its customers' and suppliers' business, financial condition and results of operations.

Restrictions imposed on the Group's financing agreements and other outstanding indebtedness may limit its ability to operate its business and to finance its future operations or capital needs.

As of 31 March 2023, the Group's outstanding borrowings was S$41,553,041. Risks associated with the Group's indebtedness include the following:

- a portion of the Group's cash flows may be used towards repayment of its existing debt, which will reduce the availability of its cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements;

- the Group's ability to obtain additional financing in the future at similar and/or reasonable terms, or at all, may be restricted; and

- fluctuations in market interest rates may affect the cost of the Group's borrowings as some of its indebtedness is at variable interest rates.

See "***Risk Factors – Risks Relating to the Group – The Group relies on borrowings from financial institutions and funding from counterparties for its working capital and inability to obtain further borrowings or fundings may have a material adverse effect on the Group. The Group is also subject to risks associated with interest rate fluctuations.***"

The Group's existing credit and borrowing agreements contain a number of covenants that limit the Group's ability to, among other things, transfer or dispose of assets, pay dividends or make distributions, incur additional indebtedness, create liens, make investments, loans and acquisitions, engage in transactions with affiliates, merge or consolidate with other companies or sell substantially all of its assets. The Group's financing agreements also stipulate, among other things, financial covenants required to be maintained by the Group during the duration of the facilities. In addition, complying with these covenants may make it more difficult for the Group to successfully execute its business strategy and compete against companies who are not subject to such restrictions. Additionally, the Group's obligations to repay principal and interest on its indebtedness make it vulnerable to economic or market downturns. If the Group is unable to comply with its payment obligations, the Group's lenders may accelerate the Group's payment obligations under the respective financing agreements and foreclose upon the collateral, or the Group may be forced to sell its assets, restructure its indebtedness or seek additional equity capital.

Any failure by the Group to service its indebtedness, perform any condition or covenant or comply with the financial covenants may lead to a termination of one or more of its financing facilities and arrangements, default or acceleration of amounts due under such financing facilities and arrangements, as well as cross defaults under other financing agreements. The occurrence of any such events may materially or adversely affect the Group's ability to conduct its business and have a material adverse effect on the Group's financial condition and results of operations.

The Group's failure to adapt to technological developments or industry trends could affect the performance and features of the Group's products.

As the Group's operations grow in scope and size, the Group seeks to continuously improve, upgrade, adapt and expand its systems, equipment, plant and machineries to offer customers biofuel feedstocks and biodiesel that are of higher quality and specifications and functionality ahead of rapidly evolving customer demands, while maintaining the reliability and integrity of the Group's systems, equipment, plant and machineries in a cost-efficient and competitive manner. The systems, equipment, plant, machineries and technologies currently employed by the Group may become obsolete or be unable to support the Group's increased size and scale or new product offerings.

Even if the Group was able to maintain, upgrade or replace its existing systems, equipment, plant, machinery and technologies or innovate or customise or develop new technologies and systems in its operations, the Group might not be as quick or efficient as its competitors in upgrading or replacing the Group's systems, equipment, plant, machinery and technologies at its collection, storage, processing and/or refinery facilities. In addition, the Group may also be unable to devote adequate financial resources or obtain sufficient financing on commercially acceptable terms in time, or at all, to invest in its systems, equipment, plant, machinery and technologies, which may have a material adverse effect on the Group's business, results of operation and financial condition.

The Group's top ten customers contribute to the majority of the Group's revenues from operations. Any loss of business from one or more of them may adversely affect the Group's revenues and profitability.

The Group's top ten customers have contributed approximately 70% and 90% of its revenue from operations for the financial years ended 31 December 2020 and 31 December 2021, respectively. Given that the Group's revenues from operations is concentrated among the few significant customers, the Group could experience a reduction in the Group's results of operations, cash flows and liquidity if the Group loses one or more of its key customers or the business the Group receives from them is reduced for any reason.

In addition, there is no assurance that the key customers which contribute to the majority of the Group's revenue will pay all the amounts due to the Group in a timely manner, or at all. In the event any of the key customers fail to fulfil their respective payment obligations, the Group's business, financial condition and results of operations would be adversely affected. There can be no assurance that the Group will continue to retain such customers in the future. In addition, the Group cannot assure that it will generate the same quantum of business, or any business at all, from these customers, and any loss of business from one or more of the Group's key customers may adversely affect the Group's business, financial conditions and results of operations.

Corporate acquisitions and divestments expose the Group to a number of associated risks.

In order to implement its strategy, the Group may from time to time acquire or divest businesses or other assets. For example, in 2017, the Group acquired a major stake in Tanghe Jinhai Biological Technology Co., Ltd. which owns a biodiesel refinery in the People's Republic of China. Through such acquisition, the Group expanded its capability to include the refining of biodiesel as well as a new product offering. Carrying out corporate mergers, acquisitions and divestments involves risks relating to the successful implementation of a divestment and the ability to integrate and manage acquired businesses, systems, culture and personnel successfully. In addition, the cost of an acquisition may prove high and/or anticipated economies of scale or synergies may not materialise. Hidden liabilities of acquired company (e.g., competition law liabilities) may also constitute significant risk in relation to potential acquisitions. The Group may not be able to identify suitable acquisition or merger opportunities or ensure the strategic fit, right valuation and effective integration of acquisitions despite its acquisition preparations and stakeholder engagement, which could have a material adverse effect on the Group's business, financial condition or results of operations. Regulation of merger or acquisition activity by competition authorities may also limit the Group's ability to make future acquisitions or mergers.

The Group may also divest operations or assets to focus on strategic areas. Any future divestments may be affected by many factors that are beyond the Group's control, such as the availability of financing to potential buyers, interest rates and acquirers' capacity, and divestments may also expose the Group to indemnity claims. Furthermore, divestments may involve additional cost due to historical and unaccounted liabilities. There can be no assurance that the Group will be able to divest assets in a profitable way, or that such divestments will be possible on acceptable terms, or at all. The profitability of corporate acquisitions and divestments may differ from the Group's expectations, which could have a material adverse effect on the Group's business, financial condition or results of operations.

The Group is subject to various environmental, safety and health regulations and standards in the jurisdictions in which the Group operates, and any failure to comply with such regulations and standards may result in penalties, fines, governmental sanctions, proceedings or suspension or revocation of the Group's licences or permits.

The Group is required to comply with a variety of environmental, safety and health regulations in the jurisdictions which the Group operates. Failure to comply with any such present or future regulations may result in criminal penalties, sanctions, fines or suspension or revocation of the Group's licences or permits to conduct its business in the relevant jurisdictions, which could in turn, materially or adversely affect the Group's reputation, business, financial condition and results of operations. While the Group has implemented compliance and monitoring systems within the Group, there is no assurance that the Group will be able to comply with all applicable requirements or obtain these approvals and permits on a timely basis or at all. As at the date of this Offering Circular, the Group has not received any notice regarding non-compliance with the applicable safety regulations or requirements from any governmental authorities which would, individually or in the aggregate, have a material adverse effect on the Group's business, results of operations or financial condition.

In addition, the relevant environmental, safety and health laws and regulations are constantly evolving. There can be no assurance that the governments of the jurisdictions which the Group operates in will not impose additional or stricter laws or regulations, which may increase the Group's compliance costs, cause delays in the delivery of its products to customers or require modifications to the Group's processes or facilities. See also "***Risk Factors – Risks Relating to the Issuer – The Group's failure to obtain, renew or maintain the statutory and regulatory permits, licences and approvals required to operate its business will have a material adverse effect on its business.***"

Furthermore, the Group is required to comply with certain environmental standards in respect of its products. In this regard, the Group has obtained the International Sustainability & Carbon Certification in respect of its UCO and needs to meet the requirement and standards required by the International Sustainability and Carbon Certification system in order to maintain its certification. Although the Group has implemented compliance and monitoring systems, there can be no assurance that the criteria for the aforementioned certification will be met in future. In the event the Group is unable to renew its certification, the Group's business, results of operation and financial condition may be materially or adversely affected.

Labour shortage, disruptions or increase in labour costs as well as the implementation of more protective employment-related regulations in the jurisdictions in which the Group operate may materially or adversely affect the Group's businesses, results of operations and financial condition.

Any labour shortages, labour disputes or increase in labour costs could materially and adversely affect the Group's business, results of operations and financial conditions. Industrial action or other labour unrest could directly or indirectly delay the Group's business and operations or result in stoppage of work. These events are beyond the Group's foreseeability or control.

In addition, there can be no assurance that more protective employment regulations or laws would not be implemented in future. In such event, the Group's labour costs and any costs to comply with changes in labour laws may increase and this may result in a material adverse effect on the Group's business, results of operation and financial condition.

If the Group is not successful in managing its growth, the Group's business may be disrupted and profitability may be reduced.

As part of its growth strategy, the Group intends to further penetrate existing markets and expand into new markets, improve its assets to enhance collection and production capabilities and diversify its product offerings. See "***The Issuer – The Group's strategies***". The future growth of the Group may place significant demands on its management and operations and require the Group to continuously evolve and improve its financial, administrative, operational and other internal controls. In particular, the Group may face the following risks and challenges as it continues to scale including, among other things:

- maintaining high standard of quality control, cost effective processes, and customer satisfaction;
- employing, training and retaining sufficient skilled management, accounting, internal audit and technical personnel for the Group's operational process;
- enhancing the Group's internal administrative systems, including its financial, operational, communications, internal control and other internal systems and to ensure compliance with legal and contractual obligations;
- managing and growing relationships with customers, suppliers, investors and lenders; and
- ensuring effective operational processes and adequate financing are in place, and commensurate with the Group's business as it expands.

If the Group is not successful in managing the Group's growth and overcoming the challenges set out above, the Group's business may be disrupted and its business, results of operations and financial conditions may be adversely affected.

The Group's success is dependent on its key management personnel.

The Group's continued success depends on the abilities and experience of its key management personnel who are responsible for formulating and implementing the Group's growth, development and overall business strategies. In particular, the Group relies on the expertise, experience, leadership and contributions of its co-founders, Mr. Chen Ruhuang and Mr. Ng Sheng Ce, whose expertise is instrumental in driving the Group's business and growth. See "***The Issuer – Management***". There is no assurance that the Group will be able to recruit and retain suitable replacements should they leave, as skilled personnel with appropriate experience in the industry are limited and competition for the employment of such personnel is intense. Consequently, the loss of the service of any of the Group's key management personnel without timely replacement, or the inability to attract and retain such qualified personnel, will have a material and adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to potential liability arising from damages, injury or death due to accidents.

Due to the nature of its operations in processing and handling combustible substances such as biofuel feedstocks and biodiesel, the Group is subject to the risks of its employees or third parties being involved with accidents. These accidents may occur as a result of fire, explosions or other incidents, which may result in damage to property and loss of lives, and the Group may be exposed to claims from third parties. Accidents and disruptions to the Group's business operations will have a material adverse impact on its corporate image and financial performance. In the event that there are any losses or damages which are not covered by the Group's insurance policies or workmen's compensation, or if claims arising from such accidents which are in excess of its insurance coverage are made against it, and/or any of its insurance claims are contested by the insurance companies, such losses would have to be borne by the Group. This may have a material adverse effect on the Group's business, financial conditions and results of operations.

The Group's insurance coverage may not be sufficient or adequate to protect itself against all operating risks, which may adversely affect its business, financial condition, results of operations and cash flows.

The Group's operations are subject to a various risks including, malfunctions and failure in equipment, plant and machinery, fire, riots, strikes, explosions, loss-in-transit for products, accidents and natural disasters. The Group has in place insurance policies and coverage which are in line with customary practice Such insurance coverage includes, among others, public liability for storage points, office, directors and officers, work injury compensation, property all risks, machinery damage, vehicle, general liability, fire, accident, earthquake, cargo risks and employee health. There is no assurance that any claim under the insurance policies maintained by the Group will be honoured fully, in part or on time, or that the Group has taken out sufficient coverage to cover all its losses. The insurance policies cannot account for every potential risk associated with the Group's operations. Further, adequate coverage at reasonable rates is not always commercially available to cover all potential risks and no assurance can be given that, where available, such coverage would be sufficient to cover all loss and liability to which the Group may be exposed. To the extent that the Group suffers any loss or damage as a result of events for which it is uninsured, or for which it did not obtain or maintain insurance, or which is not covered by insurance at all, or which exceeds its insurance coverage or where the Group's insurance claims are rejected, the loss would have to be borne by the Group and such losses may adversely affect the Group's business, financial condition, results of operations and cash flows. See "***The Issuer – Insurance***".

The Group is exposed to litigation risk.

The Group conducts its operations in a wide variety of jurisdictions in Asia, and may potentially face litigation in any of them, including governmental or regulatory investigations or class actions. Damages or penalties claimed under any litigation are difficult to estimate, and may be for a material sum. The legal system in certain of these jurisdictions may be less developed than in others and the legal process may be more uncertain or subject to extensive delay. While the Group will assess the merits of each lawsuit and defend itself accordingly, it may be required to incur significant expenses or devote significant resources to defending itself against such litigation and the conduct of such defence may be a distraction for senior management from the running of the business. In addition, adverse publicity surrounding such claims may have a material adverse effect on the Group's business, prospects, financial condition and results of operations. The outcome of such litigation, if adversely determined against the Group, may materially impact the Group's business, results of operations or financial condition.

The Group is exposed to risks related to its hedging activity.

To reduce financial exposure related to commodity price fluctuations, the Group undertakes certain hedging activities from time to time. The Group may not, and in certain instances, may not be able to hedge the entire exposure to market price volatility or its contract positions and assets, and its hedging strategies may vary over time. For example, it is not possible to hedge risks relating to UCO with a hedge ratio of 100%, given that UCO is a relatively new bioenergy product. To the extent that the Group has any unhedged positions, or if the Group's hedging strategies are not as effective as anticipated, fluctuating commodity prices may result in a material adverse effect on the Group's business, financial condition and results of operations. In addition, when the Group hedges its purchase and sale commitments, the Group is subject to the risk that the counterparty to the hedge may be unable to fulfil its obligations. Such failure by counterparties in fulfilling their obligations could have a material adverse effect on the Group's business, financial condition, and results of operations.

In addition, unanticipated changes in market prices for bioenergy-related commodities could result from multiple factors, including weather conditions, seasonality, changes in supply and demand, transmission or transportation constraints or inefficiencies, availability of competitively priced alternative energy sources and commodity production levels, natural disasters, wars, embargoes or other catastrophic events, energy and environmental regulation and legislations, and expropriation of assets by government authorities. In the event any unanticipated change in the market prices for bioenergy-related commodities occurs, the Group's hedging position may be adversely affected, thereby causing a material adverse effect to the Group's business, financial condition and results of operations.

The Group's operations are conducted in many countries and, consequently, volatility in the value of United States dollar against relevant foreign currencies could adversely affect the Group's business.

While the Group reports its financial results in United States dollar the Group operates in many countries and generate sales and incur costs in a variety of currencies including Euro, United States Dollar, Indonesian Rupiah, China Yuan, Japanese Yen, Malaysia Ringgit, Philippines Pesos, Thai Baht, Vietnamese Dong, United Arab Emirates Dollar, Sterling Pound and Swiss Franc. The exchange rates of different currencies are subject to fluctuations affected by international political and economic conditions and changes in the relevant government's economic and monetary policies as well as supply and demand across the jurisdictions in which the Group operates. To the extent that the Group's revenues and expenses are not naturally hedged in the same currency and that there are timing differences between invoicing and collection or payment, the Group may be exposed to foreign exchange gain or loss arising from fluctuations of the exchange rates with respect to the relevant currencies. Fluctuations in the exchange rates between the foreign currencies in which the Group operates and the United States dollar may have a negative impact on the Group's reported financial results.

The Group is exposed to foreign exchange controls risks.

The Group is exposed to risks associated with foreign exchange controls, given that it operates in and trades across various jurisdictions. In the event the government of any jurisdiction tightens or otherwise adversely changes the foreign exchange rules or policies, the Group's operations would be affected as its ability to convert the relevant currencies when the Group is required to make payments or the ability of its subsidiaries to repatriate dividends and profits may be impeded. As a result, the Group's cash flows and correspondingly the results of operations and financial condition of the Group may be materially or adversely affected.

The Group may face reputational risks.

The Group's business, operations or financial condition may be negatively impacted because of any negative public opinion towards the Group or as a result of any negative sentiment toward, or in respect of, the Group's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which the Group operates as well as their opposition to certain projects.

Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licences and increased costs and/or cost overruns. The Group's reputation and public opinion could also be impacted by the actions and activities of other companies operating in the bioenergy industry, particularly other collectors, producers, processors or refineries, over which the Group has no control. In particular, the Group's reputation could be impacted by negative publicity related to environmental damage, loss of life, injury or damage to property caused by the Group's operations or due to opposition from special interest groups opposed to the Group's business and activities. In addition, if the Group develops a reputation of having an unsafe work site, it may impact the ability of the Group to attract and retain the necessary skilled employees and consultants to operate its business.

Damage to the Group's reputation could result in negative investor sentiment towards the Group, which may result in limiting the Group's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Group's securities.

The Group's historical financial information may not be indicative of its actual current and future financial performance.

The Group's historical financial information included in this Offering Circular is not indicative of its future financial results. Such financial information is not intended to represent or predict the results of operations of any future periods. The Group's future results of operations may change materially if its future growth does not follow the historical trends for various reason, including factors beyond its control, such as changes in economic environment, rules and regulations, local and international competitive landscapes of the industries in which the Group operates its business, among others.

Investors should not place undue reliance on financial information which is not audited or reviewed.

This Offering Circular contains the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2020 and the year ended 31 December 2021, being the latest available audited financial statements of the Group. As at the date of this Offering Circular, the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2022 is being prepared and not available.

The 2022 Financial Information and the First Quarter 2023 Financial Information disclosed elsewhere in this Offering Circular is derived from the Group's management accounts. See "***The Issuer – Recent Developments***". The Group's management accounts have not been audited or reviewed by independent auditors. As such, any such financial information including the 2022 Financial Information and the First Quarter 2023 Financial Information should not be referred to or relied on by potential investors to provide the same quality of information associated with any audited or reviewed information and the 2022 Financial Information and First Quarter 2023 Financial Information may not be indicative of the Group's actual financial condition or results of operations for any period (including the financial year ended 31 December 2022 and financial year ending 31 December 2023). Investors should exercise caution when using such data to evaluate the Group's financial condition and results of operations. Such financial information may be adjusted or restated to address subsequent changes in accordance with accounting standards, the Issuer's accounting policies and/or applicable laws and regulations affecting the Group's financial reporting or to reflect subsequent comments given by the independent auditors during the course of their audit or review. Such adjustments or restatements may cause discrepancies between the information with respect to a particular period or date contained in the Group's management accounts and its audited or reviewed financial statements. There can be no assurance that, had an audit or a review been conducted in respect of such financial information, the information presented therein would not have been materially different.

This Offering Circular contains certain statistical and industry information.

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained or derived from both public and private sources, including market research, publicly available information and industry publications. Such industry publications generally state that the information they contain has been obtained from sources believed to be reliable. However, there is no assurance that such information is accurate or complete. Similarly, internal surveys, industry forecasts and market research have not been independently verified by the Issuer and may not be accurate, complete, up-to-date, balanced or consistent. Investors should not unduly rely on such market data, industry forecasts and industry statistics.

RISKS RELATING TO THE BONDS

Unless otherwise defined herein, terms capitalised in this section "***Risks Relating to the Bonds***" shall have the same meanings given to them in the section entitled "***Terms and Conditions of the Bonds***". All references to a "**Condition**" are to a condition under the Bonds and all references to a "**Clause**" are to a clause in the Trust Deed.

The Bonds may not meet investor expectations or requirement.

It is the Issuer's intention to apply an amount equal to the proceeds of the Bonds for projects that promote environmental, social and governance goals and in accordance with the Issuer's Green Finance Framework as defined under "***Use of Proceeds***" below. A prospective investor should have regard to the information set out in the section "***Use of Proceeds***" and "***Description of the Green Finance Framework***" and determine for itself the relevance of such information for the purpose of an investment in the Bonds together with any other investigation it deems necessary.

No assurance is given by that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Green Finance Framework.

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called "**EU Taxonomy**") or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA). Each prospective investor should have regard to the factors described in the Green Finance Framework the relevant information contained in this Offering Circular and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Bonds before deciding to invest. The Issuer's Green Finance Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Circular.

While it is the intention of the Issuer to allocate an amount equal to the proceeds of the Bonds for Eligible Projects and to report on the use of proceeds or Eligible Projects as described in "***Use of Proceeds***" below, there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in the manner and timeframe anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of a failure by the Issuer to allocate the proceeds of the Bonds or to report on the use of proceeds or Eligible Projects as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with the Bonds or the failure of the Bonds to meet investors' expectations requirements regarding any "green", "sustainable", "social" or similar labels will constitute an Event of Default or breach of contract with respect to the Bonds.

The proceeds of the issue of the Bonds which, from time to time, are not allocated as funding for Eligible Projects are intended by the Issuer to be held or applied in the following manner, pending allocation: (i) held in cash or cash or cash equivalent instruments with a treasury function, (ii) held in investment instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy; or (iii) applied to reduce the indebtedness of a short-term or revolving nature before being redrawn for notional allocation to eligible assets.

The Issuer does not undertake to ensure that there are at any time sufficient Eligible Projects to allow for allocation of a sum equal to the proceeds of the issue of the Bonds in full.

No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to the Bonds.

Morningstar Sustainalytics has issued an independent opinion, dated 12 May 2023, on the Issuer's Green Finance Framework (the "**Second Party Opinion**"). The Second Party Opinion provides an opinion on certain environmental and related considerations and is a statement of opinion, not a statement of fact. No representation or assurance is given as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with the issue of the Bonds. The Second Party Opinion and any other such opinion or certification is not intended to address any credit, market or other aspects of any investment in the Bonds, including without limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Bonds. The Second Party Opinion and any other opinion or certification is not a recommendation to buy, sell or hold the Bonds and is current only as of the date it was issued.

The criteria and/or considerations that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. The Second Party Opinion and any other such opinion or certification does not form part of, nor is incorporated by reference, in this Offering Circular. In no event the Second Party Opinion nor any portion thereof shall be construed as part of the offering, nor shall be considered as an offer or advertisement to buy a security, solicitation of votes or proxies, investment advice, expert opinion or negative assurance letter as defined by the applicable legislation.

If any of the risks outlined in this risk factor materialise this may have a material adverse effect on the value of the Bonds and/or may have consequences for certain investors with portfolio mandates to invest in assets with sustainability characteristics (which consequences may include the need to sell the Bonds as a result of the Bonds not falling within the investor's investment criteria or mandate).

The Bonds are not linked to the performance of the Eligible Projects, do not benefit from any arrangements to enhance the performance of the Bonds or any contractual rights derived solely from the intended use of proceeds of the Bonds.

The performance of the Bonds is not linked to the performance of the relevant Eligible Projects or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Bonds and the Eligible Projects. Consequently, neither payments of principal and/or interest on the Bonds nor any rights of Bondholders shall depend on the performance of the relevant Eligible Projects or the performance of the Issuer in respect of any such environmental or similar targets. Holders of the Bonds shall have no preferential rights or priority against the assets of any Eligible Project nor benefit from any arrangements to enhance the performance of the Bonds.

The proceeds from the offering of the Bonds will be initially deposited into a bank account, and will be released subject to certain restrictions as agreed with CGIF.

On the Issue Date, the proceeds of the offering of the Bonds will be deposited into a bank account which is maintained by the Issuer. Such proceeds will be released subject to certain restrictions as agreed with CGIF.

There is no assurance that the proceeds in such bank account will be released and there is no assurance that such proceeds will be applied towards the Eligible Projects as set out in "*Use of Proceeds*". This may, in turn, have an effect on the value of the green bonds and/or the continued qualification of the bonds as 'green bonds'. Any such effect on the value of the green bonds or loss of qualification as 'green bonds' may result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a specified purpose only. For the avoidance of doubt, the proceeds of the offering of the Bonds, if and when unconditionally released from such bank account, will only be applied towards the Eligible Projects set out in "***Use of Proceeds***" and not for any other purposes.

The Bonds may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of the Bonds in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;

- understand thoroughly the terms of the Bonds; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Bonds are legal investments for it; (ii) the Bonds can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

The Bonds are subject to transfer restrictions.

The Bonds and the CGIF Guarantee will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States. They may only be sold outside the United States in reliance on Regulation S, or, if available, pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and, in each case, in accordance with applicable state securities laws. In addition, subject to the conditions set forth in the Trust Deed, a Bond may be transferred only if the principal amount of Bonds transferred and, where not all of the Bonds held by a Bondholder are being transferred, the principal amount of the balance of Bonds not transferred is at least S$250,000. For a further discussion of the transfer restrictions applicable to the Bonds, see the sections entitled "***Terms and Conditions of the Bonds***" and "***Subscription and Sale***".

There is no existing trading market for the Bonds and, therefore, the Bonds offer limited liquidity.

The Bonds constitute a new issue of securities which may not be widely distributed and for which there is currently no existing market.

No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Bonds. If an active trading market for the Bonds does not develop or is not maintained, the market price and liquidity of the Bonds may be adversely affected. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the price at which the Bonds are issued depending on many factors, including:

- prevailing interest rates;
- the Issuer's results of operations and financial condition;
- the market conditions for similar securities; and
- the financial condition and stability of financial and other sectors.

In addition, there may be a limited number of buyers when investors decide to sell their Bonds. This may affect the prices, if any, offered for the Bonds or investors' ability to sell their Bonds when desired or at all.

The liquidity and price of the Bonds following the offering may be volatile.

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the Issuer's turnover, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, changes in government regulations and changes in general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. There can be no assurance that these developments will not occur in the future.

Bondholders are bound by decisions of defined majorities in respect of any modification and waivers.

The Trust Deed contains provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of Bondholders may be adverse to the interests of the individual Bondholders.

Also, Condition 14 (*Meetings of Bondholders – Modification and Waiver*) provides that the Trustee may, with the consent of CGIF but without the consent of the Bondholders, agree (but shall not be obliged to agree) (i) to any modification of the Conditions, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) if such modification will not be materially prejudicial to the interests of Bondholders; and (ii) to any modification of the Bonds, the Conditions, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error or which is necessary to comply with mandatory provisions of law.

In addition, the Trustee may, with the consent of CGIF but without the consent of the Bondholders, authorise or waive any proposed breach or breach of the Bonds, the Conditions, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if the interests of the Bondholders will not be materially prejudiced thereby, provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 10 (*Events of Default*).

The Trustee's ability to accelerate the Bonds is limited pursuant to the terms of the Trust Deed.

Under the terms of the Trust Deed, the Trustee has agreed with CGIF that it shall not take any step to declare any Bond to be or become immediately due and payable except in limited circumstances.

Unless the prior written consent of CGIF is obtained, these circumstances are strictly limited to the failure by CGIF to make payment of a Guaranteed Amount in accordance with the CGIF Guarantee such that a Non-Payment Event has occurred and is continuing (a "**Guaranteed Party Acceleration**").

In particular, potential investors should be aware that the Trustee is not permitted under the Conditions to take any step to declare any Bond to be or become immediately due and payable while an Event of Default is continuing, unless a Guaranteed Party Acceleration has occurred or with the prior written consent of CGIF.

In certain circumstances, including, without limitation, the giving of a Guaranteed Party Acceleration Notice to the Guarantor pursuant to Clause 3.3 (*Acceleration*) of the Trust Deed and taking enforcement steps pursuant to Condition 15 (*Enforcement*), the Trustee may at any time, at its discretion and without notice, request holders of the Bonds to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of holders of the Bonds. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or the Conditions or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Bonds to take such actions directly.

Credit ratings may not reflect all risks and the ratings assigned to the Bonds may be lowered or withdrawn in the future.

Credit ratings may not reflect all risks and any downgrade in ratings may affect the market price of the Bonds.

The Bonds are expected to be rated AA by S&P. The ratings address the Issuer's and the Guarantor's ability to perform their obligations under the Bonds and credit risks in determining the likelihood that payments will be made when due under the Bonds. A rating is not a recommendation to buy, sell or hold the Bonds and may be subject to revision, suspension or withdrawal at any time. Further, the ratings may not reflect the potential impact of all risks that may affect the value of the Bonds including those relating to the structure of the Bonds or the CGIF Guarantee, market conditions and the factors discussed in this section. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgement circumstances in the future so warrant. None of the Issuer and the Guarantor has any obligation to inform holders of the Bonds of any such revision, downgrade or withdrawal. A suspension, downgrade or withdrawal at any time of the rating assigned to the Bonds may adversely affect the market price of the Bonds.

The Bonds will initially be held in book-entry form, and therefore Bondholders must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Bonds will initially only be issued in registered form and held through CDP. Interests in the Global Certificate representing the Bonds will trade in book-entry form only, and Bonds in definitive registered form will be issued in exchange for book-entry interests only in very limited circumstances.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by CDP or its participants to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Certificate will not have a direct right under the Global Certificate to take enforcement action against the Issuer if an Event of Default under the Bonds has occurred and is continuing but will have to rely upon their rights under the Deed of Covenant.

The Issuer may be unable to redeem the Bonds.

On certain dates, including at maturity of the Bonds, if the Issuer has or will become obliged to pay certain taxes or in the event of a CGIF Acceleration, the Issuer may, and at maturity, will be required to redeem all of the Bonds. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The Issuer's ability to redeem the Bonds in such event may also be dependent on the receipt of the relevant Guaranteed Amounts (as defined herein) from the Guarantor. Failure by the Issuer to pay any amount of principal in respect of the Bonds on the scheduled redemption at maturity or on an early redemption, would constitute an Event of Default.

Enforceability of Arbitral Awards.

The Trust Deed (save for Clause 34.2 of the Trust Deed), the Agency Agreement (save for Clause 23.2 of the Agency Agreement), the CGIF Guarantee (other than Clause 17 of the Guarantee) and the Bonds (save for Condition 18(b) of the Terms and Conditions of the Bonds) are governed by English law whilst Condition 18(b) of the Terms and Conditions of the Bonds), Clause 34.2 of the Trust Deed, Clause 23.2 of the Agency Agreement, Clause 17 of the Guarantee and any non-contractual obligations arising out of or in connection with is governed by Singapore law and the parties have agreed that disputes arising under the Bonds and the CGIF Guarantee are subject to arbitration in Singapore under the SIAC Arbitration Rules.

CGIF is established by the Association of Southeast Asian Nations members, China, Japan, Korea (the "**CGIF Member Countries**") and the Asian Development Bank as a key component of the Asian Bond Markets Initiative. A substantial part of CGIF's assets is located outside of Singapore. Therefore, even though the Trustee may obtain an arbitral award in Singapore against CGIF in arbitration proceedings (an "**Award**") and the Award may be enforced in Singapore in the same manner as a judgement or order to the same effect, CGIF may not have sufficient assets in Singapore to satisfy the Award.

In this regard, pursuant to Article 2.2 of CGIF's Articles of Agreement, CGIF may only undertake its functions within the CGIF Member Countries and all CGIF Member Countries are parties to the New York Convention. Accordingly, any arbitration award obtained in a state which is party to the New York Convention should be recognised and enforceable in all CGIF Member Countries provided the conditions for enforcement set out in the New York Convention are met and certain conditions and requirements under the applicable laws of the relevant jurisdictions relating to such enforcement are complied with.

Enforcing Bondholders' rights under the CGIF Guarantee across multiple jurisdictions may be difficult.

The Bonds will be issued by the Issuer, which is incorporated under the laws of Singapore law, and guaranteed by the CGIF, which is a trust fund established under public international law. The CGIF Guarantee (other than Clause 17 of the Guarantee) is governed by English law and Clause 17 of the Guarantee is governed by Singapore law. In the event of a bankruptcy, insolvency or similar event, different proceedings could be initiated in Singapore and elsewhere. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of the rights of Bondholders.

Bondholders' rights under the CGIF Guarantee will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that Bondholders will be able to effectively enforce their rights in such complex multiple bankruptcy, insolvency or similar proceedings.

Furthermore, the bankruptcy, insolvency, administrative and other laws of Singapore may be materially different from, or be in conflict with, each other and those with which Bondholders may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether the laws of any particular jurisdiction should apply, adversely affect Bondholders, and their ability to enforce their rights under the CGIF Guarantee in the relevant jurisdiction or limit any amounts that Bondholders may receive.

Investment in the Bonds may subject Bondholders to foreign exchange risks.

The Bonds are denominated in, and principal and interest on the Bonds are payable in, Singapore Dollars. If investment returns are measured by reference to a currency other than Singapore Dollars, an investment in the Bonds will entail foreign exchange-related risks, including possible significant changes in the value of the Singapore Dollar relative to the currency by reference to which such returns are measured, due to, among other things, economic, political and other factors over which the Issuer has no control. Depreciation of the Singapore Dollar against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to potential investors when the return on the Bonds is translated into the currency by reference to which such investment returns are measured. In addition, there may be tax consequences for potential investors as a result of any foreign exchange gains resulting from any investment in the Bonds.

There may be interest rate risks on an investment in the Bonds.

Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Changes in market interest rates may adversely affect the value of the Bonds.

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Singapore Taxation Risk.

The Bonds are intended to be "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore (the "**Income Tax Act**"), subject to the fulfilment of certain conditions more particularly described in the section entitled "***Taxation – Singapore Taxation***". However, there is no assurance that the Bonds will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

Performance of contractual obligations.

The ability of the Issuer to make payments in respect of the Bonds may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Trustee, the Paying Agent and/or the Registrar of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Bonds, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Bondholders.

The Issuer will follow the applicable disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to companies in certain other countries.

The Issuer is subject to the continuing listing obligations in respect of the Bonds to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST for such continuing listing obligations may be different than those imposed by securities exchanges in other countries or regions such as the U.S. or the United Kingdom. As a result, the level of information that is available may not correspond to what investors in the Bonds are accustomed.

RISKS RELATING TO THE GUARANTOR AND THE CGIF GUARANTEE

Other than the Guaranteed Amount (as defined below), not all amounts due in respect of the Bonds are guaranteed by CGIF.

Pursuant to the terms of the CGIF Guarantee, CGIF shall unconditionally and irrevocably guarantee to the Trustee, on behalf of the Bondholders, the full and punctual payment of each Guaranteed Amount. For the purposes of the CGIF Guarantee, "**Guaranteed Amount**" means:

- any Principal Amount (as defined in the CGIF Guarantee) and any Scheduled Interest (as defined in the CGIF Guarantee) which is overdue and unpaid (whether in whole or in part) by the Issuer under the Terms and Conditions of the Bonds and the Trust Deed;

- any Additional Accrued Interest (as defined in the CGIF Guarantee); and

- any Trustee Expenses (as defined in the CGIF Guarantee).

A Guaranteed Amount does not include any increased costs, tax-related indemnity (but for the avoidance of doubt includes any additional amounts required to be paid to the Bondholders due to a tax deduction and the operation of Condition 9 (*Taxation*), provided that the Guaranteed Amount will only include the original amount which would have been due from the Issuer if no tax deduction were required), default interest, fees or any other amounts other than any Principal Amount, any Scheduled Interest, any Additional Accrued Interest and any Trustee Expenses payable by the Issuer to the Trustee or any Bondholders.

The obligations of the Guarantor under the CGIF Guarantee are secondary obligations only.

The CGIF Guarantee (other than Clause 17 of the Guarantee) is governed by English law. Under English law generally, the liability of a guarantor (in this case, the Guarantor) is ancillary, or secondary, to that of the principal debtor (in this case, the Issuer), in the sense that the principal debtor remains primarily liable to creditors (in this case, the Trustee, on behalf of the Bondholders) and the guarantor's liability depends upon the continued existence and validity of the principal debtor's liability. The Guarantor's liability under the CGIF Guarantee is therefore co-extensive with that of the Issuer. Consequently, and in the absence of agreement to the contrary, a guarantor's liability will normally be extinguished if the principal debtor's obligation is void or unenforceable, has not yet arisen or has been released, or if a defence or right of set-off is available to the principal debtor.

Accordingly, English law guarantees in debt capital markets transactions customarily include provisions:

- aimed at protecting creditors by preserving a guarantor's liability in circumstances where it would otherwise be discharged, for example, in the event of any unenforceability, illegality or, invalidity of any obligation of any person under any of the bond documents (such as a trust deed, agency agreement or guarantee) or any other document or security ("**Protective Provisions**"); and

- to the effect that the guarantor shall be liable as if it were the principal debtor and not merely a surety, and an indemnity, to provide that the guarantor will be liable as a primary obligor in the event that the original guaranteed obligations were to be set aside for any reason ("**Co-Principal Debtor Provisions**").

Potential investors should therefore be aware that while the CGIF Guarantee does provide for certain customary Protective Provisions whereby the Guarantor's liability is preserved (and shall remain in force) notwithstanding any act, omission, event or thing of any kind which, but for the Protective Provisions, would reduce, release or prejudice any of the Guarantor's obligations, neither the CGIF Guarantee nor the Trust Deed provides for any Co-Principal Debtor Provisions. See "***Appendix A: Form of CGIF Guarantee.***"

Accordingly, in the event that the Issuer's obligations under the Bonds and/or the Trust Deed (i.e., the primary obligations which are the subject of the CGIF Guarantee) cease to exist in circumstances that are not contemplated by the Protective Provisions, the Trustee may not be able to make a claim under the CGIF Guarantee for any Guaranteed Amount in the event of a failure by the Issuer to meet its obligations under the Bonds (including, without limitation, a Missed Payment Event).

CGIF's right to accelerate following a CGIF Acceleration.

Prospective investors should be aware that the Bonds may be redeemed in certain circumstances at the election of CGIF. At any time following the occurrence of a CGIF Acceleration, CGIF may at its discretion, on giving not less than seven nor more than 15 days' notice to the Issuer, the Trustee and the Paying Agent, require the Issuer to redeem the Bonds in whole, but not in part only, at their principal amount, together with interest accrued but unpaid to the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so CGIF may, give notice to the Bondholders, the Trustee and the Paying Agent in accordance with the Condition 16 (*Notices*) (which notice shall be irrevocable).

A "**CGIF Acceleration**" occurs if:

- an Issuer Event of Default (as defined in the Conditions) has occurred; or
- a Missed Payment Event (as defined in the CGIF Guarantee) has occurred and is continuing and irrespective of whether or not CGIF has already paid any Guaranteed Amounts in respect of such Missed Payment Event; or
- any term or provision of the Conditions, the Trust Deed or the Agency Agreement has been amended, modified, varied, novated, supplemented, superseded, waived or terminated without the prior written consent of CGIF as required pursuant to the terms of the CGIF Guarantee, Trust Deed or the Agency Agreement, as the case may be,

and CGIF has delivered a CGIF Acceleration Notice (substantially in the form of Schedule 5 to the Trust Deed (*Form of CGIF Acceleration Notice*)) to the Trustee in accordance with the Trust Deed.

The CGIF Acceleration Notice will, among other things, contain a written confirmation that CGIF will pay all unpaid Guaranteed Amounts.

Obligations of CGIF do not constitute an obligation of the Asian Development Bank.

The obligations of CGIF under the CGIF Guarantee do not constitute an obligation of the Asian Development Bank or any other contributors to CGIF. Bondholders' recourse to CGIF under the CGIF Guarantee and any Bond Document (as defined in the CGIF Guarantee) is therefore limited solely to the assets of CGIF, which are all property and assets of CGIF held in trust in accordance with the Articles of Agreement (as defined in the CGIF Guarantee) and available from time to time to meet the liabilities of CGIF ("**CGIF Assets**") and Bondholders have no recourse to any assets of the Asian Development Bank or any other contributors to CGIF. For the avoidance of doubt, CGIF Assets do not include any assets of the Asian Development Bank or any other contributors to CGIF. Notwithstanding any other provisions under the CGIF Guarantee or any Bond Document, neither the Asian Development Bank nor any other contributors to CGIF or the officers, employees or agents of the Asian Development Bank or any contributor to CGIF shall be subject to any personal liability whatsoever to any third party including the Trustee in connection with the operation of CGIF or under the CGIF Guarantee or any Bond Document. Neither Bondholders nor the Trustee may bring any actions against the Asian Development Bank as the trustee of CGIF or as contributor to CGIF or against any other contributors to CGIF or any of their respective officers, employees or agents by any third party including the Trustee and the Bondholders in connection with the CGIF Guarantee.

TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the Terms and Conditions of the Bonds (the "**Conditions**") which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Bonds. All references to a "**Condition**" are to a condition in the Terms and Conditions of the Bonds.*

The S$50,000,000 in aggregate principal amount of 4.487 per cent. senior unsecured guaranteed green bonds due 2028 (the "**Bonds**") of Apeiron Agrocommodities Pte. Ltd. (the "**Issuer**") are constituted by, are subject to, and have the benefit of, a trust deed dated 23 June 2023 (as amended, restated, replaced or supplemented from time to time, the "**Trust Deed**") between the Issuer, Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank, as guarantor ("**CGIF**" or the "**Guarantor**") and The Bank of New York Mellon, Singapore Branch, as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed). The Bonds are issued with the benefit of a deed of covenant dated 23 June 2023 (as amended, restated, replaced or supplemented from time to time, the "**Deed of Covenant** ") relating to the Bonds executed by the Issuer, and are the subject of a guarantee agreement dated 23 June 2023 (as amended, restated, replaced or supplemented from time to time, the "**CGIF Guarantee**") between the Guarantor and the Trustee, and an agency agreement dated 23 June 2023 (as amended, restated, replaced or supplemented from time to time, the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon, Singapore Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Bonds), as paying agent (the "**Paying Agent**", which expression includes any successor paying agent appointed from time to time in connection with the Bonds) and as the transfer agent (the "**Transfer Agent**", which expression includes any successor or additional transfer agent(s) appointed from time to time in connection with the Bonds) and the Trustee. References herein to the "**Agents**" (as defined below) are to the Registrar, the Transfer Agent and the Paying Agent and any reference to an "Agent" is to any one of them.

Certain provisions of these terms and conditions (the "**Conditions**") are summaries of the Trust Deed, the CGIF Guarantee, the Deed of Covenant and the Agency Agreement and subject to their detailed provisions. The Bondholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the CGIF Guarantee, the Deed of Covenant and the Agency Agreement applicable to them. Copies of the Trust Deed, the CGIF Guarantee, the Deed of Covenant and the Agency Agreement are available for inspection by Bondholders upon prior written request and satisfactory proof of holding during normal business hours at the Specified Offices of each of the Agents, the initial Specified Office of which are set out below.

1. **FORM, DENOMINATION, STATUS AND GUARANTEE**

   (a) **Form and denomination**: The Bonds are in registered form in the denomination of S$250,000 (an "**Authorised Denomination**").

   (b) **Status of the Bonds**: The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future.

   (c) **Guarantee of the Bonds**: The payment obligations of the Issuer under the Bonds and the Trust Deed are unconditionally and irrevocably guaranteed by the Guarantor to the extent of, and in accordance with and subject to the terms of, the CGIF Guarantee. Such obligations of the Guarantor under the CGIF Guarantee are direct, unconditional and general obligations of the Guarantor and rank *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any).

The CGIF Guarantee does not cover any relevant amounts of principal or accrued but unpaid interest that become payable by the Issuer on the exercise by it of an early redemption option, including as a result of the Issuer's redemption for tax reasons (Condition 7(b) (Redemption and Purchase–Redemption for tax reasons)). In order to mitigate any risk of the Issuer not paying the relevant amount of principal and/or accrued but unpaid interest arising out of or in connection with the Issuer exercising any of its rights of early redemption, the Issuer, in exercising its rights for redemption for tax reasons, is required to, not less than one Business Day prior to the publication of any notice of redemption in relation to redemption for tax reasons under Condition 7(b) (Redemption and Purchase–Redemption for tax reasons), transfer to a Singapore dollar account for the benefit of the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds at their principal amount together with any interest accrued but unpaid to the relevant date fixed for redemption.

(d) **Limitation on the Guarantor's Liabilities**: Notwithstanding any other provisions of the CGIF Guarantee, the Trust Deed and the Agency Agreement, these Conditions or any other document related to the issuance of the Bonds, the recourse of the Bondholders against CGIF in respect of the CGIF Guarantee is limited solely to the CGIF Assets. By its holding of a Bond each Bondholder will be deemed to acknowledge and accept that it, and the Trustee on its behalf, only has recourse to the CGIF Assets and neither the Trustee nor any Bondholder has recourse to any assets of the Asian Development Bank or any other contributors to the Guarantor. Any obligation of CGIF under these Conditions shall not constitute an obligation of the Asian Development Bank or any other contributors to the Guarantor.

By its holding of a Bond, and notwithstanding any other provisions of the CGIF Guarantee, the Trust Deed and the Agency Agreement, these Conditions or any other document related to the issuance of the Bonds, each Bondholder will be deemed to further acknowledge and accept that neither the Asian Development Bank nor any other contributors to the Guarantor or the officers, employees or agents of the Asian Development Bank or any contributor to the Guarantor shall be subject to any personal liability whatsoever to any third party, including each Bondholder, in connection with the operation of the Guarantor or under the CGIF Guarantee and no action may be brought against the Asian Development Bank, as the trustee of the Guarantor or as contributor to the Guarantor, or against any other contributors to the Guarantor or any of their respective officers, employees or agents by any third party including the Bondholders and the Trustee in connection with these Conditions.

2. DEFINITIONS

In these Conditions:

"**Acceleration Step**" has the meaning given to it in the Trust Deed;

"**Articles of Agreement of CGIF**" means the articles of agreement of CGIF originally dated 11 May 2010, as amended on 27 November 2013, 31 May 2016, 23 May 2017, 31 May 2018, 16 May 2019 and 1 August 2019 (as may be further amended or supplemented from time to time);

"**Authorised Signatory**" means any director or authorised signatory of the Issuer;

"**Bond Documents**" has the meaning given to it in the Trust Deed;

"**Bondholder**" means the person in whose name such Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof);

"**business day**" means any day (other than a Sunday or a Saturday or a public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in Singapore, Manila and New York;

"**Calculation Amount**" means S$250,000;

"**CGIF Assets**" means all property and assets of CGIF held in trust in accordance with the Articles of Agreement of CGIF and available from time to time to meet the liabilities of CGIF. For the avoidance of doubt, a CGIF Asset does not include any assets of the Asian Development Bank or any other contributors to CGIF;

"**Compliance Certificate**" means a certificate of the Issuer signed by any two Authorised Signatories certifying that, to the best of the knowledge, information and belief of the Issuer:

(a) there did not exist, as at a date not more than seven days prior to the date of the certificate, and there had not existed since the date as of which the last such certificate was given (or, in the case of the first such certificate, the date of the Trust Deed), any Event of Default or, if such an Event of Default did then exist or had so existed, specifying the same; and

(b) during the period between the date as of which the last such certificate was given (or, in the case of the first such certificate, the date of the Trust Deed) and the date as of which such certificate is given, it has complied with its obligations contained in the Trust Deed and the Bond Documents or, if such is not the case, specifying the circumstances of such non-compliance;

"**Control**" means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise;

"**Default**" means an event or circumstance which would, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 10 (*Events of Default*) become an Event of Default;

"**Group**" means the Issuer and its Subsidiaries;

"**Extraordinary Resolution**" has the meaning given to it in Schedule 3 of the Trust Deed;

"**Group Obligors**" means each of the Issuer, Apeiron Bioenergy Inc., Apeiron Bioenergy (Thailand) Co Ltd. and Apeiron Bioenergy (Viet Nam) Company Limited;

"**Guarantee**" means, in relation to any indebtedness of the Issuer, any obligation of another Person (other than CGIF) to pay such indebtedness including (without limitation):

(a) any obligation to purchase such indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such indebtedness;

(c) any indemnity against the consequences of a default in the payment of such indebtedness; and

(d) any other agreement to be responsible for such indebtedness;

"**Guaranteed Amount**" has the meaning given to such term in Clause 2.1(a) of the CGIF Guarantee;

"**Guaranteed Party Acceleration Notice**" means a written notice delivered by the Trustee to CGIF pursuant to, and substantially in the form set out in the Trust Deed;

"**Guarantor Default Interest Amount**" means certain default interest payable by the Guarantor in the amount and at the rate as calculated in accordance with the CGIF Guarantee;

"**Interest Period**" means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (and excluding) the next Interest Payment Date;

"**Intercompany Funding Arrangements**" means any arrangement (whether by way of loan or equity contribution and howsoever described) pursuant to which the proceeds from the issue of the Bonds or debt refinanced by the Bonds are or were applied by the Issuer in accordance with the applicable conditions of such financing or refinancing;

"**Issuer Event of Default**" means the occurrence of any of the events described in Condition 10 (*Events of Default*);

"**Maturity Date**" means 23 June 2028;

"**Missed Payment Event**" means the non-payment (not taking into account any grace period) of any Guaranteed Amount by the Issuer in accordance with these Conditions and the Trust Deed;

"**Non-Payment Event**" means the occurrence of an Event of Default thirty (30) calendar days after the occurrence of a Missed Payment Event in accordance with Condition 10(a)(i) (*Non-payment*) of these Conditions;

"**Officer's Certificate**" means a certificate signed by an Authorised Signatory;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Subsidiaries**" means any Subsidiary of the Issuer:

(a) whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of a corporation which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the total assets of the Group as shown by such audited consolidated accounts; or

(b) whose gross revenue, as shown by the accounts of such Subsidiary (consolidated in the case of a corporation which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 10 per cent. of the consolidated gross revenue of the Group as shown by such audited consolidated accounts, provided that if any such Subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or the Issuer (the "**transferee**") then:

(i) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to become a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(ii) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary;

"**Relevant Indebtedness**" means any indebtedness which is in the form of or represented by any bond, note, loan stock, certificate or other investment securities which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Taxing Jurisdiction**" means the Republic of Singapore or any political subdivision or any authority thereof or therein having power to tax;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Specified Office**" means One Temasek Avenue, #02-01 Millenia Tower, Singapore 039192; and

"**Subsidiary**" has the meaning given to it in the Trust Deed.

3. **REGISTER, TITLE AND TRANSFERS**

(a) **Register**: The Registrar will maintain a register outside the United Kingdom (the "**Register**") in respect of the Bonds in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Certificate**") will be issued to each Bondholder in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register.

*Upon issue, the Bonds will be evidenced by a global certificate in the aggregate principal amount of the Bonds (the "**Global Certificate**") substantially in the form scheduled to the Trust Deed and deposited with The Central Depository (Pte) Limited ("**CDP**"). Interests in the Global Certificate shall be exchangeable for individual Certificates only in the circumstances set out therein.*

*The Bonds will be traded on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in a minimum board lot size of S$250,000 for as long as the Bonds are listed on the SGX-ST and the listing rules of the SGX-ST so require.*

(b) **Title**: Each Bondholder shall (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Certificate) and no person shall be liable for so treating such Bondholder. No person shall have any right to enforce any term or condition of the Bonds or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

For so long as any of the Bonds are represented by the Global Certificate and the Global Certificate is held by CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Bond (in which regard any certificate or other document issued by the CDP as to the principal amount of such Bond standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Registrar and the Agents as the absolute holder of such principal amount of Bonds other than with respect to the payment of principal, interest and any other amounts in respect of the Bonds, for which purpose the registered holder of the Global Certificate shall be treated by the Issuer, the Trustee, the Registrar and the Agents as the holder of such Bonds in accordance with and subject to the terms of the Global Certificate.

(c) **Transfers**: Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below, a Bond may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed and executed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) the Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Bond may not be transferred unless the principal amount of Bonds transferred and (where not all of the Bonds held by a Bondholder are being transferred) the principal amount of the balance of Bonds not transferred are Authorised Denominations. Where not all the Bonds represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules and procedures for the time being of CDP.

(d) **Registration and delivery of Certificates**: Within five (5) business days of the surrender of a Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Bonds transferred to each relevant Bondholder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Bondholder) by uninsured mail to the address specified for the purpose by such relevant Bondholder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(e) **No charge**: The transfer of a Bond will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but (i) against such payment or indemnity as the Registrar or (as the case may be) the Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer, (ii) upon the Registrar or (as the case may be) the Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application, and (iii) upon the Issuer and/or the Registrar and/or the Transfer Agent being satisfied that the Regulations (as defined in the Agency Agreement) concerning the transfer of Bonds have been complied with.

(f) **Closed periods**: Bondholders may not require transfers to be registered (i) during the period of fifteen (15) days ending on the due date for any payment of principal or interest in respect of the Bonds or (ii) after any such Bond has been called for redemption.

(g) **Regulations concerning transfers and registration**: All transfers of Bonds and entries on the Register are subject to the detailed regulations concerning the transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by:

(i) the Issuer with the prior written approval of the Trustee and the Registrar; or

(ii) the Registrar with prior written approval of the Issuer and the Trustee.

A copy of the current regulations will be mailed (free of charge to the Bondholder and at the Issuer's expense) by the Registrar to any Bondholder upon prior written request and satisfactory proof of holding.

4. **NEGATIVE PLEDGE**

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall not, and shall procure that none of its Principal Subsidiaries shall, create or permit to subsist any Security Interest upon the whole or any part of its present or future property, assets or revenues (including uncalled share capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Bonds equally and rateably therewith, or (b) providing such other security for the Bonds (x) that is not materially less beneficial to the interests of the Bondholders or (y) as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

5. **PROVISION OF FINANCIAL STATEMENTS AND REPORTS**

So long as any of the Bonds remain outstanding, the Issuer shall:

(a) provide to the Trustee a Compliance Certificate (on which the Trustee may rely as to such compliance) within thirty (30) days of a written request by the Trustee and at the time of provision of the financial statements under Condition 5(b) below;

(b) provide to the Trustee in the English language as soon as reasonably practicable after the time of their issue, but in any event within one-hundred and eighty (180) calendar days after the end of the financial year of the Issuer, electronic copies of the Issuer's financial statements (on a consolidated basis) in respect of such financial year (including a statement of comprehensive income, statement of financial position and cash flow statement) audited by a member firm of an internationally recognised firm of independent accountants;

(c) provide to the Trustee in the English language as soon as reasonably practicable after the time of their issue, but in any event within sixty (60) calendar days after the end of each of the first, second and third financial quarters of the Issuer, electronic copies of the Issuer's unaudited interim financial statements (on a consolidated basis) in respect of the such quarterly period (including a statement of comprehensive income, statement of financial position and cash flow statement), together with a certificate signed by the person then authorised to sign financial statements on behalf of the Issuer to the effect that such unaudited interim financial statements present fairly the financial position, results of its operation and cash flows of the Issuer for or as at the end of, as applicable, such quarterly period;

(d) immediately after the Issuer becomes aware of the occurrence thereof, provide to the Trustee written notice of the occurrence of any Event of Default (as defined below) or Default (as defined below) and a Compliance Certificate; and

(e) keep proper books of account and, so far as permitted by applicable law, allow the Trustee and:

(i) any time prior to the occurrence of an Event of Default, anyone appointed by it, to whom the Issuer has no reasonable objection; and

(ii) any time after the occurrence of an Event of Default and where such Event of Default is continuing, anyone appointed by it,

access to its books of account at all reasonable times upon prior appointment during normal business hours.

6. **INTEREST**

(a) **Accrual of interest**: The Bonds bear interest on their outstanding principal amount from time to time (as determined in accordance with Condition 7 (*Redemption and Repurchase*)) from (and including) 23 June 2023 (the "**Issue Date**") at the rate of 4.487 per cent. per annum, (the "**Rate of Interest**") payable semi-annually in arrear on 23 June and 23 December, in each year, commencing 23 December 2023 (each, an "**Interest Payment Date**"), subject as provided in Condition 8 (*Payments*).

(b) **Default interest**: Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate aforesaid per annum (both before and after an arbitral decision, judgment or other order of a court of competent jurisdiction) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (ii) the day which is seven (7) days after the Paying Agent or the Trustee (as the case may be) has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh (7th) day (except to the extent that there is any subsequent default in payment).

(c) **Calculation of Interest**: The amount of interest payable in respect of each Bond for any Interest Period shall be calculated by applying the Rate of Interest to the then outstanding principal amount of such Bond (as determined in accordance with Condition 7 (*Redemption and Repurchase*)) and the actual number of days elapsed in such Interest Period and then dividing the product thereof by 365 and rounding the resulting figure to the nearest cent.

When interest is required to be calculated in respect of a period of less than an Interest Period, it shall be calculated on the basis of a 365-day year and the actual number of days elapsed.

Each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called, an "**Interest Period**".

7. **REDEMPTION AND PURCHASE**

(a) **Scheduled redemption**: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at 100 per cent. of their principal amount on the Maturity Date, subject as provided in Condition 8 (*Payments*).

(b) **Redemption for tax reasons**: The Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Bondholders, the Guarantor, the Trustee and the Paying Agent in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable) at their principal amount, together with interest accrued but unpaid to the date fixed for redemption, if:

(i) immediately before giving such notice, the Issuer notifies the Trustee that:

(A) the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 9 (*Taxation*) or any additional amounts in the case of any payment by any Group Obligor with respect to the Intercompany Funding Arrangements, such payment has or will become subject to a withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, in each case as a result of any change in, or amendment to, the laws or regulations of the Relevant Taxing Jurisdiction or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 16 June 2023 and such obligation cannot be avoided by the Issuer or, as the case may be, relevant Group Obligor taking reasonable measures available to it; or

(B) the Guarantor has or will become obliged to pay Additional Amounts as provided or referred to in Condition 9 (*Taxation*) or the CGIF Guarantee, as the case may be, as a result of any change in, or amendment to, the laws or regulations of the Republic of the Philippines (the "**Philippines**") or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 16 June 2023 and such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

provided, however, that in any event, no such notice of redemption shall be given earlier than one hundred and eighty (180) days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such Additional Amounts if a payment in respect of the Bonds were then due; and

(ii) not less than five (5) business days prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer shall deliver or procure that there is delivered to the Trustee and the Guarantor:

(A) an Officer's Certificate of the Issuer stating that the circumstances referred to in paragraphs (b)(i)(A) above prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by an authorised officer of the Guarantor stating that the circumstances referred to in paragraphs (b)(i)(B) above prevail and setting out details of such circumstances; and

(B) an opinion in form and substance satisfactory to the Trustee from independent legal and/or tax advisers of recognised standing to the effect that the Issuer, the Guarantor or any Group Obligor with respect to the Intercompany Funding Arrangements (as the case may be) has or will become obliged to pay such Additional Amounts as a result of such change or amendment.

The Trustee shall be entitled to accept and rely upon (without further enquiry) any such Officer's Certificate and/or opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Bondholders, and the Trustee shall be protected and shall have no liability to any Bondholder or any person for so accepting and relying on such certificate or opinion; and

(iii) not less than one (1) Business Day prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer shall (i) irrevocably transfer to a Singapore dollar escrow account as advised by an escrow agent to be appointed by the Issuer in connection with such redemption (the "**Escrow Agent**") for the benefit of the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds at their principal amount together with any interest accrued but unpaid to the relevant date fixed for redemption, and (ii) deliver to the Escrow Agent an irrevocable written instruction (with a copy to the Trustee and Paying Agent) to transfer such amounts to the Paying Agent by no later than 3 p.m. (Singapore time) on the Business Day immediately preceding the date fixed for redemption.

If the Issuer fails to comply with any of the requirements of the foregoing provisions of this Condition 7(b) any notice of redemption purported to be delivered pursuant to this Condition 7(b) shall be void and of no effect, but this shall not affect, release or otherwise discharge any of the Issuer's or the Guarantor's other obligations under these Conditions, the Trust Deed or the CGIF Guarantee.

Upon the expiry of any such notice as is referred to in this Condition 7(b) and satisfaction of the other requirements specified in this Condition 7(b), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 7(b) and the Paying Agent shall apply all monies delivered to it pursuant to Condition 7(b)(iii) above in redemption of the Bonds in accordance with these Conditions, the Agency Agreement and the Trust Deed.

(c) **Redemption in the event of a CGIF Acceleration**:

(i) At any time following the occurrence of a CGIF Acceleration, the Guarantor may at its discretion, on giving not less than seven (7) nor more than fifteen (15) days' notice to the Issuer, the Trustee and the Paying Agent, require the Issuer to redeem the Bonds in whole, but not in part only, at their principal amount, together with interest accrued but unpaid to the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so the Guarantor may, give notice to the Bondholders, the Trustee and the Paying Agent in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable).

(ii) For the purposes of this Condition 7(c), a "**CGIF Acceleration**" occurs if:

(A) an Issuer Event of Default occurs; or

(B) a Missed Payment Event has occurred and is continuing and irrespective of whether or not the Guarantor has already paid any Guaranteed Amounts in respect of such Missed Payment Event; or

(C) any term or provision of the Conditions, the Trust Deed or the Agency Agreement has been amended, modified, varied, novated, supplemented, superseded, waived or terminated without the prior written consent of the Guarantor as required pursuant to the terms of the CGIF Guarantee, Trust Deed or the Agency Agreement, as the case may be,

and the Guarantor has delivered a CGIF Acceleration Notice to the Trustee in accordance with the Trust Deed.

(iii) In this Condition 7(c), a "**CGIF Acceleration Notice**" shall mean a written notice delivered by the Guarantor to the Trustee pursuant to, and substantially in the form set out in, the Trust Deed.

(iv) The Trustee shall be entitled to accept and rely upon and shall not be obliged to further enquire a CGIF Acceleration Notice as sufficient evidence of the Guarantor's agreement to pay all outstanding Guaranteed Amounts, and such CGIF Acceleration Notice shall be conclusive and binding on the Bondholders.

(v) Upon the relevant date fixed for redemption specified in any CGIF Acceleration Notice and notified to the Bondholders, the Trustee and the Paying Agent in accordance with Condition 16 (Notices), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 7(c) and the Guarantor shall be bound to pay all Guaranteed Amounts outstanding as set out in the CGIF Acceleration Notice within thirty (30) calendar days from the date of such CGIF Acceleration Notice.

(d) **Purchase**: The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price.

(e) **Cancellation**: All Bonds so redeemed or purchased by the Issuer or any of its Subsidiaries shall be cancelled and may not be reissued or resold.

(f) **No other redemption**: The Issuer and the Guarantor shall not be entitled to redeem the Bonds otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (c) (*Redemption in the event of a CGIF Acceleration*) above.

(g) **Calculations**: Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto, and shall not be liable to the Bondholders or any other person for not doing so.

8. PAYMENTS

(a) **Principal**: Payments of principal shall be made by transfer to a Singapore dollar account maintained by the payee with, a bank and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of the Paying Agent.

(b) **Interest**: Payments of interest shall be made by transfer to a Singapore dollar account maintained by the payee with, a bank and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of the Paying Agent.

(c) **Payments subject to fiscal laws**: Without prejudice to the provisions of Condition 9 (*Taxation*), payments will be subject in all cases to any applicable fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Bondholders in respect of such payments made pursuant to this Condition 8(c).

(d) **Payments on business days**: Payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated:

(i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent; and

(ii) (in the case of payments of interest payable other than on redemption) on the due date for payment **provided that** if such date falls on a day which is not a business day it shall be postponed to the next day which is a business day.

A Bondholder shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day.

In this paragraph, "**business day**" means any day (other than a Sunday or a Saturday or a public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in Singapore, Manila and New York and, in the case of surrender (or, in the case of part payment only, endorsement) of a Certificate, in the place in which the Certificate is surrendered (or, as the case may be, endorsed).

(e) **Partial payments**: If a Paying Agent makes a partial payment in respect of any Bond, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

(f) **Record date**: Each payment in respect of a Bond will be made to the person shown as the Bondholder in the Register at the close of business in the place of the Registrar's Specified Office on the fifteenth (15th) day before the due date for such payment (the "**Record Date**").

So long as the Global Certificate is held on behalf of CDP, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Bond shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP).

9. **TAXATION**

All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore (in the case of the Issuer), the Philippines (in the case of the Guarantor) or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In the event that any such withholding or deduction is so required by law, the

Issuer or (in the case of a withholding or deduction required to be made by the Guarantor) the Guarantor shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Bond:

(a) held by a Bondholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or, as the case may be, payments made by the Guarantor by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Bond;

(b) where (in the case of a payment of principal or interest on redemption) the relevant Certificate is surrendered for payment more than thirty (30) days after the Relevant Date except to the extent that the relevant Bondholder would have been entitled to such Additional Amounts if it had surrendered the relevant Certificate on the last day of such period of thirty (30) days; or

(c) held by, or on behalf of, a Bondholder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

In these Conditions, "**Relevant Date**" means whichever is the later of: (1) the date on which the payment in question first becomes due; and (2) if the full amount payable has not been received by the Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders.

If any such deduction or withholding shall be required and if the Issuer or (as the case may be) the Guarantor therefore becomes liable to pay any Additional Amounts, then at least five (5) Business Days prior to each payment date, the Issuer or (as the case may be) the Guarantor shall furnish the Paying Agents with a certificate that specifies the amount required to be withheld on such payment date to Bondholders and the Additional Amounts due to Bondholders and that the Issuer or (as the case may be) the Guarantor shall pay in a timely manner such amount to be withheld to the appropriate government agency, and the Issuer or (as the case may be) the Guarantor will pay to the Paying Agents such Additional Amounts as shall be required to be paid to such Bondholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 9 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 9 (*Taxation*) pursuant to the Trust Deed.

If the Issuer or the Guarantor, as the case may be, becomes subject at any time to any taxing jurisdiction other than Singapore (in the case of the Issuer) or the Philippines (in the case of the Guarantor), references in these Conditions to Singapore or the Philippines shall be construed as references to Singapore or the Philippines (as the case may be) and/or such other jurisdiction.

Neither the Trustee nor the Agents shall be responsible for paying any tax, duty, charge, withholding or other payment referred to in this Condition 9 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer, the Guarantor, the Bondholders or any other person to pay such tax, duty, charge, withholding or other payment in any jurisdiction or to provide any notice or information to the Bondholders that would permit, enable or facilitate the payment of any principal, interest or other amount under or in respect of the Bonds without deduction or withholding for on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

10. **EVENTS OF DEFAULT**

(a) If any of the following events occurs and is continuing (each, an "**Event of Default**"), then the Trustee shall comply with the limitations on acceleration as set out in Conditions 10(b) to (d) below to the extent applicable:

(i) **Non-payment**: the Issuer or the Guarantor fails to pay any amount of principal in respect of the Bonds or fails to pay any amount of interest in respect of the Bonds, in each case within thirty (30) calendar days after the due date for payment thereof; or

(ii) **Breach of other obligations**: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds or the Trust Deed and (A) such default is incapable of remedy or (B) being a default which is capable of remedy remains unremedied for thirty (30) calendar days after the Trustee has given written notice thereof to the Issuer; or

(iii) **Cross-default of the Issuer**:

(A) any indebtedness of the Issuer or any of its Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or

(B) any such indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of (x) the Issuer or (as the case may be) the relevant Principal Subsidiary or (y) (**provided that** no event of default, howsoever described, has occurred) any person entitled to such indebtedness; or

(C) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any indebtedness),

provided that the amount of indebtedness referred to in sub-paragraph (A) and/or sub-paragraph (B) above and/or the amount payable under any Guarantee referred to in sub-paragraph (C) above, individually or in the aggregate, exceeds 5% of the Group's consolidated borrowings or S$10,000,000 (or its equivalent in any other currency or currencies), whichever is lower; or

(iv) **Unsatisfied judgment**: one or more judgment(s) or order(s) is rendered against the Issuer or any of its Principal Subsidiaries for the payment of an individual amount in excess of S$10,000,000 (or its equivalent in any other currency or currencies), and such judgement(s) or order(s) is not subject to any further ability to object or appeal and continue(s) unsatisfied and unstayed for a period of sixty (60) calendar days after the date(s) thereof or, if later, the date therein specified for payment; or

(v) **Security enforced**: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or substantially all of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries; or

(vi) **Insolvency, etc.**: (A) the Issuer or any of its Principal Subsidiaries becomes insolvent or is unable to pay all or substantially all of its debts as they fall due; (B) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer or any of its Principal Subsidiaries for the whole or substantially all of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries; (C) the Issuer or any of its Principal Subsidiaries takes any proceeding under any law for a readjustment or deferment of all or substantially all of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or substantially all of its indebtedness or any Guarantee of any such indebtedness given by it; or (D) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any Principal Subsidiary which has not been discharged or stayed within sixty (60) calendar days or the Issuer or any Principal Subsidiary ceases to carry on all or substantially all of its business, except (i) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, or (ii) on terms approved by an Extraordinary Resolution of the Bondholders; or

(vii) **Enforcement proceedings**: a distress, attachment, execution or legal process is levied, enforced or sued out on or against all or any material part of the assets of the Issuer or any of its Principal Subsidiaries and is not removed, dismissed or discharged within forty-five (45) days; or

(viii) **Analogous event**: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (v) (*Unsatisfied judgment*) to (viii) (*Enforcement proceedings*) above; or

(ix) **Nationalisation***:* an order of a competent authority is made with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries, except where any of the aforesaid events will not have a material adverse effect on the ability of the Issuer to fulfil its obligations under the Bonds;

(x) **Failure to take action, etc.**: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (A) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds, the Trust Deed or the Agency Agreement; and (B) to ensure that those obligations are legal, valid, binding and enforceable and (C) to make the Bonds, the Trust Deed and the Agency Agreement admissible in evidence in the courts of Singapore is not taken, fulfilled or done; or

(xi) **Unlawfulness**: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds or the Trust Deed; or

(xii) **Guarantee not in force**: the CGIF Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

(b) Subject to clause 2.1 (*Guarantee*) of the CGIF Guarantee and clause 3.2 (*Missed Payment Event*) and clause 3.3 (*Acceleration*) of the Trust Deed, if a Missed Payment Event has occurred and is continuing, the Guarantor shall pay the Guaranteed Amount relating to the Missed Payment Event to the Guaranteed Party within thirty (30) calendar days of such Missed Payment Event.

(c) The Trustee has agreed in the Trust Deed that it shall not take an Acceleration Step unless the Guarantor has failed to make payment of a Guaranteed Amount such that a Non-Payment Event has occurred and is continuing (a "**Guaranteed Party Acceleration**"). Pursuant to the Trust Deed, neither the Trustee nor any Bondholder shall be entitled to take an Acceleration Step against the Issuer or the Guarantor unless a Guaranteed Party Acceleration has occurred or with the prior written consent of the Guarantor and, in the event that an Acceleration Step is taken in contravention of such provision, the Guarantor shall not be required to pay any amounts in respect of such Acceleration Step.

(d) Upon the occurrence of a Guaranteed Party Acceleration and if the Guaranteed Amounts are not paid by the Issuer in accordance with these Conditions and the Trust Deed following such Guaranteed Party Acceleration, the Trustee may at its sole discretion and, if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the outstanding Bonds, or if so directed to do so by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction in all cases) deliver in accordance with the Trust Deed a Guaranteed Party Acceleration Notice in respect of the aggregate of the unpaid Guaranteed Amounts and the Guarantor Default Interest Amount (if any) to be paid by CGIF in accordance with the CGIF Guarantee.

(e) The Trustee and the Agents shall not be obliged to take any steps to ascertain whether a Default or an Event of Default has occurred or to monitor the occurrence of any Default or Event of Default, and shall not be liable to the Bondholders or any other person for not doing so.

11. PRESCRIPTION

Claims for principal and interest on redemption shall become void unless the relevant Certificates are surrendered for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the appropriate Relevant Date.

12. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Registrar may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13. TRUSTEE AND AGENTS

Pursuant to the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or pre-funded to its satisfaction and relieved from responsibility in certain circumstances and to be paid its fees, costs, expenses and indemnity payments in priority to the claims of the Bondholders. In addition, the Trustee and Agents are entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor without accounting for any profit.

In the exercise of its powers, functions, rights, authorities and discretions under these Conditions, the Trust Deed and the CGIF Guarantee, the Trustee will have regard to the interests of the Bondholders as a class and will not be responsible for any consequence for individual Bondholders as a result of such Bondholders being connected in any way with a particular territory or taxing jurisdiction.

The Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of these Conditions, the Trust Deed or any other document relating thereto, any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these Conditions or the Trust Deed or any other document relating thereto. In addition, the Trustee shall not be responsible for the effect of the exercise of any of its powers, duties and discretions hereunder.

In acting under the Agency Agreement and in connection with the Bonds, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders.

The Issuer and the Guarantor reserve the right (with the prior written approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or paying agent and additional or successor paying agents and transfer agents; provided, however, that the Issuer shall at all times maintain (a) a registrar outside of the United Kingdom; and (b) a Paying Agent having a specified office in Singapore; and (c) such other agents as may be required by any stock exchange on which the Bonds may be listed.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given by the Issuer to the Bondholders in accordance with Condition 16 (*Notices*).

14. MEETINGS OF BONDHOLDERS; MODIFICATION AND WAIVER

(a) **Meetings of Bondholders**: The Trust Deed contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions or the Trust Deed or the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer, the Guarantor or by the Trustee and shall be convened by the Trustee upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds, subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, one or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; **provided, however, that** certain proposals (including any proposal (i) to change any date fixed for payment of principal or interest in respect of the Bonds, (ii) to reduce the amount of principal or interest payable on any date in respect of the Bonds, (iii) to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment, (iv) to change the currency of payments under the Bonds, (v) sanctioning, or directing the Trustee to concur in, the amendment of the terms of the CGIF Guarantee, (vi) to change the quorum requirements relating to meetings or (vii) to change the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which one or more persons holding or representing not less than two-thirds or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Bondholders who for the time being are entitled to receive notice of a meeting of Bondholders under the Trust Deed and who hold not less than 75 per cent. of the aggregate principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) **Modification and waiver**: The Trustee may, with the consent of the Guarantor but without the consent of the Bondholders, agree, but shall not be obliged to agree:

(i) to any modification of these Conditions, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) if such modification will not be materially prejudicial to the interests of Bondholders; and

(ii) to any modification of the Bonds, these Conditions, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error or which is necessary to comply with mandatory provisions of law.

In addition, the Trustee may with the consent of the Guarantor but without the consent of the Bondholders, authorise or waive any proposed breach or breach of the Bonds, these Conditions, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if the interests of the Bondholders will not be materially prejudiced thereby, **provided that** the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 10 (*Events of Default*).

Any such authorisation, waiver or modification shall be binding on the Bondholders and unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Bondholders by the Issuer in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

(c) **Directions from Bondholders**: Notwithstanding anything to the contrary in the Bonds, the Trust Deed and/or the Agency Agreement, whenever the Trustee is required or entitled by the terms in the Bonds, the Trust Deed and/or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions from the Bondholders by way of an Extraordinary Resolution and seek clarification of any such directions and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or clarifications, or in the event the instructions sought are not provided by Bondholders.

(d) **Certificates and Reports**: The Trustee may accept and shall be entitled to rely without further investigation or enquiry and without liability to Bondholders on a report, advice, opinion, confirmation or certificate from any lawyers, valuers, accountants (including auditors and surveyors), financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee shall not be responsible or liable to the Bondholders or any other person for any loss occasioned by acting on or refraining from acting on any such report, confirmation, opinion or certificate or advice.

15. **ENFORCEMENT**

Subject to the terms of the Trust Deed and Condition 10(c), the Trustee may at any time, at its discretion and without notice, institute such actions, steps and proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Bonds, but it shall not be bound to do so unless:

(a) it has been so requested in writing by the Bondholders of at least one quarter of the aggregate principal amount of the outstanding Bonds or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified and/or provided with security and/or pre-funded to its satisfaction.

No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

16. **NOTICES**

Notices to Bondholders will be valid if (i) published in a daily newspaper of general circulation in Singapore (which is expected, but is not required, to be the *Business Times*) or for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, published on the website of the SGX-ST at http://www.sgx.com, (ii) published in the English language or a certified translation into the English language or (iii) despatched by prepaid ordinary post to Bondholders at their addresses appearing in the Register (in the case of joint holders to the address of the holder whose name stands first in the Register). Any such notice shall be deemed to have been given on the date of publication or despatch to the Bondholders, as the case may be.

Until such time as any definitive Certificates are issued, so long as the Global Certificate is issued in the name of CDP, notices to Bondholders will only be valid if despatched by ordinary post (by airmail if to another country) to persons who are for the time being shown in the records of CDP as the holders of the Bonds or if the rules of CDP so permit, delivered to CDP for communication by it to the Bondholders, except that if the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, notice will in any event be published in accordance with the preceding paragraph. Any such notice shall be deemed to have been given to the Bondholders on the date of despatch to the holders of Bonds or, as the case may be, on the date of delivery of the notice to CDP.

17. **CURRENCY INDEMNITY**

If any sum due from the Issuer in respect of any payments to the Trustee under Clause 14 (*Remuneration and Indemnification of Trustee*) of the Trust Deed and any payments in respect of the Agents under Clause 17 (*Commissions, Fees and Expenses*) and Clause 14 (*Indemnity*) of the Agency Agreement or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under the Trust Deed and/or the Agency Agreement or such order or judgment into another currency (the "**second currency**") for the purpose of:

(a) making or filing a claim or proof against the Issuer;

(b) obtaining an order or judgment in any court or other tribunal; or

(c) enforcing any order or judgment given or made in relation to the Trust Deed and/or the Agency Agreement, the Issuer shall indemnify the Trustee and each Agent, on the written demand of the Trustee or such Agent, against any loss suffered as a result of any discrepancy between:

(i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and

(ii) the rate or rates of exchange at which the Trustee or such Agent may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

18. **GOVERNING LAW AND DISPUTE RESOLUTION**

(a) **Governing law**

The Bonds including these Conditions (other than Condition 18(b)), the Trust Deed (other than clause 34.2 of the Trust Deed), the Agency Agreement (other than clause 23.2 of the Agency Agreement) and the CGIF Guarantee (other than clause 17 of the CGIF Guarantee) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Dispute Resolution**

(i) This Condition 18(b) and any non-contractual obligations arising out of or in connection with it shall be governed by Singapore law.

(ii) Any dispute, claim, difference or controversy arising out of, relating to, or having any connection with these Conditions (which includes this Condition 18, the Bonds, the Trust Deed, the Agency Agreement and the CGIF Guarantee), including any dispute as to their existence, validity, interpretation, performance, breach or termination, or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (for the purpose of this Condition 18, a "**Dispute**"), shall be referred to and be finally resolved by arbitration administered by the Singapore International Arbitration Centre ("**SIAC**") under the SIAC in force when the notice of arbitration is submitted (for the purpose of this Condition 18(b), the "**Rules**"), except as the Rules are modified by the provisions of these Conditions.

(iii) The parties further agree that following the commencement of arbitration, and following the exchange of the Notice of Arbitration and Response to the Notice of Arbitration, they will initially attempt in good faith to resolve the Dispute through mediation at the Singapore International Mediation Centre ("**SIMC**"), in accordance with the SIAC-SIMC Arb-Med-Arb Protocol (the "**Protocol**") for the time being in force which shall last for a period not exceeding sixty-five (65) business days from the commencement of the mediation proceedings (the "**Mediation Period**"). Where a settlement has been reached between the parties within the Mediation Period, such terms of settlement shall be referred to the arbitral tribunal and the arbitral tribunal may make a consent award on such agreed terms. In the absence of a settlement by the parties within the Mediation Period, the Dispute shall revert back to arbitration pursuant to the Protocol. Unless otherwise agreed by the parties, the arbitration shall resume by arbitrators who were not involved in the mediation process above.

(iv) The Rules and the Protocol are incorporated by reference into this Condition 18 and capitalised terms used in this Condition 18 (which are not otherwise defined in these Conditions) shall have the meaning given to them in the Rules and the Protocol.

(v) The number of arbitrators shall be three. All arbitrators shall be fluent in English. The claimant(s) shall nominate one arbitrator. The respondent(s) shall nominate one arbitrator. The arbitrators nominated by the parties in accordance with the Rules shall jointly nominate the third arbitrator who, subject to confirmation by the President of the Court of Arbitration of SIAC (the "**President**"), will act as president of the arbitral tribunal. If the third arbitrator is not chosen by the two arbitrators nominated by the parties within thirty (30) days of the date of appointment of the later of the two party-appointed arbitrators to be appointed, the third arbitrator shall be appointed by the President.

(vi) The seat of arbitration, shall be Singapore. This arbitration agreement shall be governed by Singapore law. All hearings shall take place in Singapore unless the arbitral tribunal in its absolute discretion decides that a different location will be appropriate.

(vii) Except as modified by the provisions of this Condition 18, the Rules and the Protocol, Part 2 of the International Arbitration Act 1994 of Singapore shall apply to any arbitration proceedings commenced under this Condition 18. Neither party shall be required to give general discovery of documents, but may be required only to produce specific and identified documents which are relevant to the Dispute.

(viii) The language used in the arbitral proceedings shall be English. All documents submitted in connection with the proceedings shall be in the English language, or, if in another language, accompanied by an English translation and in which case, the English translation shall prevail.

(ix) Service of any Notice of Arbitration made pursuant to this Condition 18 shall be made in accordance with the Rules and at the addresses given for the sending of notices under these Conditions at Condition 16 (*Notices*).

(x) The arbitration award(s) rendered by the arbitral tribunal shall be final and binding on the parties. To the fullest extent permitted under any applicable law, the parties irrevocably exclude and agree not to exercise any right to refer points of law or to appeal to any court or other judicial authority.

(xi) The arbitral tribunal and any emergency arbitrator appointed in accordance with the Rules shall not be authorised to order, and each of the Issuer, the Bondholders, the Trustee and each of the Agents agrees for itself and on behalf of each Bondholder that it shall not seek from the arbitral tribunal or any judicial authority:

(A) any order of whatsoever nature against the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents; or

(B) any interim order to sell, attach, freeze or otherwise enforce against the CGIF Assets.

(xii) The Rules shall not prohibit CGIF from disclosing any information relating to any arbitral proceedings and/or arbitral award arising out of this Condition 16 to the board of directors of CGIF (the "**CGIF Board**") as part of its approval process and portfolio administration, or to the Asian Development Bank or any other contributors to the Guarantor or any of their respective officers, employees, advisers, agents or representatives. The members of CGIF Board may seek instructions from their constituents for the purpose of CGIF Board approval and portfolio administration and the CGIF Board documents and other relevant information may be distributed to any representatives of the relevant member countries of the Guarantor for the said purpose only, provided that such information and documents distributed by the CGIF Board insofar as they relate to any arbitral proceedings and/or arbitral award shall be clearly marked "CONFIDENTIAL".

(xiii) Nothing in these Conditions, or any agreement, understanding or communication relating to these Conditions (whether before or after the date of these Conditions), shall constitute or be construed as an express or implied waiver, renunciation, exclusion or limitation of any of the immunities, privileges or exemptions accorded to the Asian Development Bank under the Agreement Establishing the Asian Development Bank, any other international convention or any applicable law, or accorded to CGIF under the Articles of Agreement of CGIF.

19. LIMITED RECOURSE

Notwithstanding any other provisions of these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee or any other document related to the issuance of the Bonds, the recourse of the Bondholders against CGIF under these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee or any other document related to the issuance of the Bonds is limited solely to the CGIF Assets. The Bondholders acknowledge and accept that they only have recourse to the CGIF Assets and they have no recourse to any assets of Asian Development Bank or any other contributors to CGIF. Any obligation under these Conditions of CGIF shall not constitute an obligation of Asian Development Bank or any other contributors to CGIF.

20. NO PERSONAL LIABILITY

Notwithstanding any other provisions of these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee or any other document related to the issuance of the Bonds, neither Asian Development Bank nor any other contributors to CGIF or the officers, employees or agents of the Asian Development Bank or any contributor to CGIF shall be subject to any personal liability whatsoever to any third party including the Bondholders and the Trustee in connection with the operation of CGIF or under these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee or any other document related to the issuance of the Bonds. No action may be brought against Asian Development Bank as the trustee of CGIF or as contributor to CGIF or against any other contributors to CGIF or any of their respective officers, employees or agents by any third party including the Bondholders and the Trustee in connection with these Conditions.

21. **NO WAIVER**

Nothing in these Conditions, or any agreement, understanding or communication relating to these Conditions (whether before or after the date of these Conditions), shall constitute or be construed as an express or implied waiver, renunciation, exclusion or limitation of any of the immunities, privileges, or exemptions accorded to the Asian Development Bank under the Agreement Establishing the Asian Development Bank, any other international convention or any applicable law, or accorded to CGIF under the Articles of Agreement of CGIF.

22. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

Unless expressly provided to the contrary in the Bonds, the Trust Deed, the Agency Agreement, and the CGIF Guarantee, a person who is not a party to these Conditions may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any of the Bonds, the Trust Deed, the Agency Agreement, and the CGIF Guarantee, no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of these Conditions. Notwithstanding the foregoing, the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents may enforce Conditions 1(d) (*Limitation on the Guarantor's Liabilities*), 18(b) (*Dispute Resolution*), 19 (*Limited Recourse*), 20 (*No personal liability*) and 21 (*No waiver*) of these Conditions.

CLEARING AND SETTLEMENT

Clearing and Settlement under the Depository System

Clearance of the Bonds will be effected through the Depository System maintained by CDP. Bonds that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

The Bonds will be held by CDP in the form of the Global Certificate for persons holding the Bonds in securities accounts with CDP (the "**Depositors**"). Delivery and transfer of Bonds between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of the Depositors.

Settlement of over-the-counter trades in the Bonds through the Depository System may only be effected through securities sub-accounts held with corporate depositors (the "**Depository Agents**"). Depositors holding the Bonds in direct securities accounts with CDP, and who wish to trade Bonds through the Depository System, must transfer the Bonds from such direct securities account to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Bonds in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Guarantor, the Trustee, the Paying Agent, the Registrar or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

USE OF PROCEEDS

The proceeds of the offering of the Bonds will initially be deposited into a bank account of the Issuer and will be released subject to certain restrictions as agreed with CGIF. Such proceeds will subsequently be applied towards: (i) capital expenditure and asset improvement for collection points/pre-treatment facilities for waste-based feedstocks for Apeiron Bioenergy Inc. in the Philippines, Apeiron Bioenergy (Thailand) Co. Ltd in Thailand, and Apeiron Bioenergy (Viet Nam) Company Limited in Vietnam at around US$20,000,000 in total, and (ii) working capital for the Issuer for payment of suppliers at around US$16,000,000 (collectively, the "**Eligible Projects**"). For the avoidance of doubt, the proceeds of the Bonds will not be used directly for the purposes of financing, or in any way in connection with, the crude palm oil or palm oil mill effluent business, or the purchase of crude palm oil or palm oil mill effluent.

In doing so, the Issuer will ensure that the application of the proceeds of the issuance of the Bonds in the foregoing manner are in line with the Issuer's objective of funding businesses and projects in eligible green sectors, as set out in the Apeiron Agrocommodities Green Finance Framework (as may be amended from time to time) which is available on the following https://apeironagrocommodities.sharepoint.com/sites/ApeironHQFilesharingHub/Shared%20Documents/Forms/AllItems.aspx?id=%2Fsites%2FApeironHQFilesharingHub%2FShared%20Documents%2FCorporate%20Branding%20%26%20Social%20Media%2FGreen%20Finance%20Framework%2FApeiron%20Green%20Finance%20Framework%2Epdf&parent=%2Fsites%2FApeironHQFilesharingHub%2FShared%20Documents%2FCorporate%20Branding%20%26%20Social%20Media%2FGreen%20Finance%20Framework&p=true&ga=1 (the "**Green Finance Framework**"). The information and content set out in the website are not incorporated into and do not form part of this Offering Circular. None of the Issuer, the Guarantor or the Sole Lead Manager makes any representation as to the suitability of the information contained in such webpage.

The Issuer will track the use of the amount of proceeds via its internal information systems, and provide a progress report (the "**Annual Report on Allocation and Impact**") on an annual basis and as further described in the Green Finance Framework.

In addition, a Second Party Opinion has been obtained from Morningstar Sustainalytics to confirm the validity of the Issuer's Green Finance Framework. Morningstar Sustainalytics, a globally-recognized provider of ESG research, ratings and data, evaluated the Issuer's Green Finance Framework and the alignment thereof with relevant industry standards and provided views on the robustness and credibility of the Issuer's Green Finance Framework. In no event the Second Party Opinion nor any portion thereof shall be construed as part of the offering, nor shall be considered as an offer or advertisement to buy a security, solicitation of votes or proxies, investment advice, expert opinion or negative assurance letter as defined by the applicable legislation. The second party opinion is published on the following website: https://www.apeironbioenergy.com/investors. The information and content set out in the website are not incorporated into and do not form part of this Offering Circular. None of the Issuer, the Guarantor or the Sole Lead Manager makes any representation as to the suitability of the information contained in such webpage or the Second Party Opinion.

Please also see "***Risk Factors – Risks relating to the Bonds – The proceeds from the offering of the Bonds will be initially deposited into a bank account, and will be released subject to certain restrictions as agreed with CGIF.***" and "***Risk Factors – Risks relating to the Bonds – The Bonds may not meet investor expectations or requirement.***"

DESCRIPTION OF THE GREEN FINANCE FRAMEWORK

The Issuer's Green Finance Framework has been developed to demonstrate the Issuer's commitment to the integration of environmental, social, and governance ("**ESG**") factors into its operations and the Issuer's intention to undertake green financing transactions ("**GFT**").

For use of proceeds transactions, the proceeds will be earmarked to finance or refinance projects and expenditures that generate positive environmental outcomes and align with the Issuer's strategy and vision. Financing options may include instruments such as bonds and loans, which contribute to sustainable development by earmarking the proceeds to projects and expenditures that fall within the eligible categories defined in the Green Finance Framework ("**Eligible Categories**").

When issuing bonds or loans, the issuances will be aligned, as appropriate, with the 2021 International Capital Markets Association Green Bond Principles or the 2023 Loan Market Association Green Loan Principles.

The framework will apply to any forthcoming GFT, aligning with the best market practices in the industry and taking into account future developments in the sustainable finance market. The Issuer will periodically access funding through GFT to finance projects that deliver positive environmental impact and promote sustainable development in support of the Issuer's commitment to sustainability.

Each use of proceeds GFT will align with the four core components outlined in the following sections of the framework:

(i) Use of Proceeds;

(ii) Project Evaluation and Selection;

(iii) Management of Proceeds; and

(iv) Reporting,

details of which are set out in the Green Finance Framework,

The net proceeds of GFT will be earmarked for financing new or re-financing existing project and/or expenditures in the Eligible Categories, which include:

(i) Alternative energy and energy efficiency;

(ii) Pollution prevention and control; and

(iii) Circular economy adapted products, production technologies and processes.

EXTERNAL VERIFICATION

Prior to the entry into or undertaking of a GFT, the Issuer will obtain an external review report to demonstrate that the Green Finance Framework and eligible assets outlined in the register align with the relevant market standards.

If there are any material amendments to the Green Finance Framework, or if the Issuer undertakes, enters into, issues or manages a GFT beyond a two-year period from the date of the Green Finance Framework, the Issuer will obtain an external review report from an appropriately qualified verifier to ensure that the Green Finance Framework and eligible assets remain aligned with market standards.

CAPITALISATION AND INDEBTEDNESS

The table below sets forth the Issuer's capitalisation as of 31 December 2021 and as adjusted to account for the issue of the Bonds, after deducting the commissions and estimated offering expenses payable by the Issuer. The Issuer derived this table from its audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2021 contained in this Offering Circular. Investors should read this table in conjunction with the Issuer's financial statements, the related notes and other financial information contained elsewhere in this Offering Circular.

	As 31 December 2021	
	Actual	**As Adjusted**
	(audited)	
	(S$ in millions)	
Liabilities		
Current liabilities	71.37	71.37
Non-current liabilities	3.97	3.97
The Bonds to be issued	–	50.00
Total liabilities	**75.34**	**125.34**
Equity		
Share capital	3.38	3.38
Minority Interest	10.65	10.65
Currency Translation Reserve	0.44	0.44
Cumulative Retained Earnings – Reserve	11.93	11.93
Current year profit	10.85	10.85
Total equity	**37.25**	**37.25**
Total capitalisation and indebtedness	**112.59**	**162.59**

There has been no material change in the Issuer's indebtedness since 31 December 2021, except as discussed below:

- In May 2022, the Issuer received a green loan from HSBC under the bank's Enterprise Financing Scheme.
- On 31 August 2022, the Issuer closed an equity financing round with Mitsui pursuant to which Mitsui acquired a strategic minority stake in the Issuer.
- On 6 October 2022, the Issuer entered into an equity investment agreement with Proterra pursuant to which Proterra acquired a minority stake in the Issuer.
- The changes in current liabilities are due to the normal course of business. Tradelines utilization is considered in the current liabilities.
- The Issuer is in the final stages of negotiating a prepayment financing transaction of up to USD20 million with one of its customers.
- In June 2023, the Issuer has prepaid a trade financing loan of S$5 million.

From time to time, the Group may seek different financing channels, and subject to market conditions, the Group may incur additional indebtedness. See "***Risk Factors – Risks Relating to the Issuer – The Group relies on borrowings from financial institutions and funding from counterparties for its working capital and inability to obtain further borrowings or fundings may have a material adverse effect on the Group.***"

There has been no material change in the Issuer's capitalisation and indebtedness since 31 December 2021, except as discussed above.

THE ISSUER

Overview

The Group is an integrated player with a strategic presence in Asia in the chain of bioenergy products ranging from feedstocks to end products and by-products. The Group collects, processes, refines and sells waste-based biofuel feedstock, which is one of the raw materials used to produce biodiesel. In addition, the Group also produces and sells biodiesel. The Group's product portfolio primarily includes used cooking oil ("**UCO**"), palm oil mill effluent ("**POME**") and biodiesel.

The Issuer was incorporated in Singapore on 14 August 2007 and the Group has, over the years, expanded its presence across Asia, both organically and through acquisitions. For example, the Group acquired a major stake in Tanghe Jinhai Biological Technology Co., Ltd. which owns a biodiesel refinery in the People's Republic of China which processes UCO into biodiesel. Through this acquisition, the Group expanded its capability to include the refining of biodiesel as well as a new product offering.

As of 31 March 2023, the Group had refineries, collection points and processing facilities across various countries in Asia including Singapore, Indonesia, the People's Republic of China, Malaysia, Thailand, Philippines, Cambodia, UAE, and Vietnam, as well as a procurement office in Japan. Between 2020 and 2022, the Group delivered more than 350,000 tonnes of UCO for biofuel production, which offset an estimated 1.1 million tonnes of greenhouse gas emissions.

The Group's customer base is diversified across industries and geographies. The Group's customers include blue-chip multinational energy and petrochemical energy companies as well as renewable energy companies and are based in various countries including Europe and Asia.

Through strategic collaborations and investments from investors, the Group continues to increase its collection capacity, expand and diversify its sources of supply and demand as well as benefit from the expertise and connections of its partners. Most recently, in August 2022, the Group closed an equity financing round from Mitsui (a global chemicals company based in Japan). In October 2022, the Group completed an equity investment from Proterra (an alternative investment manager focused on private equity investments in the natural resource sectors of agriculture, food, metals and mining). The proceeds of these investments were used to increase the Group's collection capacity and number of collection points as well as upgrade its existing processing facilities to produce feedstock of higher specifications.

The Group's mission is to collect and recycle waste as sustainable biofuel feedstocks. As part of global decarbonisation efforts, sustainable biofuel feedstocks are increasingly used to manufacture end products which are alternatives to traditional fossil-based fuels such as petroleum diesel and gasoline, and help reduce greenhouse gas emissions. To foster positive social impact, the Group's business supports and creates jobs in the local economies in which the Group operates, particularly in developing markets, and reduces the social and economic costs of clogged sewage and inefficient wastewater systems arising from the illegal disposal of wastes.

For the financial year ended 31 December 2021, the Group's revenue from operations was USD259,673,123, the Group's EBITDA was USD16,251,336 and the Group's profit after tax was USD10,695,642.

Geographical Presence

As of 31 March 2023, the Group had refineries, collection points and processing facilities across various countries in Asia including Singapore, Indonesia, the People's Republic of China, Malaysia, Thailand, Philippines, Cambodia, UAE, and Vietnam, as well as a procurement office in Japan.

Facilities

The Issuer has the following facilities across Asia and the United Arab Emirates:

- **Collection Points:** UCO is collected through the Group's network of local collection points. As at 31 March 2023, the Group had collection and processing facilities for UCO and POME located in Singapore, Indonesia, the People's Republic of China, Malaysia, Thailand, Philippines, Cambodia, UAE and Vietnam. The UCO is processed with basic filtration and heating at such facilities. A strict quality control procedure is conducted at the collection points, in which laboratory tests are conducted to ensure that the key specifications of the relevant products are met before the Group purchases such UCO.

- **Refinery Sites:** The Group has one biodiesel plant in China for pretreatment of UCO and refinery of biodiesel. In addition, the Group also has a refinery in Indonesia for refining POME.

- **Storage Tanks:** As at 31 March 2023, the Company has storage facilities in Indonesia, People's Republic of China, Malaysia and Thailand, where UCO and POME are being aggregated, blended and stored before delivery to end-buyers.

ESG

The Issuer has implemented a ESG policy on 10 March 2023 ("**ESG Policy**") to manage the environmental, social and governance risks of the Group's operations in different markets as well as in respect of its subsidiaries. The ESG Policy includes the following key statements, among others:

- *Governance:* The Issuer intends to achieve a board diversity, so as to enhance corporate decision-making process by incorporating various perspectives and opinions regardless of a director's age, ethnicity, nationality, skills, business experience, academic field or cultural background. The Issuer also maintains high ethical standards and ensures compliance with anti-corruption laws and regulations in all jurisdictions that the Group operates in, and takes a "zero-tolerance" stance within the Group and in respect of its business dealings.

- *Environment:* The Issuer is committed to, among others, adhere to environmental laws, regulations and requirements by the local authorities the Group operates in, as well as relevant international standards. In general, the Issuer aims to adopt the best available industry practices to minimise environmental impacts of the Group's operations and to improve the efficiency in the use of resources. The Issuer is also committed to ensuring that it undertakes proper and responsible waste management.

- *Social:* The Issuer follows board principles that upholds human rights of individuals working for the Group and in the communities in which the Group operates. The Group adheres to the relevant human rights related laws and regulations, provides a non-discriminatory workplace and offers equal opportunities to its employees, and engages in partnerships with local communities to hire employees, among others. The Issuer is also committed to safeguarding against the occupational health and safety of the Group's employees.

As at the date of this Offering Circular, the Issuer is also in the process of developing a three-year sustainability roadmap in line with its environmental policy statement in the ESG Policy. The roadmap intends to outline the key pillars underpinning the Issuer's sustainability strategies and the measures the Issuer will take to reduce its environmental impact, such as enhancing energy and water-use efficiency, reducing waste and better understanding its greenhouse gas emissions.

Products

The Group's product portfolio comprises the following:

- UCO
- POME
- Biodiesel

UCO

The Group collects, processes and sells UCO, which is defined as oils and fats of a vegetable or animal origin which has been used to cook food for human consumption. UCO is considered a waste product as it is no longer fit for human consumption due to food hygiene considerations. The Group sources and collects UCO from its network of collectors and processes and sells the UCO. Raw UCO is first processed to meet certain commodity-grade standards before being used as feedstock for biofuel production. The UCO produced by the Group received the International Sustainability & Carbon Certification.

POME

POME is oily wastewater generated from palm oil milling activities which requires effective treatment before discharge into waterways to prevent pollution. The Group collects, refines and sells POME and converts these POME into refined POME, which has lower impurities including total metal and chlorides content, and is used primarily as a feedstock to produce renewable diesel. The Group anticipates that it will source majority of its POME from palm oil mills that are fully certified by Roundtable of Sustainable Palm Oil (**RSPO**), as set out in the Green Finance Framework.

Biodiesel

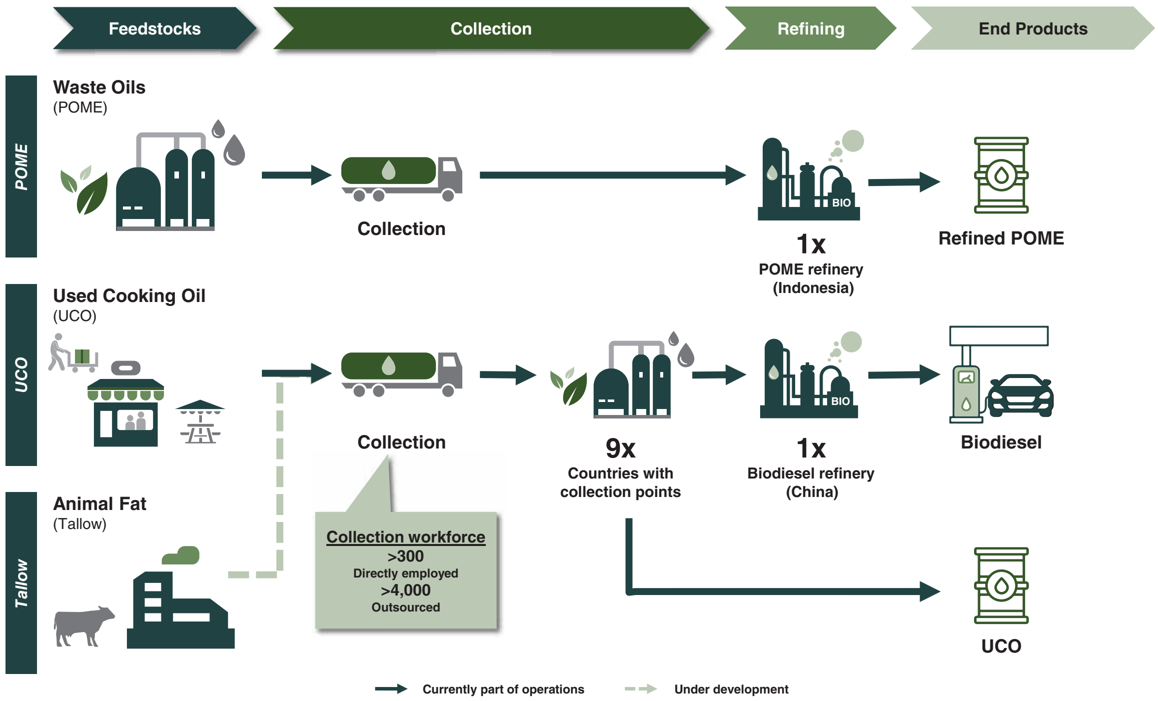
The Group produces biodiesels derived from esterification of biofuel feedstocks. These biodiesels are used in heating and transport.

The Group adopts a rigorous framework of ecological and social sustainability criteria in its supply chain management process. This process is audited periodically and the Group's products are certified with leading sustainability standards such as International Sustainability and Carbon Certification (**ISCC**).

The UCO and POME are collected, processed and stored at the Group's collection and processing facilities as well as external aggregation storage tanks leased by the Group. The Group monitors its position on a weekly basis and adjusts the purchase price of the feedstock to manage price risk.

Business Process

The Group's business process in respect of its products is as illustrated in the flow chart below:



Note: The Group intends to expand its product offering to include animal fat in future. See ***"The Issuer – The Group's strategies – Continue to diversify the Group's product offerings"***

The Group's competitive strengths

The Group believes that the following competitive strengths contribute to the Group's success and help distinguish the Group from its competitors:

The Group has access to a diverse network of biofuel feedstock collectors and palm plantations in Asia which enhances its ability to carry out large scale collection and processing of feedstock.

The market in Asia for the collection of biofuel feedstock remains relatively untapped compared to Europe and the United States. Leveraging its diverse network of suppliers across several countries in Asia, the Group is able to diversify and maximise its collection of biofuel feedstock to serve as a hub for the mass consolidation of waste-based biofuel feedstocks in Asia for export to customers in Europe and Asia.

The Group collects UCO from diversified sources and networks of waste-based biofuel feedstock suppliers in Asia. The Group maintains longstanding relationships with suppliers such as restaurants, hospitality groups, food factories and various upstream sources. In this regard, the Group has built and maintained a good relationship with its suppliers by ensuring that it fulfils its obligations under the respective contracts with the suppliers in a timely and proper manner. To better position itself to capture the opportunities arising from the growth in demand of renewable feedstocks, using the proceeds from its equity financing with Mitsui and Proterra, the Group increased the number of collection points and its collection capacity for feedstock as well as upgraded its existing processing plants to produce feedstock of higher specifications. As at 31 March 2023, the Group had collection and processing facilities for UCO and POME located in Singapore, Indonesia, the People's Republic of China, Malaysia, Thailand, Philippines, Cambodia, UAE and Vietnam. As at 31 March 2023, the Company also has storage facilities in Indonesia, People's Republic of China, Malaysia and Thailand. This enhances its ability to undertake large scale waste-based biofuel feedstock collection and processing.

The Group believes that its diverse sources of feedstock reduce its dependency on any one supplier and enables it to exercise better control on its input prices and adapt to changing market conditions.

The Group's biofuel feedstock has versatile uses.

The Group has over the years expanded its product portfolio of biofuel feedstock. The Group's biofuel feedstock portfolio primarily comprises used cooking oil and palm oil mill effluent, which are versatile in their functions and can be utilised by several different industries. For instance, some of the Group's products can be used to make biodiesel and renewable diesel, which are used in the transportation, shipping, and aviation sectors to meet decarbonisation targets set by governments. In addition, the Group's products can also be utilised to make biodegradable plastics, such as polyhydroxyalkanoates, to address demand in a wide range of sectors which helps to reduce the usage of conventional plastics such as polyethylene, polypropylene, polyethene terephthalate and polyvinyl chloride. The versatility in the Group's feedstock allows the Group to market and sell its feedstock to a range of customers across different industries which, in turn, enables it to reduce its dependency on any particular industry and its vulnerability to trends in any specific industry. See also "***The Issuer – The Group's competitive strengths – The Group has long standing relationships with its customers who are diversified across industries and geographies***."

The Group has long standing relationships with its customers who are diversified across industries and geographies.

The Group's customers are located across Europe and Asia, and its major customers are blue chip companies with strong credit ratings. The Group plans to further diversify its customer portfolio to include other blue chip companies in the United States, and in this regard, the Group has secured mandates in the United States as at the date of this Offering Circular.

The Group believes that the wide range of industries and countries which the Group serves help to reduce its dependency on any particular industry or country, and its vulnerability to trends in any specific industry or country. Such broad industry and country coverage also provides the Group with a broad base to help it grow and allows it to de-risk its business across customers, industries and geographies.

The Group is well positioned to capitalise on the growing demand for biofuel.

As an integrated player across the entire value chain of bioenergy products, comprising both the upstream aspect of collecting, processing and supplying renewable feedstock and the downstream aspect of refining biodiesel, the Group is well positioned to serve the growing market for biofuel.

Based on a report entitled "Renewables 2021" conducted by the International Energy Agency in 2021, global demand for biofuels is expected to grow by 41 billion litres from 2021 to 2026, driven by the global implementation of governmental policies targeted at combating climate change. Such governmental policies include, among others, the following:

- In the United States, the United States Department of Energy, the United States Department of Transportation, the U.S. Department of Agriculture, and other United States federal government agencies implemented the Sustainable Aviation Fuel ("**SAF**") Grand Challenge, which includes a near-term goal to scale up production of SAF to approximately 11 billion litres by 2030, with the overall objectives of achieving a minimum of a 50% reduction in life cycle greenhouse gas emissions compared to conventional fuel, and to supply sufficient SAF to meet 100% of aviation fuel demand by 2050. To support this goal, the United States government is proposing a SAF tax credit, which is linked to greenhouse gas intensity.

- In Europe, the European Council announced the "Fit for 55" package on 27 June 2022, which sets higher targets for renewables and energy efficiency in the European Union ("**EU**"). The European Council has agreed to set a binding EU-level target of 40% of energy from renewable sources in the overall energy mix by 2030, and member states can choose between the following sub-targets:

  (a) a binding target of 13% greenhouse gas intensity reduction in transport by 2030. More options will be available for member states to reach this objective, such as a possibility to set a differentiated goal for maritime transport as long as the overall goal is met; or

  (b) a binding target of at least 29% renewable energy within the final consumption of energy in the transport sector by 2030.

  The package also includes the proposed mandate for aviation fuel suppliers to ensure that all fuel made available to aircraft operators at EU airports contains a minimum share of SAF from 2025 and, from 2030, a minimum share of synthetic fuels, with both shares increasing progressively until 2050. Similarly, the package also includes proposed mandates to increase the demand for and consistent use of renewable and low carbon fuels in the maritime sector.

- In the People's Republic of China, the State Council of the People's Republic of China announced the Action Plan for Carbon Dioxide Peaking Before 2030 on 27 October 2021, which includes a plan to vigorously promote alternatives including, among others, liquid biofuels and SAF.

In general, the International Energy Association's forecasts projected that, in the Sustainable Development Scenario, SAF may contribute 5% (amounting to approximately 18 billion litres) of all aviation fuel consumption by 2025, 10% (amounting to approximately 37 billion litres) by 2030, 15% (amounting to approximately 56 billion litres) by 2035 and 19% (amounting to approximately 75 billion litres) in 2040. See "***Market and Industry Data***" and "***Risk Factors – Risks Relating to the Issuer – This Offering Circular contains certain statistical and industry information.***"

With the increase in regulations around the world focusing on carbon reduction and climate change, and the associated penalties to encourage compliance, together with the increase in carbon reduction initiatives and policies across the globe, the Group expects significant demand for renewable feedstock and biofuel. UCO is an important resource (as the cleanest biofuel feedstock based on its greenhouse gas emissions savings as reported in the Official Journal of the European Union – Directive (EU) 2018/2001 of the European parliament and of the council) to meet government biofuel mandates. UCO offers the highest GHG emissions savings compared to other feedstocks and customers are likely to be willing to pay a premium price for UCO, a direct correlation between carbon savings and feedstock. Leveraging its integrated approach and strengths set out herein, the Group is well-placed to take advantage of the potential growth in demand for renewable feedstock and biofuels by entities including sovereigns looking to comply with the relevant carbon reduction targets and/or achieve their green/ESG targets. See "***The Issuer – The Group's competitive strengths***".

The Group has an experienced management team with expertise and insights in the biofuel industry.

The Group is led by an experienced management team, helmed by its co-founders, Mr. Chen Ruhuang and Mr. Ng Sheng Ce, who have approximately 16 years of experience in the biofuel industry, respectively. The Group's management team has expertise and insights in the biofuel industry. The co-founders are supported by a committed management team who is familiar with the Group's operations and understands its customers' needs and requirements. The management team also comprises of personnel who have robust and in-depth industry knowledge. In this regard, Mr. Yang Shu Ping, is the co-founder and managing director of the Group's operating subsidiary in the PRC, being Tanghe Jinhai Biological Technology Co., Ltd., and had lead Tanghe Jinhai Biological Technology Co., Ltd. to become one of the first companies in the People's Republic of China to export biodiesel to Europe. Mr. Yang has more than 20 years' experience in the energy industry. Each member of the management team has vast experience in their respective fields of expertise. For further information on the Group's management team, see "***The Issuer – Management***". The Group believes that the industry experience and business acumen of the Group's management team have helped, and will continue to, drive growth and operating performance.

The Group's strategies

The Group seeks to grow its business by implementing the strategies set out below.

To further penetrate existing markets, including focusing on markets with growth potential, and expand into new markets

The Group sees an acceleration of global trends shifting towards sustainability, particularly in relation to the environment. With the increase in environmental regulations, government efforts and awareness in environmental, social and governance considerations, the Group is optimistic about the continued growth prospects of the biofuel industry. Against this backdrop, the Group intends to capitalize on such opportunities to further grow its business in existing markets with high growth potential such as the People's Republic of China, Indonesia and the Middle East. To do so, the Group intends to, among others, grow its customer portfolio in Asia and North America generally, beyond its existing customer base which is concentrated in Europe and certain parts of Asia.

The Group also aims to strengthen its position in the existing market and improve the quality and consistency of the Group's earnings by entering into offtake contracts with its customers, and deploying hedging solutions.

In addition, the Group also intends to expand into new markets particularly markets with regulation incentivizing the use of biofuel including the United States, South Asia, and Europe. Depending on the available opportunities, feasibility and market conditions, the Group intends to gain access to new markets by exploring potential investment, mergers and acquisitions, joint venture and/or strategic alliance with parties whose businesses are synergistic and/or complementary to its business.

Asset improvement to increase and enhance the Group's collection capacity and production capabilities

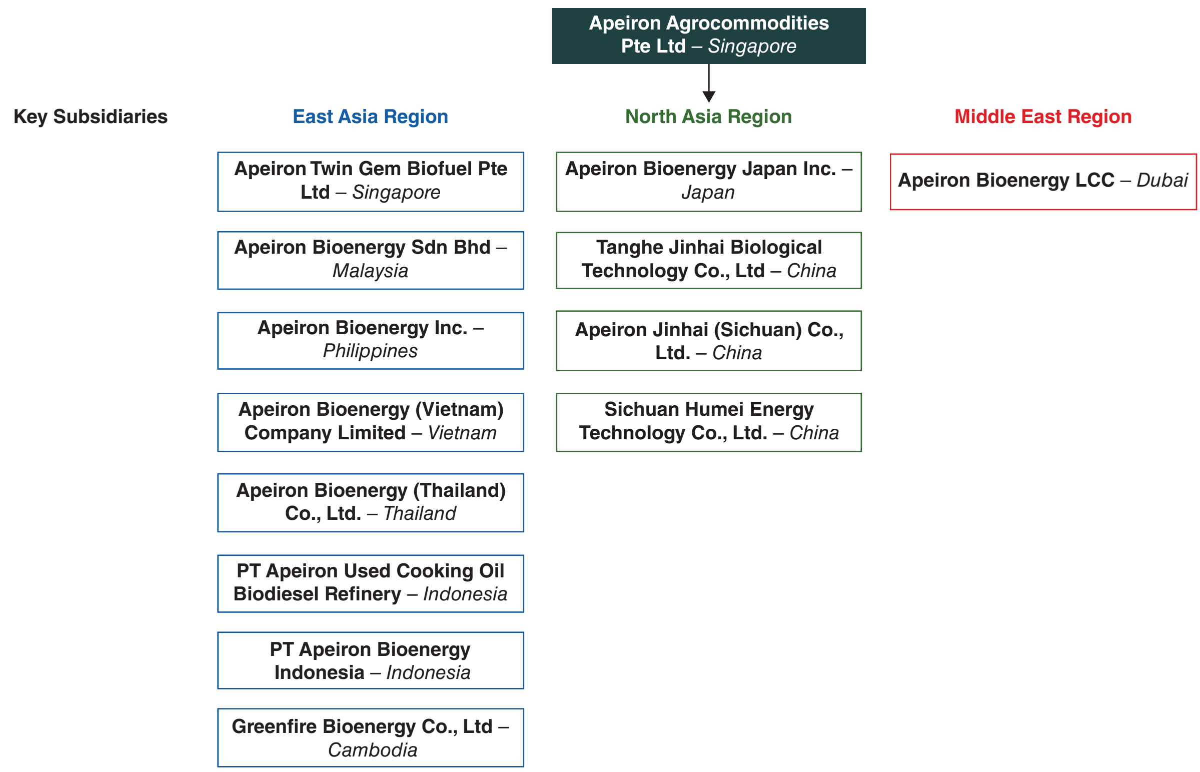
The Group intends to invest in, and commit resources on, improving its assets in order to enhance its collection capacity and production capabilities. Such improvements may include (i) increasing the number of collection points and collection capacity for waste-based biofuel feedstock, (ii) upgrading existing machinery and equipment or purchasing additional machinery and equipment at its collection and processing facilities, and (iii) focusing on downstream integration through building refineries and deploying a contract-manufacturing model to increase capacity for downstream products. The foregoing asset improvement is expected to improve the quality of the biofuel feedstocks products and thereby increase the value which the Group can derive from such feedstocks, and ultimately support its growth initiatives.

Continue to diversify the Group's product offerings

The Group's current product portfolio primarily comprises UCO, palm oil mill effluent ("**POME**") and biodiesel products. See "***The Issuer – Products***". The Group constantly evaluates opportunities to diversify its product offering to include other types of feedstocks such as animal fat and provide methyl ester products in relation to biofuel bunkering. Animal fat from waste in the food industry is derived from meat processing waste as it is further processed into meat and bone meal, as well as rendered animal fat at rendering plants. Animal fat is an attractive feedstock for biodiesel because its cost is substantially lower than used vegetable oil. The Group believes that with an expanded product portfolio, the Group can reduce its dependency on any specific product category as well as increase its share of business with existing customers and capture new customers, which in turn, increase the Group's revenue streams.

Key Operating Subsidiaries

The following chart sets forth the key operating subsidiaries of the Issuer as at 31 March 2023:



Key Operating Subsidiaries

As at 31 March 2023, the Issuer had the following key operating subsidiaries:

Name of Subsidiary	Principal activities	Country of incorporation
Apeiron Bioenergy Japan, Inc.	Trading of UCO	Japan
Apeiron Jinhai (Sichuan) Co., Ltd.	Collection of UCO	People's Republic of China
Apeiron Bioenergy Inc.	Collection of UCO	Philippines
Apeiron Bioenergy Sdn. Bhd	Collection of UCO	Malaysia
Apeiron Bioenergy (Thailand) Co., Ltd.	Collection of UCO	Thailand
Apeiron Bioenergy (Viet Nam) Company Limited	Collection of UCO	Vietnam
Apeiron Bioenergy L.L.C	Collection of UCO	United Arab Emirates
Apeiron Twin Gem Biofuel Pte. Ltd.	Collection of UCO	Singapore
Tanghe Jinhai Biological Technology Co., Ltd.	Biodiesel refinery	People's Republic of China
PT Apeiron Used Cooking Oil Biodiesel Refinery	POME refinery	Indonesia
Sichuan Humei Energy Technology Co., Ltd.	Collection of UCO	People's Republic of China

Management

The Group's management team is helmed by its co-founders, Mr. Chen Ruhuang and Mr. Ng Sheng Ce, who are supported by Mr. Yang Shu Ping (the co-founder and managing director of Tanghe Jinhai Biological Technology Co., Ltd., which is a subsidiary of the Group incorporated in the People's Republic of China).

The brief biographies of the management team are set out below:

Mr. Chen Ruhuang is the co-founder and managing director of the Issuer. Mr. Chen handles the global trading portfolio and overall growth strategy of the Group. Prior to the founding of the Issuer, Mr. Chen worked as a proprietary trader at a fund in New York. Mr. Chen holds a Bachelor of Business degree from the University of Michigan Stephen M. Ross School of Business majoring in Finance and Accounting.

Mr. Ng Sheng Ce is the co-founder and director the Issuer. Mr. Ng is also the President Commissioner of PT Apeiron Used Cooking Oil Biodiesel Refinery, an Indonesian subsidiary of the Group. Mr. Ng is instrumental to the Group's investment and trading activities in Indonesia. Prior to the founding of the Issuer, Mr. Ng worked in Dovechem Group in Jakarta. Mr. Ng holds a Bachelor of Business degree from the University of Michigan Stephen M. Ross School of Business and a Bachelor of Arts majoring in Economics and Organizational Studies.

Mr. Yang Shu Ping is the co-founder and managing director of Tanghe Jinhai Biological Technology Co., Ltd. ("**Tanghe Jinhai**"), an entity incorporated in the People's Republic of China which was subsequently acquired by, and became a subsidiary of, the Group. Mr. Yang has more than 20 years of experience in the energy industry in China and was a pioneer in producing and exporting biodiesel from China to Europe. Prior to establishing Tanghe Jinhai, Mr. Yang was Vice President of Henan Sunshine Oil and Fats Group, president of Jinlan Culture Medium Co., Ltd. and a lecturer at the Henan University of Technology. Mr. Yang holds a degree in Chemical Engineering from the Henan University of Technology.

Mr. Mark Leong Kei Wei is a director of the Issuer. Mr Leong has considerable corporate, management and directorship experience in a broad range of functions and industries, having held senior roles (such as chairman, chief executive officer, chief operating officer and chief financial officer) in several private and public listed companies. He also sits on the board of directors of five SGX companies, two ASX-listed companies and one NASDAQ listed company. Mr Leong is a chartered accountant of the Institute of Singapore Chartered Accountants and a fellow of the Association of Chartered Certified Accountants and a member of the Singapore Institute of Directors.

Mr. Peter Min is a director of the Issuer. Mr. Min joined CLSA Capital Partners in 2009, where he is the Managing Director and Head of the Transportation & Real Assets Strategy. Prior to that, Mr. Min was with Macquarie Securities, where he focused on principal investments in the infrastructure, ports and media space, executing over US$1 billion in principal transactions. Prior to Macquarie, he was the head of valuations at KPMG Corporate Finance in Korea, where he worked on cross-border merger and acquisitions. Before joining KPMG, he started his career with Houlihan Lokey Howard & Zukin's financial restructuring group in the US. Mr. Min holds a degree in economics from University of California, Berkeley.

Customers and Suppliers

The Group's customers include blue-chip multinational energy and petrochemical energy companies as well as renewable energy companies which are located in various countries in Europe and Asia. Leveraging the Group's position as one of the leading UCO collectors in the Asia Pacific region, the Group typically enters into spot contract with our customers for the sale and purchase of UCO, and is exploring long term offtake arrangements with select customers on a strategic basis.

Employees

As at 30 April 2023, the Group had a total of 314 full-time employees and engaged 20 contract employees in the countries in which it operates.

Insurance

In line with customary industry practice, the Group maintains insurance to cover risks associated with its business, plant, equipment, employees, facilities and liabilities, which includes public liability for storage points, office, directors and officers, work injury compensation, property all risks, machinery damage, vehicle, general liability, fire, accident, earthquake, cargo risks and employee health. Depending on the Group's expansion plans and growth in operations, it may from time to time revise its insurance coverage.

Legal and Regulatory Proceedings

From time to time, the Group may be subject to legal claims and regulatory actions against the Group in the ordinary course of its business. As of the date of this Offering Circular, the Group is not currently involved in, nor is its management aware of any threat of, any litigation, regulatory proceeding or arbitration, the outcome of which would, in the reasonable judgment of the Group's management, have a material adverse effect on its business, financial condition or results of operations.

INFORMATION ON THE GUARANTOR

1. OVERVIEW OF CGIF

1.1 Establishment

CGIF, a trust fund of the Asian Development Bank, was established by the 10 members of the Association of Southeast Asian Nations ("**ASEAN**") together with the People's Republic of China ("**PRC**"), Japan, Republic of Korea (the "**ASEAN+3**") and the Asian Development Bank in 2010. The 10 members of ASEAN consist of Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic ("**Lao PDR**"), Malaysia, Republic of the Union Myanmar, Philippines, Singapore, Thailand and Vietnam.

CGIF was established in November 2010 to promote economic development, stability and resilience of financial markets in the ASEAN+3 region (the "**Region**"). The main function of CGIF is to provide credit guarantees for local currency denominated bonds issued in the Region by corporations in the Region.

1.2 Shareholding Structure

CGIF's guarantees are backed by US$1,149 million of paid-in capital from its sovereign government contributors and the Asian Development Bank. Neither the Asian Development Bank nor the other contributors are liable for the obligations of CGIF.

CGIF Shareholding Structure as at 8 May 2023

CGIF Contributors	Contribution (U.S. dollars)	Shareholding Percentage (%)
PRC	342,800,000	29.84
Japan	342,800,000	29.84
Asian Development Bank	180,000,000	15.67
Republic of Korea	171,400,000	14.92
Indonesia	21,600,000	1.88
Malaysia	17,600,000	1.53
Philippines	21,600,000	1.88
Singapore	21,600,000	1.88
Thailand	21,600,000	1.88
Brunei Darussalam	5,600,000	0.49
Vietnam	1,900,000	0.17
Cambodia	200,000	0.02
Lao PDR	200,000	0.02
Republic of the Union Myanmar	100,000	0.01
Total	**1,149,000,000**	**100.00**

1.2.1. *Governance Structure*

CGIF has a governance structure comprising of oversight by the: (i) Meeting of Contributors; (ii) Board of Directors; and (iii) Board Committees (Internal Control and Risk Management, Nomination and Remuneration and Audit).

The Board of Directors is comprised of eight Contributor-appointed members, including the Chief Executive Officer. Each of the PRC and Japan is entitled to nominate two Directors. The Republic of Korea is entitled to nominate one Director. The Asian Development Bank, and the ASEAN countries representing Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam, are each entitled to one nomination.

The Board of Directors is accountable and reports to the Contributors on the operations and performance of management and of CGIF.

Board of Directors	Members Represented
Ms. Shuo Zhang	PRC
Ms. Jiandi Ye	PRC
Mr. Noriyasu Matsuda (Chairman)	Japan
Mr. Kunihiko Nakanishi	Japan
Mr. Do Hyung Lee	Korea
Mr. Shum Jin-Chyi Kevin	ASEAN – Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam
Mr. Craig Roberts	Asian Development Bank
Mr. Hongwei Wang	CGIF Management

CGIF is led by an internationally recruited management team with experience in development banking, risk management, and credit assessment through senior positions in the Export-Import Bank of China, Asian Development Bank, Mitsubishi UFJ Financial Group, Bank of the Philippines Islands, Danajamin Nasional Berhad, Hong Leong Bank Berhad, Standard Chartered Bank, Citibank and Société Générale.

The executive decision-making powers of CGIF, and the day-to-day management of CGIF, are mandated and vested to the Chief Executive Officer. The Chief Executive Officer is recommended by the Board of Directors and approved by the Meeting of Contributors. He is the legal representative of CGIF. The Chief Executive Officer heads the management team currently comprising the Deputy Chief Executive Officer/Chief Risk Officer, Chief Credit-risk Officer, Vice President Operations, Chief Financial Officer, General Counsel & Board Secretary, Corporate Planner and Head of Budget, Planning, Personnel and Management Systems and Internal Auditor.

Name	Position
Mr. Hongwei Wang	Chief Executive Officer
Mr. Mitsuhiro Yamawaki	Deputy Chief Executive Officer/Chief Risk Officer
Mr. Aarne Dimanlig	Chief Credit-risk Officer
Mr. Anuj Awasthi	Vice President Operations
Mr. Dong Woo Rhee	Chief Financial Officer
Mr. Gene Soon Park	General Counsel & Board Secretary
Mr. Hou Hock Lim	Corporate Planner and Head of Budget, Planning, Personnel and Management Systems
Ms. Jackie Jeong-Ae Bang	Internal Auditor

1.2.2. *Credit Strength*

CGIF is rated by international and domestic credit rating agencies.

Credit Rating Agency	Scale	Rating	Outlook	Date Reviewed
Standard & Poor's	Global Long Term/ Short Term	AA/A-1+	Stable	28 February 2023
RAM Ratings	Global/ ASEAN/ National	gAAA/ seaAAA/ AAA	Stable	13 December 2022
TRIS Ratings	National	AAA	Stable	28 November 2022
Fitch Ratings Indonesia	National	AAA	Stable	17 January 2023
Pefindo Credit Rating Agency	National	idAAA	Stable	26 July 2022

1.3 Guarantee Business

CGIF's guarantee portfolio is limited to a leverage ratio of 2.5 times of its paid in capital of US$1,149 million as at 8 May 2023, plus (a) retained earnings, plus (b) reserves, less (c) net credit loss reserves, less (d) foreign exchange loss reserves, less (e) all illiquid assets. CGIF conducts its guarantee operations by adhering to its risk management framework consisting of: (i) credit guarantee process; (ii) credit guarantee portfolio management; (iii) risk reporting; and (iv) safeguards standards, among others.

1.3.1. *Guarantee Portfolio*

As of 8 May 2023, CGIF has provided guarantees to the following corporate issuers in the ASEAN region:

Issue Date	Issuer	Note Issuance Venue	Issue Size(1)	% Guaranteed by CGIF	Issue Rating	Tenor
19 April 2023	China Education Group Holdings Limited	Singapore	Offshore Renminbi (CNY) 500 million	100%	AA (S&P)	3 years
27 January 2023	SNC Former Public Company Limited	Thailand	THB1 billion	100%	AAA (Tris Rating)	5 years
7 April 2022	First Real Estate Investment Trust	Singapore	SGD100 million	100%	AA (S&P)	5 years
22 March 2022	China Education Group Holdings Limited	Singapore	Offshore Renminbi (CNY) 500 million	100%	AA (S&P)	3 years
4 March 2022	PT Polytama Propindo	Indonesia	IDR 110.25 billion**	100%	AAA (Pefindo)	3 years
4 March 2022	PT Polytama Propindo	Indonesia	IDR 110.25 billion**	100%	AAA (Pefindo)	5 years
1 December 2021	JWD InfoLogistics Public Company Limited	Thailand	THB 1.2 billion	100%	AAA (Fitch)	9 years
11 November 2021	Thaifoods Group Public Company Limited	Thailand	THB 1 billion	100%	AAA (TRIS)	5 years
8 September 2021	PT Polytama Propindo	Indonesia	IDR 96.5 billion	100%	AAA (Pefindo)	3 years
8 September 2021	PT Polytama Propindo	Indonesia	IDR 223 billion	100%	AAA (Pefindo)	5 years
8 September 2021	PT Polytama Propindo	Indonesia	IDR 104 billion**	100%	AAA (Pefindo)	3 years
8 September 2021	PT Polytama Propindo	Indonesia	IDR 56 billion**	100%	AAA (Pefindo)	5 years
1 September 2021	Hanwha Q Cells Malaysia Sdn. Bhd.	Malaysia	MYR 150 million	100%	AAA (RAM)	3 years
25 August 2021	Telcotech Ltd.	Cambodia	KHR 80 billion	100%	Unrated	5 years
19 April 2021	Hanwha Solutions Corporation	Singapore	Offshore Renminbi (CNH) 1.0 billion	100%	AA (S&P)	3 years
5 March 2021	JWD InfoLogistics Public Company Limited	Thailand	THB 700 million	100%	AAA (Fitch)	5 years
8 January 2021	PT Ketrosden Triasmitra	Indonesia	IDR 415 billion	100%	AAA (Pefindo)	3 years
8 January 2021	PT Ketrosden Triasmitra	Indonesia	IDR 168 billion	100%	AAA (Pefindo)	5 years

Issue Date	Issuer	Note Issuance Venue	Issue Size[(1)]	% Guaranteed by CGIF	Issue Rating	Tenor
24 December 2020	GLP Pte. Ltd.	Japan	JPY 15.4 billion	100%	AA (S&P)	9 years
23 April 2020	PRASAC Microfinance Institution PLC	Cambodia	KHR 127.2 billion	100%	Unrated	3 years
9 April 2020	RMA (Cambodia) PLC	Cambodia	KHR 80 billion	100%	Unrated	5 years
10 January 2020	Energy Absolute Public Company Ltd.	Thailand	THB 3.0 billion	50% risk participation with ADB	A (Tris Rating)	7 years
8 January 2020	Thaifoods Group Public Company Limited	Thailand	THB 2.0 billion	100%	AAA (Tris Rating)	5 years
31 December 2019	GELEX Group Joint Stock Company	Vietnam	VND 1.15 trillion	100%	Unrated	10 years
24 December 2019	Hong Phong 1 Energy JSC	Vietnam	VND 400 billion	100%	Unrated	5 years
24 December 2019	Hong Phong 1 Energy JSC	Vietnam	VND 2.15 trillion	100%	Unrated	15 years
3 December 2019	Nexus International School (Singapore) Pte. Ltd.	Singapore	SGD 150 million	100%	AA (S&P)	12 years
25 March 2019	CJ Logistics Asia Pte. Ltd.	Singapore	SGD70 million	100%	AA (S&P)	5 years
28 January 2019	Refrigeration Electrical Engineering Corporation	Vietnam	VND2.318 trillion	100%	Unrated	10 years
25 January 2019	Yoma Strategic Holdings Limited	Thailand	THB2.220 billion	100%	AAA (Tris Rating)	5 years
17 December 2018	Boonthavorn Ceramic 2000 Co., Ltd.	Thailand	THB2.0 billion	50%	AA+ (Tris Rating)	5 years
7 December 2018	Siamgas and Petrochemicals Public Company Limited	Thailand	THB2.0 billion	70%	A (Tris Rating)	5 years
16 November 2018	Aeon Credit Service (Philippines) Inc.	Philippines	PHP900 million	100%	Unrated	3 years
16 November 2018	Aeon Credit Service (Philippines) Inc.	Philippines	PHP100 million	100%	Unrated	5 years
5 October 2018	Hoan My Medical Corporation	Vietnam	VND1.4 trillion	100%	Unrated	7 years
5 October 2018	Hoan My Medical Corporation	Vietnam	VND930 billion	100%	Unrated	5 years
10 September 2018	The PAN Group Joint Stock Company	Vietnam	VND1.135 trillion	100%	Unrated	5 years

Issue Date	Issuer	Note Issuance Venue	Issue Size(1)	% Guaranteed by CGIF	Issue Rating	Tenor
28 February 2018	Siamgas and Petrochemicals Public Company Limited	Thailand	THB2.0 billion	85%	A (Tris Rating)	5 years
10 January 2018	ASA Philippines Foundation, Inc.	Philippines	PHP500 million	75%	Unrated	5 years
17 November 2017	Mobile World Investment Corporation	Vietnam	VND1.135 trillion	100%	Unrated	5 years
28 June 2017	ASA Philippines Foundation, Inc.	Philippines	PHP500 million	75%	Unrated	5 years
10 February 2017	ASA Philippines Foundation, Inc.	Philippines	PHP1.0 million	75%	Unrated	5 years
18 November 2016	KNM Group Berhad	Thailand	THB2.78 billion	100%	AAA (Tris Rating)	5 years
7 July 2016	Fullerton Healthcare Corporation Limited	Singapore	SGD50 million	100%	AA (S&P)	7 years
7 July 2016	Fullerton Healthcare Corporation Limited	Singapore	SGD50 million	100%	AA (S&P)	5 years
28 April 2016	PT Mitra Pinasthika Mustika Finance	Indonesia	IDR160 billion	100%	Unrated	3 years
11 March 2016	PT Mitra Pinasthika Mustika Finance	Indonesia	IDR140 billion	100%	Unrated	3 years
8 March 2016	AP Renewables, Inc.	Philippines	PHP10.7 billion	Up to Php 4.7 billion Risk Sharing with ADB	Unrated	10 years
18 February 2016	Vingroup Joint Stock Company	Vietnam	VND 1.95 trillion	100%	Unrated	5 years
18 February 2016	Vingroup Joint Stock Company	Vietnam	VND 1.05 trillion	100%	Unrated	10 years
7 October 2015	IVL Singapore Pte. Ltd, a subsidiary of Indorama Ventures Public Company Limited	Singapore	SGD 195 million	100%	AA (S&P)	10 years
18 December 2014	PT Astra Sedaya Finance	Singapore	SGD 100 million	100%	Unrated	3 years
5 December 2014	Masan Consumer Holdings Company Limited	Vietnam	VND 2.1 trillion	100%	Unrated	10 years
27 November 2014	Protelindo Finance BV*	Singapore	SGD 180 million	100%	AA (S&P)	10 years
21 August 2014	Kolao Holdings	Singapore	SGD 60 million	100%	AA (S&P)	3 years

Issue Date	Issuer	Note Issuance Venue	Issue Size[(1)]	% Guaranteed by CGIF	Issue Rating	Tenor
18 March 2014	PT BCA Finance	Indonesia	IDR 120 billion	100%	Unrated	3 years
4 December 2013	PT BCA Finance	Indonesia	IDR 300 billion	100%	Unrated	3 years
26 April 2013	Noble Group Limited	Thailand	THB 2.85 billion	100%	AAA(tha) – Fitch Ratings Thailand	3 years

Notes:

(1) IDR refers to Indonesian Rupiah, PHP refers to Philippine Peso, SGD refers to Singapore dollars, THB refers to Thai Baht, VND refers to Vietnamese Dong, KHR refers to Cambodian Riel, JPY refers to Japanese Yen, CNY refers to Offshore Renminbi, and MYR refers to Malaysian Ringgit.

(2) * Change of issuer of the bonds from Protelindo Finance B.V. to PT Professional Telekomunikasi Indonesia effective 03 August 2016.

(3) ** Refers to ijarah sukuk issuances.

1.3.2. *Guarantee Structure*

CGIF's bond guarantee operation is aimed at supporting ASEAN+3 corporations to access the Region's bond markets to achieve the following benefits:

- expand and diversify their sources of debt capital;
- raise funds in matching currencies and tenors;
- transcend country sovereign ceilings for cross-border transactions; and
- gain familiarity in new bond markets and broader investor groups.

The guarantees issued by CGIF are irrevocable and unconditional commitments to pay bondholders upon non-payment by the issuers throughout the tenor of the bonds. This commitment is backed by CGIF's equity capital which has been fully paid-in by all of its contributors. CGIF's general bond guarantee structure is illustrated below.

* To ensure applicability of the guarantee in multiple jurisdictions in the ASEAN+3 countries, some variations to this structure may be incorporated to accommodate the established market norms.

Bond issuances that can be considered for CGIF guarantees are limited to the following parameters:

- group exposure/single borrow limit is up to US$229.8 million;
- bond tenor of up to 10 years (up to 15 years is possible, subject to credit quality and justification); and
- for foreign currency denominated issuance, the currency of issuance should be adequately hedged with the corporate entity's sales receipts, inward foreign currency remittances, or via financial hedge arrangements.

CGIF started its guarantee operations with a full guarantee for standard corporate bonds issued by corporations in the Region. With the experience gained from offering a full wrap guarantee, CGIF may also explore other alternatives including partial guarantees and other risk sharing mechanisms depending on the market opportunities and acceptability of such an arrangement. CGIF also intends to guarantee project bonds to help develop them in the relevant markets in the Region.

1.4 Capital and Liquidity Guidelines

CGIF has investment strategies and liquidity guidelines for the management of its capital resources, where investments are focused on low-risk and highly liquid assets, such as government-related securities and/or highly rated securities which are internationally rated "A+" or higher for long-term instruments issued by government related entities of CGIF contributor countries, "AA-" or higher for those issued by others, and "A-1" or higher for short-term instruments. In order for CGIF to raise enough funds in a contingent case where a guarantee is called, CGIF also implemented the following:

(i) Quarterly Stress test, where CGIF's funding capability is tested by liquidating its investment portfolio in a stress environment

(ii) Quarterly Liquidity Gap reports, where monthly cash surplus from all projected cash in/out flows related to all CGIF operations and activities are checked

1.5 Selected Financial Information

A summary of the statement of financial position, income statement, and cash flows as of, and for each of the years ended 31 December 2021 and 2022 have been extracted from CGIF's financial statements for the years ended 31 December 2021 and 2022 and presented as follows:

Statement of Financial Position Summary

	As of 31 December	
	2021	**2022**
	(in thousands of U.S. dollars)	
Statement of Financial Position:		
Assets:		
Cash	9,154	9,342
Investments	1,214,772	1,182,301
Accrued interest income	6,900	8,236
Guarantee fee receivable, net	63,568	57,248
Guarantee receivable, net	73,079	45,335
Other assets, net	5,292	2,539
Total assets	**1,372,765**	**1,305,001**
Liabilities and Member's equity:		
Guarantee liability	76,200	66,435
Other liabilities	4,203	15,334
Total liabilities	**80,403**	**81,769**
Member's equity:		
Capital stock (Paid-in capital)	1,137,000	1,148,899
Accumulated other comprehensive income:		
investment revaluation reserve	16,113	(78,750)
Reserves & retained earnings	139,249	153,083
Total member's equity	**1,292,362**	**1,223,232**
Total liabilities and members' equity	**1,372,765**	**1,305,001**

Statement of Net Income and Comprehensive Income Summary

	As of 31 December	
	2021	2022
	(in thousands of U.S. dollars)	
Statement of Net Income:		
Guarantee fees	19,420	20,034
Interest income	27,276	28,458
Miscellaneous income	4,419	2,608
Total revenue	51,115	51,100
Total expenses	(19,109)	(35,937)
Net operating income	32,006	15,163
Loss from foreign exchange	(2,215)	(1,329)
Net income	29,791	13,834
Statement of Comprehensive Income:		
Net unrealised loss on investments measured at FVTOCI	(36,740)	(94,863)
Total comprehensive income	**(6,949)**	**(81,029)**

Statement of Cash Flow Summary

	As of 31 December	
	2021	2022
	(in thousands of U.S. dollars)	
Statement of Cash Flow:		
Net cash flows from operating activities	(74,015)	27,577
Net cash flows from investing activities	45,121	(39,085)
Net cash flows from financing activities	34,645	11,737
Effect of exchange rate changes on cash	(57)	(41)
Net cash movement	5,694	188
Cash at beginning of period	3,460	9,154
Cash at end of period	**9,154**	**9,342**

1.6 Audited Financial Statements as at and for the year ended 31 December 2022

CGIF's financial statements are prepared and presented in accordance with IFRS and audited by Deloitte. The Independent Auditors' Report accompanying the audited financial statements of the Guarantor as at and for the year ended 31 December 2022 are contained elsewhere in this Offering Circular.

All of the information on the Guarantor under this section has been provided by CGIF. Information in respect of the Issuer contained in this Offering Circular has not been verified by the Guarantor. None of the Guarantor, its management nor its employees take any responsibility, expressed or implied, for any information contained in this Offering Circular, other than the information contained in this section entitled "***Information on the Guarantor***". In addition, none of the foregoing parties has taken any steps to verify the accuracy of any of the information included in this Offering Circular, other than the information contained in this section entitled "***Information on the Guarantor***", and no representation or warranty, express or implied, is made by any such parties as to the accuracy or completeness of the information contained in this Offering Circular.

DESCRIPTION OF THE CGIF GUARANTEE

*The following contains summaries of certain key provisions of the CGIF Guarantee and related provisions of the Trust Deed. Such statements do not purport to be complete and are qualified in their entirety by reference to the CGIF Guarantee and the Trust Deed. Defined terms used in this section shall have the meanings given to them in the CGIF Guarantee, the Conditions and the Trust Deed. All references to a "**Condition**" are to a condition in the Terms and Conditions of the Bonds.*

(a) GUARANTEED AMOUNTS

Pursuant to the CGIF Guarantee, CGIF will irrevocably and unconditionally guarantee to the Trustee the full and punctual payment of each Guaranteed Amount.

For the purposes of the CGIF Guarantee, "**Guaranteed Amount**" means:

- any Principal Amount and any Scheduled Interest which is overdue and unpaid (whether in whole or in part) by the Issuer under the Conditions and the Trust Deed;
- any Additional Accrued Interest; and
- any Trustee Expenses,

in each case as defined in the CGIF Guarantee.

The Guaranteed Amount does not include, and the CGIF Guarantee will not cover, any amounts pursuant to the CGIF Guarantee where the relevant amount of principal or accrued but unpaid interest became payable under the Condition on an accelerated basis at the instigation, including, without limitation, as a result of the Issuer's voluntary redemption of the Bonds (whether in full or in part) prior to the Bond Maturity Date (as defined in the CGIF Guarantee).

(b) MISSED PAYMENT EVENT

Subject to Clause 2.1 (*Guarantee*) of the CGIF Guarantee and Clause 3.2 (*Missed Payment Event*) and Clause 3.3 (*Acceleration*) of the Trust Deed, if a Missed Payment Event has occurred and is continuing, CGIF shall pay the Guaranteed Amount relating to the Missed Payment Event to the Guaranteed Party or to its order within thirty (30) calendar days of such Missed Payment Event.

Subject to the following paragraph, if CGIF fails to make a payment in accordance with the preceding paragraph, CGIF will pay interest on the overdue Guaranteed Amount (other than any Trustee Expenses) for the period from (and including) the date the relevant Non-Payment Event occurred to (but excluding) the Guarantor Payment Date at the Guarantor Default Rate.

CGIF will pay interest on the overdue Trustee Expenses from the period from (and including) the date the relevant Non-Payment Event occurred to (but excluding) the Guarantor Payment Date at the rate of the Trustee's cost of funds, provided that the Trustee furnishes evidence as to its cost of funds to the reasonable satisfaction of CGIF.

Notwithstanding the above, following the receipt by CGIF of a Missed Payment Notice (as defined in the Trust Deed) in accordance with the Trust Deed and at any time prior to the date on which a Guaranteed Amount is due for payment:

- if the Paying Agent subsequently receives payment in full or in part in respect of a Guaranteed Amount from a source other than CGIF, the Paying Agent shall as soon as reasonably practicable notify the Issuer, CGIF and the Trustee of such payment; and

- upon receipt of the notice referred to above, the obligation of CGIF to pay the Guaranteed Amount specified in the relevant Missed Payment Notice shall, in respect of any payment received in part by the Paying Agent, be reduced by the corresponding amount received by the Paying Agent or, in respect of any payment received in full by the Paying Agent, be terminated in respect of such payment due date.

(c) **GUARANTEED PARTY ACCELERATION**

Pursuant to the Trust Deed, the Trustee shall not be entitled to take an Acceleration Step (as defined in the Trust Deed) unless a Guaranteed Party Acceleration has occurred or with the prior written consent of the Guarantor and, in the event that any such Acceleration Step is taken in contravention of such provision, CGIF shall not be required to pay any amounts in respect of such Acceleration Step.

Upon the occurrence of a Guaranteed Party Acceleration and if the Guaranteed Amounts are not paid by the Issuer in accordance with the Conditions and the Trust Deed following such Guaranteed Party Acceleration, the Trustee may at its sole discretion and, if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the outstanding Bonds, or if so directed to do so by an Extraordinary Resolution, shall (subject in each case to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction) deliver in accordance with the Trust Deed a Guaranteed Party Acceleration Notice (substantially in the form of Schedule 6 (*Form of Guaranteed Party Acceleration Notice*) to the Trust Deed) in respect of the aggregate of the unpaid Guaranteed Amounts and the Guarantor Default Interest Amount (if any) to be paid by CGIF in accordance with the CGIF Guarantee.

(d) **LIMITED RIGHTS OF ACCELERATION**

The Trustee's and the Bondholders' acceleration rights against the Issuer and CGIF are limited pursuant to the Trust Deed, as described under "***Guaranteed Party Acceleration***" above. In particular, potential investors should note that the Trustee and the Bondholders are not permitted to accelerate upon the occurrence of any of the Events of Default set out in Condition 10 (*Events of Default*).

(e) **CGIF'S OBLIGATIONS UNDER THE CGIF GUARANTEE ARE NOT IMPACTED BY ITS OR THE ISSUER'S INSOLVENCY OR WINDING-UP**

CGIF has agreed under the CGIF Guarantee that its obligations will not be affected by and shall remain in force notwithstanding by any act, omission or thing of any kind which, but for the relevant provision set out in the CGIF Guarantee would reduce, release or prejudice any of its obligations under the CGIF Guarantee including, among other things, in the event of any insolvency or similar proceedings affecting the Issuer or CGIF.

Investors should, however, note that the CGIF Guarantee is a secondary obligation only under English law, being the governing law of the CGIF Guarantee (other than Clause 17 of the Guarantee). In the event that the Issuer's obligations under the Bonds and/or the Trust Deed (being the primary obligations which are the subject of the CGIF Guarantee) cease to exist for any reason (for example, because they are held to be void for lack of capacity or illegality) the Trustee and the Bondholders may not be able to make a claim under the CGIF Guarantee for any Guaranteed Amount. See "***Risk Factors – The obligations of the Guarantor under the CGIF Guarantee are secondary obligations only***".

(f) **CGIF ACCELERATION**

At any time following the occurrence of a CGIF Acceleration, CGIF may at its discretion, on giving not less than seven nor more than 15 days' notice to the Issuer, the Trustee and the Paying Agent, require the Issuer to redeem the Bonds in whole, but not in part only, at their principal amount, together with interest accrued but unpaid to the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so CGIF may, give notice to the Bondholders, the Trustee and the Paying Agent in accordance with the Condition 16 (*Notices*) (which notice shall be irrevocable).

A "**CGIF Acceleration**" occurs if the Issuer or CGIF notifies the Trustee immediately before the giving of such notice that:

(a) an Issuer Event of Default has occurred; or

(b) a Missed Payment Event has occurred and is continuing and irrespective of whether or not CGIF has already paid any Guaranteed Amounts in respect of such Missed Payment Event; or

(c) any term or provision of the Terms and Conditions of the Bonds, the Trust Deed or the Agency Agreement has been amended, modified, varied, novated, supplemented, superseded, waived or terminated without the prior written consent of the CGIF as required pursuant to the terms of the CGIF Guarantee, Trust Deed or the Agency Agreement, as the case may be,

and CGIF has delivered a CGIF Acceleration Notice (substantially in the form of Schedule 5 (*Form of CGIF Acceleration Notice*) to the Trust Deed) to the Trustee in accordance with the Trust Deed.

The CGIF Acceleration Notice will, among other things, contain a written confirmation that CGIF will pay all outstanding Guaranteed Amounts.

(g) **REIMBURSEMENT AND INDEMNITY AGREEMENT**

The Issuer, certain of the Issuer's subsidiaries, certain of the Issuer's shareholders and the Guarantor have entered into a reimbursement and indemnity agreement (the "**Reimbursement and Indemnity Agreement**") which, among other things, specifies the payment of guarantee fees and other amounts in respect of the CGIF Guarantee and the basis on which amounts paid by the Guarantor under the CGIF Guarantee are to be reimbursed and indemnified by the Issuer.

TAXATION

The following summary is based on tax laws of Singapore as in effect on the date of this Offering Circular, and is subject to changes in Singapore laws, including changes that could have retroactive effect. The following summary does not take into account or discuss the tax laws of any countries other than Singapore. Prospective purchasers in all jurisdictions are advised to consult their own tax advisers as to Singapore or other tax consequence of the acquisition, ownership and disposition of the Bonds.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore ("**IRAS**") and the MAS in force as at the date of this Offering Circular, and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Bonds or of any person acquiring, selling or otherwise dealing with the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. The statements below do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Bonds and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Bonds are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Bonds, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor, the Sole Lead Manager or any other persons involved in the issuance of the Bonds accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Bonds.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent., and is proposed to be increased to 24 per cent. from the year of assessment 2024 pursuant to the Singapore Budget Statement 2022. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

It was announced in the Singapore Budget Statement 2023 and the MAS Circular FDD Cir 08/2023 entitled "Qualifying Debt Securities ("**QDS**") and Primary Dealer Schemes – Extension and Refinements" issued by the MAS on 31 May 2023 that the QDS Scheme will be extended to 31 December 2028. In addition, more financial institutions will qualify to arrange QDS, and all payments made by the issuer on the redemption of QDS upon its maturity or on the early redemption of QDS will be exempt from tax, subject to conditions.

For the purpose of the tax exemption, securities issued from 15 February 2023 to 31 December 2023 (both dates inclusive) and substantially arranged in Singapore by:

(a) a Financial Sector Incentive (Standard Tier) Company;

(b) a Financial Sector Incentive (Capital Market) Company; or

(c) a specified person,

will be QDS.

However, for securities issued during the period from 1 January 2024 to 31 December 2028, they must be substantially arranged in Singapore by specified persons to be QDS. The specified persons are:

(i) a bank or merchant bank licensed under the Banking Act 1970;

(ii) a finance company licensed under the Finance Companies Act 1967; or

(iii) a person who holds a capital markets services licence under the Securities and Futures Act 2001 to carry on a business in any of the following regulated activities – advising on corporate finance or dealing in capital markets products.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006;

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007, and

(d) early redemption fee (which replaced the terms "prepayment fee" and "break cost") from debt securities derived on or after 15 February 2023,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

As the issue of the Bonds is lead-managed by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, which is a bank licensed under the Banking Act 1970, or a person who holds a Capital Markets Services Licence under the Securities and Futures Act 2001 to carry on a business in any regulated activities – advising on corporate finance, or dealing in capital markets products, at such time, and the Bonds are issued as debt securities during the period from 15 February 2023 to 31 December 2028 (both dates inclusive), the Bonds would be QDS for the purposes of the Income Tax Act, to which the following treatment shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Bonds in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Bonds of a statement to the effect that where interest, discount income, early redemption fee and redemption premium is derived from the Bonds by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities shall not apply if the non-resident person acquires the Bonds using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the "**Qualifying Income**") from the Bonds paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Bonds are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Bonds in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require), Qualifying Income from the Bonds paid by the Issuer and derived by any company or body of persons (as defined in the Income Tax Act) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

    (a) the Issuer including in all offering documents relating to the Bonds a statement to the effect that any person whose interest, discount income, early redemption fee and redemption premium derived from the Bonds is not exempt from tax shall include such income in a return of income made under the Income Tax Act; and

    (b) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Bonds in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require,

    payments of Qualifying Income derived from the Bonds are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

(a) if during the primary launch of the Bonds, the Bonds are issued to less than four persons and 50 per cent. or more of the issue of the Bonds is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Bonds would not qualify as QDS; and

(b) even though the Bonds are QDS, if at any time during the tenure of the Bonds, 50 per cent. or more of the Bonds which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Bonds held by:

    (a) any related party of the Issuer; or

    (b) any other person where the funds used by such person to acquire the Bonds are obtained, directly or indirectly, from any related party of the Issuer,

    shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person *(A)*, means any other person who, directly or indirectly, controls *A*, or is being controlled, directly or indirectly, by *A*, or who, together with *A*, is directly or indirectly under the control of a common person.

The terms "**early redemption fee**" and "**redemption premium**" are defined in the Income Tax Act as follows:

- "**early redemption fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities; and

- "**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities.

References to "**early redemption fee**" and "**redemption premium**" in this Singapore tax disclosure have the same meaning as defined in the Income Tax Act.

Where interest, discount income, early redemption fee and redemption premium (i.e. the Qualifying Income) is derived from any of the Bonds by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities under the Income Tax Act (as mentioned above) shall not apply if such person acquires such Bonds using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee and redemption premium (i.e. the Qualifying Income) derived from the Bonds is not exempt from tax is required to include such income in a return of income made under the Income Tax Act.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Bonds will not be taxable in Singapore. However, any gains derived by any person from the sale of the Bonds which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Bonds who apply or are required to apply FRS 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Bonds, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "***Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes***".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the Income Tax Act provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "*Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement*".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "*Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments*".

Holders of the Bonds who may be subject to the tax treatment under Sections 34A or 34AA of the Income Tax Act should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Bonds.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State; or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**" and each, an "**IGA**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Bonds issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in a subscription agreement dated 16 June 2023 (the "**Subscription Agreement**") among the Issuer, the Guarantor and the Sole Lead Manager, subject to and in accordance with the provisions of the Subscription Agreement, have agreed to subscribe and pay for, or procure subscriptions and payment for, the Bonds.

The Subscription Agreement provides that the Issuer has agreed to pay the Sole Lead Manager certain fees and commissions and to reimburse the Sole Lead Manager for certain of their expenses in connection with the initial sale and distribution of the Bonds, and the Issuer and the Guarantor will indemnify the Sole Lead Manager against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Sole Lead Manager are subject to certain conditions precedent and entitles the Sole Lead Manager to terminate it in certain circumstances prior to payment being made to the Issuer.

The Sole Lead Manager and its subsidiaries and affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Sole Lead Manager and certain of its subsidiaries or affiliates may have performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with, the Issuer, the Guarantor and/or their respective subsidiaries and affiliates, from time to time, for which they have received customary fees and expenses. The Sole Lead Manager and its subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor and/or their respective subsidiaries and affiliates in the ordinary course of their business.

The Sole Lead Manager and its affiliates may purchase any Bonds and be allocated Bonds for asset management and/or proprietary purposes, whether or not with a view to later distribution. This may reduce the liquidity of the Bonds in the secondary trading market. References herein to the Bonds being offered should be read as including any offering of the Bonds to the Sole Lead Manager and/or its affiliates acting in such capacity. In the ordinary course of their various business activities, the Sole Lead Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer or the Guarantor. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The distribution of this Offering Circular, or any offering material, and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular, or any offering material, are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken that would, or is intended to, permit a public offering of the Bonds, or the possession or distribution of this Offering Circular or any amendment or supplement thereto or any offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required.

The Sole Lead Manager may, from time to time, engage in transactions with and perform services for the Issuer or the Guarantor in the ordinary course of their businesses.

The Sole Lead Manager has represented, warranted and agreed that it will (to the best knowledge and belief of the Sole Lead Manager) comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses, distributes this Offering Circular or any other offering material relating to the Bonds. Persons into whose hands this Offering Circular comes are required by the Issuer, the Guarantor and the Sole Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish this Offering Circular or any other offering material relating to the Bonds, in all cases at their own expense.

Accordingly, the Bonds should not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, circular, prospectus, form of application or advertisement in connection with the Bonds should be distributed or published in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not, save as disclosed in this Offering Circular, impose any obligations on the Issuer, the Guarantor or the Sole Lead Manager.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Sole Lead Manager or any of their affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Sole Lead Manager or its affiliate on behalf of the Issuer in such jurisdiction.

SELLING RESTRICTIONS

General

None of the Issuer, the Guarantor or the Sole Lead Manager makes any representation that any action will be taken in any jurisdiction by the Sole Lead Manager, the Issuer or the Guarantor that would permit a public offering of the Bonds and the CGIF Guarantee, or possession or distribution of the Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds and the CGIF Guarantee (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. The Sole Lead Manager is not authorised to make any representation or use any information in connection with the issue, subscription and sale of the Bonds and the CGIF Guarantee other than as contained in, or which is consistent with, the Offering Circular or any amendment or supplement to it.

United States

The Bonds and CGIF Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Sole Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds, (a) as part of their distribution at any time or (b) otherwise, until forty (40) days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until forty (40) days after commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the EU Prospectus Regulation

In relation to each Member State of the European Economic Area, the Sole Lead Manager has represented and agreed that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by the Offering Circulars to the public in any Member State, except that it may make an offer of such Bonds to the public in a Member State:

(a) *Qualified investors*: to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(b) *Fewer than 150 offerees*: to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) as permitted under the EU Prospectus Regulation subject to obtaining the prior consent of the Sole Lead Manager; or

(c) *Other exempt offers*: in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Bonds shall require the Issuer or the Sole Lead Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Bonds to the public" in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors

The Sole Lead Manager has represented and agreed that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by the Offering Circular in relation thereto to the public in the United Kingdom, except that it may make an offer of such Bonds to the public in the United Kingdom:

(a) *Qualified investors:* at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) *Fewer than 150 offerees:* at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the Sole Lead Manager; or

(c) *Other exempt offers:* at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Bonds shall require the Issuer or the Sole Lead Manager to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Bonds to the public** in relation to any Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other regulatory restrictions

The Sole Lead Manager has further represented, warranted and undertaken that:

(a) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) *General compliance:* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Singapore

The Sole Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, the Sole Lead Manager has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Hong Kong

The Sole Lead Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to 'professional investors' as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO, or (b) in other circumstances which do not result in the document being a 'prospectus' as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C**(**WUMP**)**O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to 'professional investors' as defined in the SFO and any rules made under the SFO.

TRANSFER RESTRICTIONS

Each purchaser of the Bonds, by accepting the delivery of this Offering Circular, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

(a) it is purchasing the Bonds for its own account or an account with respect to which it exercises sole investment discretion, and it and any such account is outside the United States and is a non-U.S. person;

(b) it understands and acknowledges that the Bonds and the CGIF Guarantee have not been and will not be registered under the Securities Act;

(c) that unless so registered, the Bonds may not be sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws;

(d) that the Bonds are being offered and sold only outside the United States to non-U.S. persons in an offshore transaction in compliance with Rule 903 under the Securities Act; and

(e) that it is purchasing the Bonds for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Bonds in violation of the Securities Act. Because of the above restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Bonds.

RATINGS

The Bonds are expected to be rated AA by S&P. A security rating is not a recommendation to purchase, hold or sell the Bonds as such rating does not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgement, circumstances so warrant. See "***Risk Factors – Risks Relating to the Bonds – Credit ratings may not reflect all risks and the ratings assigned to the Bonds may be lowered or withdrawn in the future.***".

GENERAL INFORMATION

1. Listing

Application will be made to the SGX-ST for the listing and quotation of the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions or reports contained in this Offering Circular. Approval in-principle from, admission of the Bonds to the Official List of the SGX-ST and the listing and quotation of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries (if any), their respective associated companies (if any) or the Bonds. The Bonds will be traded on the SGX-ST in a minimum board lot size of S$250,000 for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.

The Bonds issued are proposed to be issued under the AMBIF.

AMBIF is a policy initiative under the ABMI to create a nexus among domestic professional local currency bond markets in the region to help facilitate intraregional transactions through standardised bond and note issuance and investment processes.

AMBIF facilitates intraregional bond and note issuance and investment by creating common market practices; utilising a common document for submission, the Single Submission Form (the "**SSF**"); and highlighting transparent issuance procedures as documented in the implementation guidelines for each participating market, including Singapore.

AMBIF is expected to expand opportunities for issuers and investors: issuers can raise funds in local currencies in multiple locations in the region more easily, and investors can invest in local currency bonds more easily.

To be recognised as a bond or note issued under AMBIF (AMBIF Bond or Note), certain requirements need to be satisfied. These so-called AMBIF elements are summarised in the table below. Integral to AMBIF is the use of the SSF.

AMBIF Elements	Brief Description
Domestic Settlement	Bonds/notes are settled at a national central securities depository in ASEAN+3
Harmonised Submission Documents (SSF)	Common approach of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information needs to be included.
Registration or profile listing at ASEAN+3 (Place of continuous disclosure)	Information on bonds/notes and issuer needs to be disclosed continuously in ASEAN+3. Registration or listing authority function is required to ensure continuous and quality disclosure.
Currency	Bonds/notes are denominated in currencies normally issued in domestic bond markets of ASEAN+3
Scope of Issuer	Resident of ASEAN+3
Scope of Investors	Professional investors defined in accordance with applicable laws and regulations or market practice in each market in ASEAN+3

At this stage, the SSF, in conjunction with the AMBIF Implementation Guidelines, is accepted in seven jurisdictions in ASEAN+3: Hong Kong, China; Japan; Malaysia; the Philippines; Singapore; Thailand; and Cambodia. The region's other markets are expected to join as soon as they are ready.

The SSF, as the single and comprehensive issuance and disclosure document, has been modelled on the information memorandum used in international bond markets and its contents complies with the information and disclosure requirements of all participating markets, including those of Singapore.

The SSF has been recognised by the Singapore Exchange Limited ("**SGX**") and the MAS to serve as issuance documentation for bonds and notes issued to exempted classes of investors. As such, the documents and/or material in connection with the offer or sale, or invitation for subscription or purchase, of such bonds and notes may not be circulated or distributed, nor may such bonds and notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. For such bonds and notes to be listed on the SGX, the application procedures and relevant listing requirements will need to be fulfilled by the relevant issuer of such bonds and notes.

The SSF is a public document and was created and is maintained by the ASEAN+3 Bond Market Forum, a public sector-private sector forum under the guidance of the Asian Development Bank, in conjunction with the AMBIF Documentation Recommendation Board, a group of bond market participating institutions and professionals in ASEAN+3 that support and represent best market practices. The template for the SSF is available for download from the Asian Development Bank's website.

2. Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds.

3. Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings pending or, so far as the Issuer is aware threatened against the Issuer or any of the subsidiaries of the Issuer, the outcome of which may have or have had during the twelve (12) months prior to the date of this Offering Circular a material adverse effect on the financial position of the Issuer or the Group.

4. Significant/Material Change

Saved as disclosed in this Offering Circular, since 31 December 2021, there has been no material adverse change in the financial position of the Issuer.

5. Auditor

The audited financial statements of the Issuer as of and for the year ended 31 December 2022, which are included elsewhere in this Offering Circular, have been audited by RSM, and as stated in its report appearing herein.

The audited financial statements of the Guarantor as of and for the year ended 31 December 2022, which are included elsewhere in this Offering Circular, have been audited by Deloitte, and as stated in its report appearing herein.

6. Documents available for Inspection

Copies of the Trust Deed, the CGIF Guarantee and Agency Agreement will be available for inspection, at the specified office of the Paying Agent during normal business hours upon prior written request and satisfactory proof of holding for so long as any of the Bonds are outstanding.

GUARANTEE AGREEMENT

DATED ______________________

CREDIT GUARANTEE AND INVESTMENT FACILITY,
a trust fund of the Asian Development Bank

and

THE BANK OF NEW YORK MELLON, SINGAPORE BRANCH
as trustee for and on behalf of all Bondholders

relating to

S$50,000,000 4.487 per cent. Senior Unsecured Guaranteed Green Bonds due 2028
issued by Apeiron Agrocommodities Pte. Ltd.

CONTENTS

Clause **Page**

THIS GUARANTEE (this **Agreement**) is dated _________________ and is made **BETWEEN**:

(1) **CREDIT GUARANTEE AND INVESTMENT FACILITY**, a trust fund of the Asian Development Bank with its principal office in Manila, the Philippines, as guarantor (**CGIF**); and

(2) **THE BANK OF NEW YORK MELLON, SINGAPORE BRANCH** in its capacity as the trustee for and on behalf of the holders of the Bonds (as defined below) (in this capacity, the **Guaranteed Party**)

(each a **Party** and collectively the **Parties**).

BACKGROUND:

(A) At the request of the Issuer (as defined below), CGIF has agreed, subject to the terms and conditions of this Agreement, to issue a guarantee in favour of the Guaranteed Party in respect of the Bonds (as defined below).

(B) It is intended that this document takes effect as a deed notwithstanding the fact that a Party may only execute this Agreement under hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

Additional Accrued Interest means the amount of interest in respect of any Bond for the Additional Accrual Period at the Bond Interest Rate.

Additional Accrual Period means, where CGIF is required to pay any Guaranteed Amounts in respect of principal due on the Bond Maturity Date, the period from (and including) the Bond Maturity Date to (but excluding) the earlier of (1) the Guarantor Payment Date, and (2) the Non-Payment Event; or otherwise, on an acceleration of the redemption of the Bonds pursuant to Guaranteed Party Acceleration or CGIF Acceleration, the period from (and including) the immediately preceding Bond Interest Payment Date until the date of redemption upon such acceleration.

Agency Agreement has the meaning given to such term under the Bond Conditions.

Articles of Agreement means the articles of agreement of CGIF originally dated 11 May 2010 as amended on 27 November 2013, 31 May 2016, 23 May 2017, 31 May 2018, 16 May 2019, and 1 August 2019 (as may be further amended or supplemented from time to time).

Bond Certificates has the meaning given to the term **Certificate** under the Bond Conditions.

Bond Conditions has the meaning given to the term **Conditions** in the Trust Deed.

Bond Documents means (to the extent applicable) the Subscription Agreement, the Trust Deed (including the Bond Conditions), the Agency Agreement, the Offering Circular, the Single Submission Form, and the Bond Certificates, in each case related to the issuance of the Bonds.

Bond Interest Payment Date has the meaning given to the term **Interest Payment Date** under the Bond Conditions.

Bond Interest Rate has the meaning given to the term **Rate of Interest** under the Bond Conditions.

Bond Maturity Date has the meaning given to the term **Maturity Date** under the Bond Conditions.

Bondholders has the meaning given to such term under the Bond Conditions.

Bonds means the S$50,000,000 4.487 per cent. senior unsecured guaranteed green bonds due 2028 to be issued by the Issuer.

Business Day means a day (other than a Saturday or Sunday or public holiday) on which banks are open for general business in Manila of the Philippines, New York of the U.S.A. and Singapore.

CGIF Assets means all property and assets of CGIF held in trust in accordance with the Articles of Agreement and available from time to time to meet the liabilities of CGIF. For the avoidance of doubt, a CGIF Asset does not include any assets of the Asian Development Bank or any other contributors to CGIF.

CGIF Certificate means the certificate to be issued by CGIF to the Guaranteed Party certifying it has received (or waived receipt of) the documents and evidence set out in Schedule 1 (*Conditions Precedent*) to the Indemnity Agreement in form and substance satisfactory to CGIF, substantially in the form set out in Schedule 1 (*Form of CGIF Certificate*).

CGIF Guarantee or **this Guarantee** means the guarantee provided by CGIF pursuant to, and subject to, the terms and conditions of this Agreement.

Fee Letter means the fee letter dated _________________ and entered into between the Obligors and CGIF setting out the amount of certain fees referred to in the Indemnity Agreement.

Governmental Agency means any government department or any governmental agency, semi-governmental or judicial entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under statute).

Guarantee Documents means this Agreement, the Indemnity Agreement, the Fee Letter, any Security Agreement, and any other document or agreement entered into, *inter alios*, between any of CGIF, any Obligor or the Guaranteed Party (as applicable) in connection with any of those documents.

Guarantee Term has the meaning given to it in Clause 2.2 (*Term of this Guarantee*).

Guaranteed Amount has the meaning given to it in Clause 2.1 (*Guarantee*).

Guarantor Default Interest Amount means any amount payable by CGIF pursuant to Clause 3.3 (*Guarantor Default Interest*).

Guarantor Default Rate means the Bond Interest Rate plus two per cent. (2%) per annum.

Guarantor Payment Date means the date of actual receipt by the Guaranteed Party in respect of a Guaranteed Amount.

Indemnity Agreement means the reimbursement and indemnity agreement dated _________________ between CGIF, the Issuer and the other Obligors in connection with this Agreement.

Issue Date has the same meaning given to the term **Issue Date** under the Bond Conditions.

Issuer means Apeiron Agrocommodities Pte. Ltd., a company incorporated in Singapore under registration number 200714891H and having its registered office at 8 Eu Tong Sen Street #21-98/99, The Central, Singapore 059818.

Missed Payment Event means the non-payment (not taking into account any grace period) of any Guaranteed Amount by the Issuer in accordance with the Bond Conditions and the Trust Deed.

Non-Payment Event means the occurrence of an Event of Default (as defined under the Bond Conditions) 30 calendar days after the occurrence of a Missed Payment Event in accordance with Condition 10(a)(i) (*Non-payment*) of the Bond Conditions.

Obligor means each of (i) the Issuer, (ii) Apeiron Bioenergy Inc., (iii) Apeiron Bioenergy (Thailand) Co Ltd., (iv) PT Apeiron Used Cooking Oil Biodiesel Refinery, (v) Chen Ruhuang, and (vii) Ng Sheng Che.

Paid Guaranteed Amount has the meaning given to it in Clause 4.1 (*Subrogation*).

Principal Amount means the outstanding principal amount in respect of the Bonds at any time.

Scheduled Interest means scheduled interest on the Bonds payable at the Bond Interest Rate on each Bond Interest Payment Date (excluding, for the avoidance of doubt, default interest).

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Agreement means any agreement granting Security in favour of CGIF to secure the obligations of the Obligors under the Indemnity Agreement.

S$ means Singapore Dollars, the lawful currency of Singapore in general circulation from time to time.

Single Submission Form means the single submission form (being the Common Document for Submission to Regulatory, Listing, and Registration Authorities, and Market Institutions for the Issuance of Notes under the ASEAN+3 Multi-Currency Bond Issuance Framework) prepared by the Issuer in connection with the issue of the Bonds, as the same may be amended or supplemented from time to time.

Subscription Agreement means the subscription agreement dated 16 June 2023 entered into between the Issuer, CGIF and The Hongkong and Shanghai Banking Corporation Limited, as sole lead manager, in relation to the Bonds.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest).

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under this Agreement.

Trust Deed means the trust deed entered into between, among others, the Issuer, the Guaranteed Party and CGIF on or about the date of this Agreement in relation to the Bonds.

Trustee Expenses means the remuneration, costs, charges, expenses and interests and claims for reimbursement and indemnification due and payable to the Guaranteed Party in accordance with the Trust Deed and the remuneration, costs, charges, expenses and interests and claims for reimbursement and indemnification due and payable to the agents named in the Agency Agreement relating to the Bonds in accordance with such Agency Agreement.

1.2 Construction

(a) In this Agreement, terms not defined herein have the meaning as set out in the Bond Conditions and unless the contrary intention appears, a reference to:

(i) an **amendment** includes a supplement, novation, extension (whether of maturity or otherwise), restatement, re-enactment or replacement (however fundamental and whether or not more onerous) and **amended** will be construed accordingly;

(ii) **assets** includes present and future properties, revenues and rights of every description;

(iii) a **Clause**, a **Subclause,** a **Paragraph** or a **Schedule** is a reference to a clause, subclause of, or paragraph of, or a schedule to, this Agreement;

(iv) a currency is a reference to the lawful currency for the time being of the relevant country;

(v) a **Bond Document**, **Guarantee Document** or other document or Security includes (without prejudice to any prohibition on amendments) any amendment to that Bond Document, Guarantee Document or other document or Security;

(vi) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;

(vii) a **Party** or any other person includes its successors in title, permitted assigns and permitted transferees;

(viii) a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, fund, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;

(ix) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(x) a **successor** shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of its jurisdiction of establishment, incorporation or domicile has assumed the rights and obligations of such party under this Agreement or to which, under such laws, such rights and obligations have been transferred;

(xi) a time of day is a reference to Manila time; and

(xii) the **winding-up**, **dissolution** or **administration** of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is established or incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

(b) Unless the contrary intention appears, a reference to a **month** or **months** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:

(i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);

(ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and

(iii) notwithstanding subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.

(c) The headings in this Agreement are provided for convenience only and do not affect the construction or interpretation of any provision of this Agreement.

2. GUARANTEE

2.1 Guarantee

(a) Subject to the provisions of this Agreement, CGIF irrevocably and unconditionally guarantees to the Guaranteed Party the full and punctual payment of each Guaranteed Amount.

Subject to this Clause 2.1, in this Agreement, **Guaranteed Amount** means:

(i) any Principal Amount and any Scheduled Interest which is overdue and unpaid (whether in whole or in part) by the Issuer under the Bond Conditions and the Trust Deed;

(ii) any Additional Accrued Interest; and

(iii) any Trustee Expenses.

(b) For the avoidance of doubt, a Guaranteed Amount does not include any increased costs, tax related indemnity (but for the avoidance of doubt includes any additional amounts required to be paid to the Bondholders due to a tax deduction and the operation of Condition 9 (*Taxation*) of the Bond Conditions, provided that the Guaranteed Amount will only include the original amount which would have been due from the Issuer if no tax deduction were required), default interest, fees, or any other amounts other than any Principal Amount, any Scheduled Interest, any Additional Accrued Interest and any Trustee Expenses payable by the Issuer to the Guaranteed Party or any Bondholders.

(c) If the Bonds become payable on an accelerated basis:

(i) as a result of the Guaranteed Party declaring the Bonds payable on an accelerated basis, CGIF shall pay any Guaranteed Amounts in accordance with Clause 3.3 (*Acceleration*) of the Trust Deed; and/or

(ii) as a result of CGIF exercising its rights pursuant to Condition 7(c) (*Redemption in the event of a CGIF Acceleration*) of the Bond Conditions,

CGIF shall pay any Guaranteed Amount in accordance with Clause 3.2 (*Payment of Guaranteed Amount*).

(d) Notwithstanding any other provision of this Agreement, CGIF shall have no obligation to pay any amounts pursuant to this Agreement where the relevant amount of principal or accrued but unpaid interest became payable under the Bond Conditions on an accelerated basis at the instigation of the Issuer, including, without limitation, as a result of the Issuer's voluntary redemption of the Bonds (whether in full or in part) prior to the Bond Maturity Date.

2.2 Term of this Guarantee

(a) The CGIF Guarantee shall be effective as of the first date on which both (i) the Issue Date has taken place and (ii) CGIF has issued the CGIF Certificate.

(b) Subject to Clauses 2.8 (*Reinstatement*) and 10.2 (*Termination*), the CGIF Guarantee will expire on the earlier of:

(i) the date on which all Guaranteed Amounts have been paid, repaid or prepaid in full, or the payment obligations of the Issuer in respect of all Guaranteed Amounts have been otherwise discharged or released pursuant to the Bond Documents or any other arrangement between the Issuer and the Guaranteed Party; and

(ii) the date of full redemption, prescription or cancellation of the Bonds

(such period of effectiveness of the CGIF Guarantee being the **Guarantee Term**).

2.3 Continuing guarantee

The CGIF Guarantee is a continuing guarantee and will extend to the ultimate balance of all Guaranteed Amounts payable by the Issuer under the Bond Documents, regardless of any intermediate payment or discharge in whole or in part or where the payment of a Guaranteed Amount has been made but further Guaranteed Amounts are still due and payable or whether the Bonds are outstanding.

2.4 Guaranteed Amounts following amendments to the Bond Documents

If, without the prior written consent of CGIF, the Guaranteed Party concurs in any amendment, modification, variation, novation, waiver or termination of any term of a Bond Document, CGIF will irrevocably and unconditionally guarantee to the Guaranteed Party the Guaranteed Amount as per the terms of the Bond Documents and this Agreement in force as at the date of this Agreement or as amended in accordance with the prior written consent of CGIF from time to time.

2.5 Limited recourse

Notwithstanding any other provisions of this Agreement, any Guarantee Document or any Bond Document, the recourse of the Guaranteed Party against CGIF under this Agreement, any Guarantee Document and any Bond Document is limited solely to the CGIF Assets. The Guaranteed Party acknowledges and accepts that it only has recourse to the CGIF Assets and it has no recourse to any assets of Asian Development Bank or any other contributors to CGIF. Any obligation under this Agreement of CGIF shall not constitute an obligation of Asian Development Bank or any other contributors to CGIF.

2.6 No personal liability of Asian Development Bank or any other contributors to CGIF

Notwithstanding any other provisions of this Agreement, any Guarantee Document or any Bond Document, neither the Asian Development Bank nor any other contributors to CGIF or the officers, employees or agents of the Asian Development Bank or any contributor to CGIF shall be subject to any personal liability whatsoever to any third party including the Guaranteed Party in connection with the operation of CGIF or under this Agreement, any Bond Document or any Guarantee Document. No action may be brought against Asian Development Bank as the trustee of CGIF or as contributor to CGIF or against any other contributors to CGIF or any of their respective officers, employees or agents by any third party including the Guaranteed Party in connection with this Agreement.

2.7 Waiver of defences

The obligations of CGIF under this Agreement will not be affected by and shall remain in force notwithstanding any act, omission, event or thing of any kind which, but for this provision, would reduce, release or prejudice any of its obligations under this Agreement. This includes, without limitation:

(a) any time, waiver or any other concession or consent granted to, or composition with, any person;

(b) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any person;

(c) any failure to realise the full value of any Security;

(d) any incapacity, or lack of power, authority or legal personality of any person;

(e) any termination, amendment, variation, novation, replacement or supplement of or to a Bond Document or any other document or Security relating thereto, but subject to Clauses 2.4 (*Guaranteed Amounts following amendments to the Bond Documents*) and 8.1 (*No amendment to Bond Documents*) hereof;

(f) any unenforceability, illegality or, invalidity of any obligation of any person under any Bond Document or any other document or Security relating thereto;

(g) any insolvency or similar proceedings affecting CGIF or the Issuer;

(h) any change in the taxation status of CGIF or the Issuer; or

(i) the replacement of the Guaranteed Party as trustee for and on behalf of the Bondholders.

2.8 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Issuer and/or CGIF or any Security for those obligations or otherwise) is made by the Guaranteed Party in whole or in part in respect of a Guaranteed Amount on the basis of any payment, Security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, then the liability of CGIF under Clauses 2 (*Guarantee*) and 3 (*Payment under this Guarantee*) will continue or be reinstated as if the discharge, release or arrangement had not occurred.

2.9 Additional Security

This Agreement is in addition to and is not in any way prejudiced by any other Security in respect of the Issuer's and/or Obligors' obligations under the Bond Documents now or subsequently held by the Guaranteed Party (or any trustee or agent on its behalf).

2.10 Pari Passu Ranking

Without limiting any other provision contained in this Agreement or any other Bond Documents, CGIF's payment obligations under this Agreement are direct, unconditional and general obligations of

CGIF and rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any).

3. PAYMENT UNDER THIS GUARANTEE

3.1 General

CGIF agrees that the Guaranteed Party is not required to proceed against, enforce any other rights or Security, or claim payment from any person before claiming from CGIF under this Agreement, irrespective of any law or any provision of any Bond Document to the contrary, provided that CGIF shall only be required to make payments to the Guaranteed Party in accordance with the terms of this Agreement and the Bond Conditions.

3.2 Payment of Guaranteed Amount

Subject to Clause 2.1 (*Guarantee*) of this Agreement, and Clauses 3.2 (*Missed Payment Event*) and 3.3 (*Acceleration*) of the Trust Deed, if a Missed Payment Event has occurred and is continuing, CGIF shall pay the Guaranteed Amount relating to the Missed Payment Event to the Guaranteed Party or to its order within thirty (30) calendar days of such Missed Payment Event, or in the case of a CGIF Acceleration, within thirty (30) calendar days from the date of the CGIF Acceleration Notice.

3.3 Guarantor Default Interest

(a) Subject to paragraph (b) below, if CGIF fails to make a payment in accordance with Clause 3.2 (*Payment of Guaranteed Amount*), CGIF will pay interest on the overdue Guaranteed Amount (other than any Trustee Expenses) for the period from (and including) the date the relevant Non-Payment Event occurred to (but excluding) the Guarantor Payment Date at the Guarantor Default Rate.

(b) CGIF will pay interest on the overdue Trustee Expenses from the period from (and including) the date the relevant Non-Payment Event occurred to (but excluding) the Guarantor Payment Date at the rate of the Trustee's cost of funds, provided that the Trustee furnishes evidence as to its cost of funds to the reasonable satisfaction of CGIF.

4. SUBROGATION AND TRANSFERS

4.1 Subrogation

(a) Immediately upon the receipt by the Guaranteed Party under this Agreement of all or any part of the Guaranteed Amount in accordance with this Agreement (a **Paid Guaranteed Amount**), CGIF shall be subrogated to:

 (i) all of the rights, powers and remedies of the Guaranteed Party, on behalf of the Bondholders, and of the Bondholders themselves, in respect of the Bonds and each Bond Document (in each case, to the extent relating and proportionate to that Paid Guaranteed Amount), against any relevant person, including (and to the extent relating and proportionate to that Paid Guaranteed Amount) any rights or claims, whether accrued, contingent or otherwise; and

 (ii) all of the Guaranteed Party's privileges, rights and Security against the Issuer or with respect to the Bonds, in each case insofar as they extend to an amount equal to that Paid Guaranteed Amount.

(b) The Guaranteed Party shall use its reasonable endeavours to, at the written request and expense of CGIF, execute such instruments or documents and take such other actions as CGIF may require to give effect to, facilitate or evidence the subrogation referred to in this Clause 4 and to perfect the rights of CGIF to receive such amounts equal to the Paid Guaranteed Amount under the Bond Documents.

(c) For the avoidance of doubt, no Bondholder shall be obliged to transfer or assign any rights or any legal title in the Bonds, except to the extent that it has received payment of any amounts from CGIF in respect thereof.

4.2 Transfer

(a) Upon the receipt by the Guaranteed Party of a Paid Guaranteed Amount, the Guaranteed Party shall, to the extent available to it, at the written request and the expense of CGIF and in consideration of such payment:

(i) transfer and assign, free from any Security, to CGIF all its rights:

(A) under the Bond Documents; and

(B) in respect of any Security securing the Bonds or any other amounts payable under the Bond Documents (including any right, title and interest to any asset which has arisen as a result of enforcement of such Security),

insofar as those rights relate and are proportionate to that Paid Guaranteed Amount; and

(ii) execute such instruments or documents and take such other actions as necessary for CGIF to give effect to, facilitate or evidence the transfer and assignment referred to in this Clause 4 and to perfect the rights of CGIF to receive such amounts equal to the Paid Guaranteed Amount under the Bond Documents.

(b) The Guaranteed Party shall not do anything that could lessen or impair any of the rights referred to in subparagraph (a)(i) above, CGIF's rights of subrogation or any other right of CGIF to recover any Paid Guaranteed Amount, unless the Guaranteed Party is acting in accordance with the terms of the Trust Deed.

5. APPLICATION OF FUNDS AND RECOVERIES

5.1 Application of funds

Following payment by CGIF of any Paid Guaranteed Amount or payment by CGIF under this Agreement of all or any part of the Guarantor Default Interest Amount pursuant to the terms of this Agreement, the Guaranteed Party must hold such amounts on trust for itself and the Bondholders on the terms set out in the Trust Deed and must (as soon as reasonably practicable after receipt) apply them in or towards payment of the Guaranteed Amount(s) relating to such Paid Guaranteed Amount in accordance with the terms of the Trust Deed.

5.2 Recoveries

(a) After the occurrence of a Missed Payment Event, if the Guaranteed Party recovers any money or asset from the Issuer or any other person in respect of any Guaranteed Amount relating to that Missed Payment Event (a **Recovered Amount**), the Guaranteed Party must as soon as reasonably practicable (and in any case within ten (10) calendar days from the date of its receipt of such Recovered Amount) supply details of the recovery to CGIF and pay to CGIF (or any other person at the instruction of CGIF) an amount equal to such Recovered Amount.

(b) Following payment by CGIF of any Paid Guaranteed Amount, if CGIF discovers that the Guaranteed Party had no right to receive a payment of the relevant Guaranteed Amount (or any portion thereof) to which such Paid Guaranteed Amount relates, CGIF shall be entitled, upon notice to the Guaranteed Party, to recover from the Guaranteed Party the relevant payment (or the relevant portion thereof) to the extent that the Guaranteed Party still holds such amounts itself or to its order (and provided only that it has the ability to direct the payment of the relevant amounts).

(c) To the extent any part of a Guaranteed Amount has been recovered from any source (it being recognised that the Guaranteed Party is under no duty whatsoever to seek to recover from any such source), the Guaranteed Party may not seek to recover such amounts from CGIF under this Agreement.

6. TAXES

6.1 CGIF shall make all payments to be made by it under this Agreement without any Tax Deduction, unless a Tax Deduction is required by law. If a Tax Deduction is required by law to be made by CGIF, the amount of the payment due from CGIF under this Agreement shall be increased to an amount which (after making the relevant Tax Deduction) would result in the recipient receiving an amount equal to the payment which would have been due if no Tax Deduction had been required, except that no increased payment shall be payable by CGIF in respect of any Bond:

(a) held by a Bondholder which is liable to such taxes, duties, assessments or governmental charges in respect of payments made by CGIF by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Bond; or

(b) where (in the case of a payment of principal or interest on redemption) the relevant Certificate is surrendered for payment more than thirty (30) days after the Relevant Date except to the extent that the relevant Bondholder would have been entitled to such increased payment if it had surrendered the relevant Certificate on the last day of such period of thirty (30) days.

For these purposes **Relevant Date** means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders.

6.2 If CGIF is aware that it must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction), it must promptly notify the Guaranteed Party.

6.3 If CGIF is required to make a Tax Deduction, it must make the minimum Tax Deduction allowed by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.

6.4 Nothing in this Clause 6 shall be considered to constitute a waiver of the privileges, immunities and exemptions applicable to CGIF pursuant to the Articles of Agreement.

7. PAYMENTS

7.1 Payment by CGIF and other Parties

(a) A payment by CGIF of a Paid Guaranteed Amount or a payment by CGIF under this Agreement of all or any part of the Guarantor Default Interest Amount in accordance with this Agreement will discharge the payment obligations of CGIF under this Agreement to the extent of such payment, whether or not such payment is properly applied by or on behalf of the Guaranteed Party.

(b) All payments to be made by a Party under this Agreement must be made on the due date for payment in immediately available funds to such account as the receiving Party may direct such account to be notified by the receiving Party to the other Party at least five (5) Business Days prior to the relevant due date for payment.

7.2 Currency

All payments to be made by a Party under this Agreement must be made in the currency in which the amounts are incurred in relation to costs, fees, expenses, liabilities and other indemnities.

7.3 Certificates and determinations

Any certification, determination or notification by a Party of a rate or amount made pursuant to the terms of this Agreement will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

7.4 Business Days

If a payment under this Agreement is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

8. AMENDMENTS AND WAIVERS

8.1 No amendment to Bond Documents

The Guaranteed Party shall not, without the prior written consent of CGIF, concur in any amendment, modification, variation, novation, waiver or termination of any term of a Bond Document to which it is a party unless in accordance with Clause 25 (*Modification*) of the Trust Deed and Condition 14(b) (*Modification and waiver*) of the Bond Conditions.

8.2 Amendments

Any term of this Agreement may be amended or waived with the written agreement of the Parties and the Issuer.

8.3 Waivers and remedies cumulative

(a) The rights and remedies of each Party under this Agreement:

(i) may be exercised as often as necessary;

(ii) are cumulative and not exclusive of its rights and remedies under the general law; and

(iii) may be waived only in writing and specifically.

(b) No delay in exercising or non-exercise by a Party of any right or remedy under this Agreement shall operate as a waiver of that right or remedy, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy other than where any rights (including, without limitation, the right to require payment of any Guaranteed Amount) are to be exercised in accordance with specified requirements under this Agreement.

9. ASSIGNMENT OR TRANSFER

No Party may assign or transfer any of its rights and obligations under this Agreement without the prior consent of the other Party except that:

(a) CGIF may assign or transfer any of its rights and benefits under this Agreement (including its right of subrogation) to any person without the prior written consent of the Guaranteed Party or any other person; and

(b) the Guaranteed Party may assign or transfer any of its rights and obligations under this Guarantee to any replacement trustee duly appointed in accordance with the Trust Deed.

10. TERMINATION

10.1 Except in relation to Clause 2.5 (*Limited recourse*), Clause 2.6 (*No personal liability of Asian Development Bank or any other contributors to CGIF*), Clause 4 (*Subrogation and Transfers*), Clause 16 (*Governing Law*), Clause 17 (*Dispute Resolution*) and Clause 18 (*ADB and CGIF Immunities*), all rights and obligations of each Party will cease and expire on the last day of the Guarantee Term.

10.2 Termination or expiry of this Guarantee pursuant to the terms of this Agreement is without prejudice to the rights of any Party which have accrued prior to such termination or expiry, whether arising under this Agreement, at law or otherwise.

11. SET-OFF

No Party may set off any obligation owed to it by the other Party under this Agreement against any obligation owed by it to that other Party.

12. SEVERABILITY

If a term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, it shall not affect:

(a) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement; or

(b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Agreement.

13. COUNTERPARTS

This Agreement may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

14. NOTICES

14.1 In writing

(a) Any communication in connection with this Agreement must be in writing, with copy sent to the Issuer and the Obligors, and, unless otherwise stated, may be given:

(i) in person, by post or fax; or

(ii) to the extent agreed by the Parties making and receiving communication, by email or other electronic communication.

(b) For the purpose of this Agreement, an electronic communication will be treated as being in writing.

(c) Unless it is agreed to the contrary, any consent or agreement required under this Agreement must be given in writing.

14.2 Contact details

(a) The contact details of CGIF for all notices in connection with this Agreement are:

Address:	Asian Development Bank Building, 6 ADB Avenue, Mandaluyong City, 1550 Metro Manila, Philippines
Fax number:	+632-5322-7661
Email:	apeiron.sgd@cgif-abmi.org
Attention:	CEO and Vice President, Operations

(b) The contact details of the Guaranteed Party for all notices in connection with this Agreement are:

Address:	The Bank of New York Mellon, Singapore Branch One Temasek Avenue #02-01 Millenia Tower Singapore 039192
Fax number:	+65 6883 0338
Email:	Ctsingaporegcs@bnymellon.com
Attention:	Global Corporate Trust – Project Spark

(c) The contact details of the Obligors for all notices in connection with this Agreement are:

Address:	Apeiron Agrocommodities Pte. Ltd. 8 Eu Tong Sen Street, Office 1, #21 98 The Central Singapore 059818
Fax number:	+65 6221 1163
Email:	chris.chen@apeironbioenergy.com
Attention:	Chris Chen, Managing Director

(d) Any Party may change its contact details by giving five (5) Business Days' notice to the other Party.

(e) Where a Party nominates a particular department or officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.

14.3 Effectiveness

(a) Except as provided below, any communication in connection with this Agreement will be deemed to be given as follows:

(i) if delivered in person, at the time of delivery;

(ii) if posted, five (5) Business Days after being deposited in the post, postage prepaid, in a correctly addressed envelope;

(iii) if by fax, when received in legible form; and

(iv) if by e-mail or any other electronic communication, when received in legible form.

(b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

(c) A communication to CGIF will only be effective on actual receipt by it.

14.4 English Language

(a) Any notice given in connection with this Agreement must be in English.

(b) Any other document provided in connection with this Agreement must be:

(i) in English; or

(ii) in the language of the jurisdiction in which the Bonds are issued, accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other publicly available official document.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Unless expressly provided to the contrary in a Guarantee Document, a person who is not a party to a Guarantee Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any Guarantee Document, no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of any Guarantee Document. Notwithstanding the foregoing, the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents may enforce Clauses 2.5 (*Limited recourse*), 2.6 (*No personal liability of Asian Development Bank or any other contributors to CGIF*), 17.2(j) (*Arbitration*) and 18 (*ADB and CGIF Immunities*) of this Agreement.

16. GOVERNING LAW

This Agreement (other than Clause 17) and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by English law.

17. DISPUTE RESOLUTION

17.1 Governing law

This Clause 17 and any non-contractual obligations arising out of or in connection with it shall be governed by Singapore law.

17.2 Arbitration

(a) Any dispute, claim, difference or controversy arising out of, relating to, or having any connection with this Agreement (which includes this Clause 17) and any Guarantee Document other than this Agreement, including any dispute as to their existence, validity, interpretation, performance, breach or termination, or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (for the purpose of this Clause 17, a **Dispute**), shall be referred to and be finally resolved by arbitration administered by the Singapore International Arbitration Centre (**SIAC**) under the Arbitration Rules of the SIAC in force when the Notice of Arbitration is submitted (for the purpose of this Clause 17, the **Rules**), except as they are modified by the provisions of this Agreement.

(b) The Parties further agree that following the commencement of arbitration, and following the exchange of the Notice of Arbitration and Response to the Notice of Arbitration, they will initially attempt in good faith to resolve the Dispute through mediation at the Singapore International Mediation Centre (**SIMC**), in accordance with the SIAC-SIMC Arb-Med-Arb Protocol (the **Protocol**) for the time being in force which shall last for a period not exceeding sixty-five (65) Business Days from the commencement of the mediation proceedings (the **Mediation Period**). Where a settlement has been reached between the Parties within the Mediation Period, such terms of settlement shall be referred to the arbitral tribunal and the arbitral tribunal may make a consent award on such agreed terms. In the absence of a settlement by the Parties within the Mediation Period, the Dispute shall revert back to arbitration pursuant to the Protocol. Unless otherwise agreed by the Parties, the arbitration shall resume by arbitrators who were not involved in the mediation process above.

(c) The Rules and the Protocol are incorporated by reference into this Clause 17 and capitalised terms used in this Clause 17 (which are not otherwise defined in this Agreement) shall have the meaning given to them in the Rules and the Protocol.

(d) The number of arbitrators shall be three. All arbitrators shall be fluent in English. The claimant(s) shall nominate one arbitrator. The respondent(s) shall nominate one arbitrator. The arbitrators nominated by the parties in accordance with the Rules shall jointly nominate the third arbitrator who, subject to confirmation by the President of the Court of Arbitration of SIAC (the **President**), will act as president of the arbitral tribunal. If the third arbitrator is not chosen by the two arbitrators nominated by the parties within thirty (30) days of the date of appointment of the later of the two party-appointed arbitrators to be appointed, the third arbitrator shall be appointed by the President.

(e) The seat of arbitration shall be Singapore and all hearings shall take place in Singapore unless the arbitral tribunal in its absolute discretion decides that a different location will be appropriate.

(f) Except as modified by the provisions of this Clause 17, the Rules and the Protocol, Part 2 of the International Arbitration Act 1994 of Singapore shall apply to any arbitration proceedings commenced under this Clause 17. Neither party shall be required to give general discovery of documents, but may be required only to produce specific, identified documents which are relevant to the Dispute.

(g) The language used in the arbitral proceedings shall be English. All documents submitted in connection with the proceedings shall be in the English language, or, if in another language, accompanied by an English translation and in which case, the English translation shall prevail.

(h) Service of any Notice of Arbitration made pursuant to this Clause 17 shall be made in accordance with the Rules and at the addresses given for the sending of notices under this Agreement at Clause 14 (Notices).

(i) The arbitration award(s) rendered by the arbitral tribunal shall be final and binding on the parties. To the fullest extent permitted under any applicable law, the parties irrevocably exclude and agree not to exercise any right to refer points of law or to appeal to any court or other judicial authority.

(j) The arbitral tribunal and any emergency arbitrator appointed in accordance with the Rules shall not be authorised to order, and the Guaranteed Party agrees for itself and on behalf of each Bondholder that it shall not seek from the arbitral tribunal or any judicial authority:

(i) any order of whatsoever nature against the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents; or

(ii) any interim order to sell, attach, freeze or otherwise enforce against the CGIF Assets.

(k) The Rules shall not prohibit CGIF from disclosing any information relating to any arbitral proceedings and/or arbitral award arising out of this Clause 17 to the board of directors of CGIF (the **CGIF Board**) as part of its approval process and portfolio administration, or to the Asian Development Bank or any other contributors to CGIF or any of their respective officers, employees, advisers, agents or representatives. The members of the CGIF Board may seek instructions from their constituents for the purpose of CGIF Board approval and portfolio administration and the Board documents and other relevant information may be distributed to any representatives of the relevant member countries of CGIF for the said purpose only, provided that such information and documents distributed by the CGIF Board insofar as they relate to any arbitral proceedings and/or arbitral award shall be clearly marked "CONFIDENTIAL".

18. ADB AND CGIF IMMUNITIES

Nothing in this Agreement, or any agreement, understanding or communication relating to this Agreement (whether before or after the date of this Agreement), shall constitute or be construed as an express or implied waiver, renunciation, exclusion or limitation of any of the immunities, privileges or exemptions accorded to the Asian Development Bank under the Agreement Establishing the Asian Development Bank, any other international convention or any applicable law, or accorded to CGIF under the Articles of Agreement.

THIS AGREEMENT has been executed as a deed by the Parties hereto and is intended to be and is hereby delivered on the date first above written.

SCHEDULE 1

FORM OF CGIF CERTIFICATE

To: The Bank of New York Mellon, Singapore Branch in its capacity as the trustee for and on behalf of the holders of the Bonds (as defined below) (in this capacity the **Guaranteed Party**).

From: Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank **(CGIF)**

Copy: Apeiron Agrocommodities Pte. Ltd. (the **Issuer**)

Date: ____________________

Dear Sirs,

Apeiron Agrocommodities Pte. Ltd. (the Issuer) – Reimbursement and Indemnity Agreement dated _____________ (the Indemnity Agreement) between the Issuer, the other Obligors named thereunder and CGIF in connection with the up to S$50,000,000 4.487 per cent. senior unsecured guaranteed green bonds due 2028 issued by Apeiron Agrocommodities Pte. Ltd. (the Bonds)

I refer to the Indemnity Agreement and the guarantee agreement dated _______________ between CGIF and the Guaranteed Party (the **Guarantee Agreement**).

I am a duly authorised officer of CGIF. I am authorised to give this certificate and certify that CGIF has received (or waived receipt of) all of the documents and evidence set out in Part 1 (*Conditions Precedent to the Guarantee*) of Schedule 2 (*Conditions Precedent and Conditions Precedent*) to the Indemnity Agreement in form and substance satisfactory to CGIF.

This also serves as notification to the Guaranteed Party in accordance with Clause 2.2 (*Term of this Guarantee*) of the Guarantee Agreement that the guarantee pursuant to the Guarantee Agreement is in effect, subject to the issuance of the Bonds, and to the Issuer that CGIF has no objection to the issuance of the Bonds.

Unless we notify you to the contrary in writing, you may assume that this certificate remains true and correct.

This certificate, and any non-contractual obligations arising out of or in connection to it, should be governed by and construed in accordance with English law.

For

CREDIT GUARANTEE AND INVESTMENT FACILITY,
a trust fund of the Asian Development Bank

____
Name:
Title:

SIGNATORIES

CGIF

EXECUTED as a **DEED** by	)
CREDIT GUARANTEE AND	)
INVESTMENT FACILITY,	)
a trust fund of the Asian Development Bank	)
and **SIGNED** and **DELIVERED** as a **DEED**	)
on its behalf by	)

____

In the presence of:

Witness' signature:

…………………………………

Witness' name:

…………………………………

Witness' address:

…………………………………

…………………………………

…………………………………

THE GUARANTEED PARTY

EXECUTED as a **DEED** by	)
	)
The Bank of New York Mellon, Singapore Branch	))
in its capacity as the trustee for and on behalf of the holders of the Bonds	)
by	)

By: ____________________________________

Name:

Title:

INDEX TO THE FINANCIAL STATEMENTS

The audited consolidated financial statements of the Issuer for the years ended 31 December 2020 and 31 December 2021 were not prepared for the purposes of this Offering Circular.

RSM

APEIRON AGROCOMMODITIES PTE. LTD.

(Registration No: 200714891H)

Statement by Directors and Financial Statements

Reporting Year Ended 31 December 2020

RSM Chio Lim LLP

8 Wilkie Road, #03-08
Wilkie Edge, Singapore 228095

T +65 6533 7600

Audit@RSMSingapore.sg
www.RSMSingapore.sg

UEN: T09LL0008J

APEIRON AGROCOMMODITIES PTE. LTD.

Statement by Directors and Financial Statements

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Statement by Directors

The directors are pleased to present the accompanying financial statements of Apeiron Agrocommodities Pte. Ltd. (the "company") and its subsidiaries (collectively, the "group") for the reporting year ended 31 December 2020.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company are drawn up so as to give a true and fair view of the financial position of the group and of the company as at 31 December 2020 and of the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the reporting year ended on that date; and

(b) at the date of the 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 approved and authorised these financial statements for issue.

2. Directors

The directors of the company in office at the date of this statement are:

Chen Ruhuang
Ng Sheng Ce

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year were not interested in shares or in debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

Name of directors and company in which interests are held	At beginning of the reporting year	At end of the reporting year
The company	Number of ordinary shares of no par value	
Chen Ruhuang	1,200,000	1,530,000
Ng Sheng Ce	800,000	1,020,000

By virtue of section 7 of the Act, the above directors with interests are deemed to have an interest in the company and in all the related body corporate of the company.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted and there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

....
Chen Ruhuang
Director

....
Ng Sheng Ce
Director

24 August 2021

RSM Chio Lim LLP

8 Wilkie Road, #03-08
Wilkie Edge, Singapore 228095

T +65 6533 7600

Audit@RSMSingapore.sg
www.RSMSingapore.sg

Independent Auditor's Report to the Members of
APEIRON AGROCOMMODITIES PTE. LTD.

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Apeiron Agrocommodities Pte. Ltd. (the "company") and its subsidiary (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including the accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards in Singapore (SFRSs) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the statement by directors but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

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

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

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Beng Teck.

RSM Chio Lim LLP

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

24 August 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year Ended 31 December 2020

	Notes	Group 01.01.2020 to 31.12.2020 US$	01.08.2018 to 31.12.2019 US$
Revenue	4	161,091,530	133,396,191
Cost of sales		(153,556,581)	(130,120,684)
Gross profit		7,534,949	3,275,507
Interest income	5	41,295	49,163
Other income and gains	6	3,541,055	3,761,450
Distribution costs		(105,645)	(173,494)
Finance costs	7	(1,335,181)	(1,342,996)
Administrative expenses		(4,898,258)	(3,608,628)
Share of (loss)/profit from an equity-accounted associates	14	(276,550)	79,317
Share of loss from an equity-accounted joint venture	15	–	(54,823)
Profit before tax from continuing operations		4,501,665	1,985,496
Income tax expense	9	(592,377)	(151,508)
Profit from continuing operations for the year		3,909,288	1,833,988
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		394,972	46,784
Total comprehensive income for the year		4,304,260	1,880,772
Profit attributable to owners of the parent, net of tax		3,223,225	1,693,899
Profit attributable to non-controlling interests, net of tax		686,063	140,089
Profit net of tax		3,909,288	1,833,988
Total comprehensive income attributable to owners of the parent		3,378,312	1,720,212
Total comprehensive income attributable to non-controlling interests		925,948	160,560
Total comprehensive income for the year		4,304,260	1,880,772

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

Statements of Financial Position
As at 31 December 2020

	Notes	Group 2020 US$	Group 2019 US$	Company 2020 US$	Company 2019 US$
ASSETS					
Non-current assets					
Plant and equipment	10	8,305,260	6,214,776	19,613	4,351
Right-of-use assets	11	2,789,255	–	160,241	–
Intangible assets	12	144,470	27,871	–	–
Investment in subsidiaries	13	–	–	3,592,871	2,715,432
Investment in associates	14	1,863,994	1,079,317	1,863,994	1,079,317
Other receivables	16	–	426,000	–	426,000
Total non-current assets		13,102,979	7,747,964	5,636,719	4,225,100
Current assets					
Inventories	17	8,193,722	3,116,370	4,200,506	–
Trade and other receivables	18	12,348,509	14,437,280	7,737,813	10,421,447
Other assets	19	20,302,812	11,818,342	18,252,791	11,856,741
Cash and cash equivalents	20	5,639,970	5,568,216	4,841,753	5,359,203
Total current assets		46,485,013	34,940,208	35,032,863	27,637,391
Total assets		59,587,992	42,688,172	40,669,582	31,862,491
EQUITY AND LIABILITIES					
Equity					
Share capital	21	2,550,000	2,000,000	2,550,000	2,000,000
Retained earnings		8,586,801	5,363,576	6,563,507	3,954,355
Foreign currency translation reserve	22	181,400	26,313	–	–
Equity, attributable to owners of the parent		11,318,201	7,389,889	9,113,507	5,954,355
Non-controlling interests		4,740,323	3,814,375	–	–
Total equity		16,058,524	11,204,264	9,113,507	5,954,355
Non-current liabilities					
Lease liabilities, non-current	23	2,591,904	–	40,060	–
Other financial liabilities	24	3,717,348	1,372,622	3,717,348	1,372,622
Total non-current liabilities		6,309,252	1,372,622	3,757,408	1,372,622
Current liabilities					
Income tax payable		1,078,116	143,200	621,461	143,200
Trade and other payables	25	9,966,675	6,714,556	4,393,200	1,927,123
Lease liabilities, current	23	183,532	–	120,181	–
Other financial liabilities	24	24,055,773	22,818,758	21,402,305	22,030,419
Contract liabilities	26	1,936,120	434,772	1,261,520	434,772
Total current liabilities		37,220,216	30,111,286	27,798,667	24,535,514
Total liabilities		43,529,468	31,483,908	31,556,075	25,908,136
Total equity and liabilities		59,587,992	42,688,172	40,669,582	31,862,491

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

APEIRON AGROCOMMODITIES PTE. LTD.

Consolidated Statements of Changes in Equity
Year Ended 31 December 2020

Group	Total equity US$	Attributable to parent company sub-total US$	Share capital US$	Foreign currency translation reserve US$	Retained earnings US$	Non-controlling interests US$
Current year:						
Opening balance at 1 January 2020	11,204,264	7,389,889	2,000,000	26,313	5,363,576	3,814,375
Changes in equity:						
Total comprehensive income for the year	4,304,260	3,378,312	–	155,087	3,223,225	925,948
Issue of share capital	550,000	550,000	550,000	–	–	–
Closing balance at 31 December 2020	16,058,524	11,318,201	2,550,000	181,400	8,586,801	4,740,323
Previous year:						
Opening balance at 1 August 2018	5,136,410	5,136,666	1,000,000	–	4,136,666	(256)
Changes in equity:						
Total comprehensive income for the year	1,880,772	1,720,212	–	26,313	1,693,899	160,560
Profits capitalised for bonus issue (Note 21)	–	–	1,000,000	–	(1,000,000)	–
Issue of share capital to non-controlling interests by subsidiary	1,345,529	533,011	–	–	533,011	812,518
Acquisition of subsidiary (Note 13A)	2,841,553	–	–	–	–	2,841,553
Closing balance at 31 December 2019	11,204,264	7,389,889	2,000,000	26,313	5,363,576	3,814,375

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

Statements of Changes in Equity
Year Ended 31 December 2020

Company	Total equity US$	Share capital US$	Retained earnings US$
Current year:			
Opening balance at 1 January 2020	5,954,355	2,000,000	3,954,355
Changes in equity:			
Total comprehensive income for the year	2,609,152	–	2,609,152
Issue of share capital (Note 21)	550,000	550,000	–
Closing balance at 31 December 2020	9,113,507	2,550,000	6,563,507
Previous year:			
Opening balance at 1 August 2018	5,137,051	1,000,000	4,137,051
Changes in equity:			
Total comprehensive income for the year	817,304	–	817,304
Profits capitalised for bonus issue (Note 21)	–	1,000,000	(1,000,000)
Closing balance at 31 December 2019	5,954,355	2,000,000	3,954,355

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

Consolidated Statement of Cash Flows
Year Ended 31 December 2020

	Group	
	01.01.2020 to 31.12.2020	01.08.2018 to 31.12.2019
	US$	US$
Cash flows from operating activities		
Profit before tax	4,501,665	1,985,496
Adjustments for:		
Share of loss / (profit) of associate / joint venture	276,550	(24,494)
Depreciation of plant and equipment	756,643	470,623
Depreciation of right-of-use asset	599,818	–
Depreciation of intangible assets	8,988	816
Net foreign exchange differences	(512,609)	–
Interest income	(41,295)	(49,163)
Interest expense	1,335,181	1,325,851
Negative goodwill	–	(689,737)
Operating cash flows before changes in working capital	6,924,941	3,019,392
Inventories	(5,077,352)	(2,439,039)
Trade and other receivables	2,701,782	(8,446,402)
Other assets	(8,484,470)	(9,970,559)
Trade and other payables	1,709,549	3,574,055
Contract liabilities	1,501,348	434,772
Net cash flows used in operations	(724,202)	(13,827,781)
Income taxes refund / (paid)	342,540	(418,308)
Net cash flows used in operating activities	(381,662)	(14,246,089)
Cash flows from investing activities		
Purchase of plant and equipment	(2,469,726)	(3,877,792)
Purchase of intangible assets	(14,938)	(29,369)
Interest received	41,295	49,163
Acquisition of associate	–	(1,000,000)
Acquisition of subsidiary (net of cash acquired)(Note 13A)	93,435	204,461
Net movement in amounts due from directors	(336,943)	(4,632)
Net movements in amounts due from related companies	107,799	–
Amount due from related parties	(383,867)	–
Net cash flows used in investing activities	(2,962,945)	(4,658,169)

Consolidated Statement of Cash Flows (cont'd)
Year Ended 31 December 2020

	Group 01.01.2020 to 31.12.2020 US$	01.08.2018 to 31.12.2019 US$
Cash flows from financing activities		
Issue of share capital	550,000	–
Interest paid	(1,335,181)	(1,325,851)
Repayment of lease liabilities	(105,575)	–
Cash restricted in use	(239,233)	(536,051)
Net movement in amounts due to directors	485,491	2,576,605
Increase in other financial liabilities, current	3,581,741	17,671,615
Issue of share capital to non-controlling interests by subsidiary	239,885	1,345,529
Net cash flows from financing activities	3,177,128	19,731,847
Net (decrease) / increase in cash and cash equivalents	(167,479)	827,589
Cash and cash equivalents, statement of cash flows, beginning balance	3,603,198	2,683,511
Effect of Exchange Rate Changes in Cash and Cash Equivalents	–	92,098
Cash and cash equivalents, statement of cash flows, ending balance (Note 20A)	3,435,719	3,603,198

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

1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in United States Dollars ("US$") and they cover the company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the company are those of general importers and exporters of agriculture products. The principal activities of the subsidiaries are described in Note 13 to the financial statements

The registered office is at 8 Eu Tong Sen Street #21-98 The Central, Singapore 059818. The company is situated in Singapore.

The Covid-19 pandemic

Management has not identified any material uncertainties resulting from the Covid-19 pandemic and the aftermath of the pandemic surrounding the group's business, and accordingly none is disclosed in these financial statements.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRSs") and the related interpretations to SFRS ("INT SFRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C, where applicable.

1. General (cont'd)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Singapore Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from sale of goods is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Interest income

Interest income is recognised using the effective interest method.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest rate method.

Foreign currency transactions

The functional currency is the United States dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiary and joint arrangements except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Plant and equipment	–	20% - 33.3%
Leasehold improvement	–	5% - 10%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Plant and equipment (cont'd)

The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted. Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Software – Useful lives not exceeding three years

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets over their estimated useful lives as follows:

Office space – Over the lease terms of 2 years

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Leases

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Associates (cont'd)

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation.

Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

Joint arrangements – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures are recognised using the equity method in accordance with FRS 28 Investments in Associates and Joint Ventures (as described above for associates).

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with the financial reporting standard on financial instruments. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Where the fair values are measured on a provisional basis they are finalised within one year from the acquisition date with consequent retrospective changes to the amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

Acquisitions of entities under common control

Business combinations involving businesses or entities under common control are accounted for by applying the pooling of interest method which involves the following:

- Assets, liabilities, reserves, revenue and expenses of combined business or entities are reflected at their existing amounts;
- The retained earnings and share capital recognised in the consolidated financial statements are the retained earnings and share capital of the combining entities or businesses immediately before the combination;
- No additional goodwill is recognised as a result of the combination; and
- The statement of comprehensive income reflects the results of the combining entities or businesses for the full year, irrespective of when the combination took place. Comparatives are presented as if the entities or businesses had always been combined since the date the entities or businesses had come under common control.

Under the pooling-of-interest method, any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets:

#1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

#2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

#3. Financial asset that is an equity investment measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.

#4. Financial asset classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Fair value measurement

The 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. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful trade accounts:
The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 18 on trade and other receivables.

Net realisable value of inventories
A review is made on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in Note 17.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The company's ultimate controlling person is Chen Ruhuang.

3A. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

3. Related party relationships and transactions (cont'd)

3A. Related party transactions (cont'd)

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	Group and company	
	2020	2019
	US$	US$
Joint venture:		
Purchases of goods and services	–	1,206,643
Interest income	–	(5,879)
Management fees	–	(5,822)

3B. Key management compensation

	Group and company	
	2020	2019
	US$	US$
Remuneration of directors	39,086	50,539
Fees to a director	182,692	147,352
	221,778	197,891

The above amounts are included under employee benefits expense.

Key management personnel are the directors having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The above amounts do not include compensation if any of certain key management personnel and directors of the company who received compensation from related corporations in their capacity as directors and or executives of those related corporations.

3C. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

3. Related party relationships and transactions (cont'd)

3C. Other receivables from and other payables to related parties (cont'd)

The movements in other receivables from and other payables to related parties are as follows:

	Group	
	2020	2019
Directors	US$	US$
Other receivables/(payables):		
Balance at beginning of the year	(2,718,611)	(146,638)
Director's fee	(182,692)	(147,352)
Amounts paid in and settlement of liabilities on behalf of company	34,144	58,927
Loan to subsidiaries	–	(2,483,548)
Balance at end of the year	(2,867,159)	(2,718,611)
Presented to statement of financial position:		
Other receivables (Note 18)	341,575	4,632
Other payables (Note 25)	(3,208,734)	(2,723,243)
	(2,867,159)	(2,718,611)

	Group and company	
	2020	2019
Joint venture	US$	US$
Other receivables:		
Balance at end of the year (Note 18)	–	109,362

	Company	
	2020	2019
Subsidiaries	US$	US$
Other receivables/(other payables):		
Balance at beginning of the year	697,250	783,184
Amounts paid out and settlement of liabilities on behalf of the subsidiaries	744,591	877,328
Amounts paid in and settlement of liabilities on behalf of company	(774,308)	(963,262)
Balance at end of the year	667,533	697,250
Presented to statement of financial position:		
Other receivables (Note 18)	2,305,103	1,660,512
Other payables (Note 25)	(1,637,570)	(963,262)
	667,533	697,250

3. Related party relationships and transactions (cont'd)

3C. Other receivables from and other payables to related parties

	Group		Company	
	2020	2019	2020	2019
Associates	US$	US$	US$	US$
Other receivables:				
Balance at beginning of the year	–	–	–	–
Amounts paid out and settlement of liabilities on behalf of the associate (Note 18)	1,563	–	1,563	–
Acquisition of associate (Note 25)	(1,057,079)	–	(1,057,079)	–
Balance at end of the year	(1,055,516)	–	(1,055,516)	–
Related parties				
Other receivables:				
Balance at end of the year (Note 18)	383,867	–	396,308	–

4. Revenue

	Group	
	2020	2019
	US$	US$
Sale of goods	161,091,530	133,396,191

All the contracts are less than 12 months is recognised based on point in time. A large portion of the goods is exported.

5. Interest income

	Group	
	2020	2019
	US$	US$
Interest income	41,295	49,163

6. Other income and gains

	Group	
	2020	2019
	US$	US$
Foreign exchange adjustments gains	146,751	65,733
Other income	3,372,629	451
Management fee income	–	8,085
Negative goodwill on acquisition of subsidiary	–	689,737
Government grant	13,885	2,961,308
Other gains	7,790	36,136
	3,541,055	3,761,450

7. Finance costs

	Group 2020 US$	Group 2019 US$
Bank charges on trade financing	323,214	1,091,906
Interest expense	1,011,967	251,090
	1,335,181	1,342,996

8. Employee benefits expense

	Group 2020 US$	Group 2019 US$
Short term employee benefits expense	2,414,212	509,385
Contributions to defined contribution plan	66,369	22,622
Total employee benefits expense included in administrative expenses	2,480,581	532,007

9. Income tax

9A. Components of tax expense recognised in profit or loss include:

	Group 2020 US$	Group 2019 US$
Current tax expense	592,268	143,200
Under adjustments in respect of prior periods	109	8,308
	592,377	151,508

9. Income tax (cont'd)

9A. Components of tax expense recognised in profit or loss include (cont'd):

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the parent is situated. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2019: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2020	2019
	US$	US$
Profit before tax	4,501,665	1,985,496
Share of loss/(profit) from an equity-accounted associate and joint venture	276,550	(24,494)
	4,778,215	1,961,002
Income tax expense at the above tax rate	812,297	333,370
Expenses not deductible for tax purposes	257,185	23,265
Income not subject to tax	(553,870)	(278,507)
Tax exemptions	(15,949)	(23,744)
Unrecognised deferred tax assets	61,687	61,687
Under-provision for prior year	109	2,596
Effect of different tax rates in different countries	–	26,252
Others	30,918	6,589
Total income tax expense	592,377	151,508

There are no income tax consequences of dividends to owners of the company.

9B. Unrecognised deferred tax assets

	Group	
	2020	2019
	US$	US$
Unabsorbed tax losses	61,687	61,687

No deferred tax asset for the tax losses (including deductible temporary differences, unused tax losses and unused tax credit) has been recognised in respect of the above balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised.

10. Plant and equipment

Group	Plant and equipment US$	Leasehold improvement US$	Total US$
Cost:			
At 31 July 2018	53,370	–	53,370
Additions	3,400,450	477,342	3,877,792
Arising from acquisition of subsidiary	3,080,071	1,445,403	4,525,474
Currency translation reserve	120,954	16,680	137,634
At 31 December 2019	6,654,845	1,939,425	8,594,270
Additions	372,861	2,096,865	2,469,726
Transfer	3,262,914	(3,055,615)	207,299
Arising from acquisition of subsidiary	282,034	15,805	297,839
Currency translation reserve	204,471	17,372	221,843
At 31 December 2020	10,777,125	1,013,852	11,790,977
Accumulated depreciation:			
At 31 July 2018	44,844	–	44,844
Depreciation for the year	470,623	–	470,623
Arising from acquisition of subsidiary	1,860,590	–	1,860,590
Currency translation reserve	3,437	–	3,437
At 31 December 2019	2,379,494	–	2,379,494
Depreciation for the year	743,032	13,611	756,643
Arising from acquisition of subsidiary	137,110	–	137,110
Currency translation reserve	209,366	3,104	212,470
At 31 December 2020	3,469,002	16,715	3,485,717
Carrying value:			
At 31 July 2018	8,526	–	8,526
At 31 December 2019	4,275,351	1,939,425	6,214,776
At 31 December 2020	7,308,123	997,137	8,305,260

The depreciation expenses are charged to profit or loss under administrative expenses.

10. Plant and equipment (cont'd)

Company	Plant and equipment US$
Cost:	
At 1 August 2018	53,370
Additions	941
At 31 December 2019	54,311
Additions	21,216
At 31 December 2020	75,527
Accumulated depreciation:	
At 1 August 2018	44,844
Depreciation for the year	5,116
At 31 December 2019	49,960
Depreciation for the year	5,954
At 31 December 2020	55,914
Carrying value:	
At 1 August 2018	8,526
At 31 December 2019	4,351
At 31 December 2020	19,613

11. Right-of-use asset

Group	Office US$
Cost:	
At 31 December 2019	–
Addition	3,389,073
Balances at 31 December 2020	3,389,073
Accumulated depreciation:	
At 31 December 2019	–
Depreciation for the year	599,818
At 31 December 2020	599,818
Carrying value:	
At 31 December 2019	–
At 31 December 2020	2,789,255

11. Right-of-use asset (cont'd)

Company	Office US$
Cost:	
At 31 December 2019	–
Addition	258,463
At 31 December 2020	258,463
Accumulated depreciation:	
At 31 December 2019	–
Depreciation for the year	98,222
At 31 December 2020	98,222
Carrying value:	
At 31 December 2019	–
At 31 December 2020	160,241

The depreciation expenses are charged to profit or loss under administrative expenses.

The company leases its office for two years from 1 April 2020. There are restrictions or covenants imposed by the lessor to sublease the leased office to another party. Unless permitted by the lessor, the lease prohibits from selling or pledging the underlying leased office as security. The lease is non-cancellable or may only be cancelled by incurring a substantive termination fee. The lease contract requires the property in a good state of repair and return the properties in its original condition at the end of the lease. Insurance, and maintenance fees on right-of-use assets are usually required under the lease contracts.

The related lease liabilities are disclosed in Note 23.

12. Intangible assets

	Group	
	2020 US$	2019 US$
Goodwill (Note 12A)	108,538	–
Other intangible assets (Note 12B)	35,932	27,871
Total	144,470	27,871

12A. Goodwill

	Group	
	2020 US$	2019 US$
Cost:		
Balance at beginning of the year	–	–
Arising from acquisition of subsidiaries (Note 13)	108,538	–
Balance at end of the year	108,538	–

12. Intangible assets (cont'd)

12A. Goodwill (cont'd)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the group's investment by each subsidiary follows:

	Group	
	2020	2019
	US$	US$
Name of subsidiary:		
Apeiron Twin Gem Biofuel Pte. Ltd.	108,538	–

12B. Other intangible assets

Group	Software
	US$
Cost:	
At 1 August 2017 and 31 July 2018	–
Additions	29,369
Currency translation reserve	(703)
At 31 December 2019	28,666
Additions	14,938
Currency translation reserve	2,653
At 31 December 2020	46,257
Accumulated depreciation:	
At 1 August 2017 and 31 July 2018	–
Depreciation for the year	816
Currency translation reserve	(21)
At 31 December 2019	795
Depreciation for the year	8,988
Currency translation reserve	542
At 31 December 2020	10,325
Carrying value:	
At 1 August 2017 and 31 July 2018	–
At 31 December 2019	27,871
At 31 December 2020	35,932

13. Investment in subsidiaries

	Company 2020 US$	Company 2019 US$
Movements during the year. At cost:		
At beginning of the year	2,715,432	–
Subscription of shares in subsidiaries (Note 13A)	764,732	450,000
Acquisitions (Note 13A)	112,707	2,265,432
At end of the year	3,592,871	2,715,432
Carrying value in the books of the company comprising:		
Unquoted equity shares, at cost	3,592,871	2,715,432
Analysis of above amount denominated in non-functional currency:		
Chinese Renminbi	3,030,164	2,265,432
Indonesian Rupiah	450,000	450,000
Japanese Yen	9,576	–
Philippine Peso	20,824	–
Malaysian Ringgit	23,365	–
Singapore Dollar	58,942	–

The subsidiaries held by the company are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities and independent auditor	Cost in books of company 2020 US$	Cost in books of company 2019 US$	Effective percentage of equity held by company 2020 %	Effective percentage of equity held by company 2019 %
PT Apikayu Glycerin Refinery [(a)] Republic of Indonesia Refining crude glycerine to refined glycerine for export	450,000	450,000	60	60
Tanghe Jinhai Biological Technology Co. Ltd. [(b)] People's Republic of China Manufacturing of bio-fuel, collection of waste oil and trading	2,265,432	2,265,432	51	51
Apeiron Bioenergy Inc. [(c)] Philippines Manufacturing of bio-fuel, collection of waste oil and trading	20,824	–	100	–
Apeiron Bioenergy Japan Co., Ltd. [(c)] Japan Manufacturing of bio-fuel, collection of waste oil and trading	9,576	–	100	–
Apeiron Bioenergy (Sichuan) Co., Ltd. [(c)] People's Republic of China Manufacturing of bio-fuel, collection of waste oil and trading	764,732	–	100	–

13. Investment in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities and independent auditor	Cost in books of company		Effective percentage of equity held by company	
	2020	2019	2020	2019
	US$	US$	%	%
Apeiron Bioenergy Sdn. Bhd. [(c)] Malaysia Manufacturing of bio-fuel, collection of waste oil and trading	23,365	–	100	–
Apeiron Twin Gem Biofuel Pte. Ltd. [(c)] Singapore Manufacturing of bio-fuel, collection of waste oil and trading	58,942	–	80	–

a) Audited by member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

b) Audited by SBA Stone Forest Shanghai Certified Public Accountants (Partnership), an affiliated firm of RSM Chio Lim LLP.

c) Not required to be audited in the country of incorporation.

13A. Acquisition of subsidiaries

i) On 2 January 2020, the company obtained control of its joint venture when it acquires additional 30% equity interest in Apeiron Twin Gem Biofuel Pte. Ltd. for a cash consideration of SGD143,367 (equivalents to US$104,670). The company remeasured its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate. Goodwill of US$108,538 was recognised as a result of the step acquisition.

ii) On 23 June 2020, the company has acquired 100% equity interest in Apeiron Bioenergy Sdn. Bhd., for a cash consideration of MYR100,000 (equivalents to US$23,365).

iii) On 5 December 2020, the company has acquired 100% equity interest in Apeiron Bioenergy Inc. for a cash consideration of PHP999,998 (equivalents to US$20,824).

iv) On 10 December 2020, the company has acquired 100% equity interest in Apeiron Bioenergy Japan Co., Inc. for a cash consideration of JPY1,000,000 (equivalents to US$9,576).

v) On 11 December 2020, the company registered a wholly owned subsidiary, Apeiron Bioenergy (Sichuan) Co., Ltd., in People's Republic of China with a registered capital of CNY5,000,000 (equivalents to US$764,732). As at the reporting year end, the registered capital has not been paid. The subsidiary has generated a net loss after tax of CNY68,494.

13. Investment in subsidiaries (cont'd)

13A. Acquisition of subsidiaries (cont'd)

Estimated amounts committed at the end of the financial year for future capital expenditure but not recognised in the financial statements are as follows:

	2020 US$
Commitment to take up shares in Apeiron Bioenergy (Sichuan) Co., Ltd.	764,732

Apeiron Bioenergy Sdn. Bhd. and Apeiron Bioenergy Inc. are under common control of the Controlling shareholders, the Acquisition was accounted for as business combination under common control by applying the pooling of interest method. As disclosed in Note 2A, in accordance with the Group's accounting policy, this requires, amongst others, that the consolidated statement of profit and loss and other comprehensive income reflects the results of the combining business for the full year, irrespective of when the combination took place, and the comparatives are presented as if the business had always been combined since the date the business had come under common control. These entities are newly incorporated in 2020 and restatement of the comparatives were not applicable.

The net assets acquired and the related fair values are as follows:

	Group Acquiree's carrying amount at date of acquisition and at fair values	
	2020 US$	2019 US$
Plant and equipment	163,702	2,664,884
Inventories	305,834	634,520
Trade and other receivables	177,756	3,901,125
Other financial assets	112,944	–
Cash and cash equivalents	72,164	204,461
Trade and other payables	(1,175,296)	33,029
Other financial liabilities	–	(1,641,297)
	(342,896)	5,796,722
Consideration	158,435	2,265,432
Cash paid into the subsidiaries as register capital	(158,435)	(2,265,432)
Less: cash taken over	(93,435)	(204,461)
Net cash inflow on acquisition	(93,435)	(204,461)

13. Investment in subsidiaries (cont'd)

13B. Interest in subsidiaries with material non-controlling interest (NCI)

The group has the following subsidiaries that have NCI that are material to the group.

Name of subsidiaries	Principal place of business	Proportion of ownership interest held by NCI	Gain/(Loss) allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
			US$	US$
31 December 2020:				
PT Apikayu Glycerin Refinery	Indonesia	40%	107	180,263
Tanghe Jinhai Biological Technology Co. Ltd.	China	49%	695,838	4,330,057
			695,945	4,510,320
31 December 2019:				
PT Apikayu Glycerin Refinery	Indonesia	40%	(130,507)	180,156
Tanghe Jinhai Biological Technology Co. Ltd.	China	49%	270,596	3,634,219
			140,089	3,814,375

14. Investment in associates

	Group and company	
	2020	2019
	US$	US$
Movement in carrying value		
At beginning of the year	1,079,317	–
Additions	1,061,227	1,000,000
Share of post-acquisition loss, net of dividends received	(276,550)	79,317
At end of the year	1,863,994	1,079,317
Carrying value comprising:		
Unquoted equity shares at cost	2,061,227	1,000,000
Share of post-acquisition loss, net of dividends	(197,233)	79,317
At end of the year	1,863,994	1,079,317

14. Investment in associates

The listing of and information on the associates is given below:

Name of associates, country of incorporation, place of operations and principal activities and independent auditor	Cost in books of company		Effective percentage of equity held by company	
	2020	2019	2020	2019
	US$	US$	%	%
Taizhou Ke Yuan Oil Industries Co., Ltd. [(a)] People's Republic of China Engaged in the collection and processing of waste oil	1,000,000	1,000,000	25	25
Jiangsu Partner Energy Group Ltd. [(b)(c)] People's Republic of China Engaged in the collection and processing of waste oil	1,057,079	–	15	–
Apeiron Bioenergy (Myanmar) Co., Ltd. [(b)] Myanmar Engaged in the collection and processing of waste oil	4,148	–	35	–

(a) Not audited as it is immaterial. The associate's unaudited management financial statements as at 31 December 2020 have been used for equity accounting purposes.

(b) Newly incorporated during the year with no business activities. Hence, not equity accounted and not audited as these entities are not material.

(c) As at the reporting year end, the committed investment of CNY7,500,000 (equivalents to USD$1,057,079) has not been paid.

The summarised financial information of the associates and the amounts (and not the reporting entity's share of those amounts) based on the financial statements of the associates are as follows. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

	2020	2019
	US$	US$
Non-current assets	91,294	355,215
Current assets	20,101,139	10,970,999
Current liabilities	(18,287,024)	(7,944,164)
Revenue	46,119,375	61,310,092
(Loss) / Profit for the year	(1,106,202)	317,267
Reconciliation:		
(Loss) / Profit for the year of the associates	(1,106,202)	317,267
Proportion of the reporting entity's interest in the associates	25%	25%
Carrying amount of the interest in the associates	(276,550)	79,317

15. Investment in joint venture

	2020 US$	2019 US$
Movement in carrying value		
At beginning of the year	–	54,853
Additions	–	–
Share of post-acquisition loss, net of dividends received	–	(54,823)
At end of the year	–	–
Carrying value comprising:		
Unquoted equity shares at cost	–	44,492
Goodwill	–	95,026
Allowance for impairment	–	(88,261)
Share of post-acquisition loss, net of dividends	–	(51,257)
At end of the year	–	–

The listing of and information on the joint ventures is given below

Name of joint venture, country of incorporation, place of operations and principal activities and independent auditor	Effective percentage of equity held by company 2020 %	2019 %
Apeiron Twin Gem Biofuel Pte. Ltd. Singapore Manufacture of biofuels and collection of waste	–	50

As a result of an acquisition completed on 2 January 2020, Apeiron Twin Gem Biofuel Pte. Ltd. became a subsidiary (Note 13A).

16. Other receivables, non-current

The amount due from outside party is unsecured, interest-free and is repayable 3 years from 1 December 2018.

17. Inventories

	Group		Company	
	2020 US$	2019 US$	2020 US$	2019 US$
Raw materials	6,950,913	1,670,246	4,200,506	–
Work-in-progress	–	1,005,063	–	–
Finished goods	1,242,809	441,061	–	–
	8,193,722	3,116,370	4,200,506	–
The amount of inventories included in cost of goods sold	150,461,787	129,247,833	151,202,027	–

18. Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Trade receivables:				
Outside parties	6,810,345	10,562,141	4,155,181	8,602,599
Related parties	–	1,703,035	–	–
	6,810,345	12,265,176	4,155,181	8,602,599
Other receivables:				
Joint venture (Note 3)	–	109,362	–	109,362
Subsidiaries (Note 3)	–	–	2,305,103	1,660,512
Associate (Note 3)	1,563	–	1,563	–
Related parties (Note 3)	383,867	–	396,308	–
Director (Note 3)	341,575	4,632	341,575	4,632
Outside parties	4,811,159	2,058,110	538,083	44,342
Other receivables – subtotal	5,538,164	2,172,104	3,582,632	1,818,848
Total trade and other receivables	12,348,509	14,437,280	7,737,813	10,421,447

The expected credit losses ("ECL") on the above trade receivables, and contract assets are based on the simplified approach to measuring expected credit losses (ECL) which uses a lifetime ECL allowance approach for all trade receivables and contract assets recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on the historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the Covid-19 pandemic. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. No loss allowance is necessary.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

The credit period generally granted to trade customers is about 7 days (2019: 7 days). But some customers take a longer period to settle the amounts.

An ageing analysis of the trade receivables as at the end of the reporting years are as follows:

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Not past due	4,588,517	10,987,319	1,933,353	7,324,742
Past due:				
1 to 30 days	102,649	374,087	102,649	374,087
30 to 60 days	–	14,753	–	14,753
More than 60 days	2,119,179	889,017	2,119,179	889,017
	6,810,345	12,265,176	4,155,181	8,602,599

18. Trade and other receivables (cont'd)

Concentration of trade receivable customers as at the end of reporting year:

	Group		Company	
	2020 US$	2019 US$	2020 US$	2019 US$
Top 1 customer	2,101,651	3,529,773	2,101,651	3,529,773
Top 2 customers	3,636,365	4,674,878	3,636,365	4,674,878
Top 3 customers	3,832,865	5,345,719	3,832,865	5,345,719

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 months expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary. Other receivables are normally with no fixed terms and therefore there is no maturity.

19. Other assets

	Group		Company	
	2020 US$	2019 US$	2020 US$	2019 US$
Deposit	138,039	65,251	105,019	8,283
Prepayments	2,552,249	319,918	106,845	–
Margin accounts with broker	59,865	–	59,865	–
Advance payment to suppliers – outside parties	17,317,019	11,360,157	17,287,394	10,638,765
Advance payment to suppliers – subsidiary	–	–	–	1,136,677
Advance payment to supplier – joint venture	–	73,016	–	73,016
Advance payment to supplier – related parties	235,640	–	693,668	–
	20,302,812	11,818,342	18,252,791	11,856,741

20. Cash and cash equivalents

	Group		Company	
	2020 US$	2019 US$	2020 US$	2019 US$
Not restricted in use	3,435,719	3,603,198	2,637,502	3,394,185
Cash pledged for bank facilities (a)	2,204,251	1,965,018	2,204,251	1,965,018
Cash at end of the year	5,639,970	5,568,216	4,841,753	5,359,203

The interest earning balances are not significant.

(a) This is the amounts held by bankers to cover the bank facilities issued (Note 24).

20. Cash and cash equivalents (cont'd)

20A. Cash and cash equivalents in the statement of cash flows:

	Group 2020 US$	Group 2019 US$	Company 2020 US$	Company 2019 US$
Amount as shown above:	5,639,970	5,568,216	4,841,753	5,359,203
Cash pledged for bank facilities	(2,204,251)	(1,965,018)	(2,204,251)	(1,965,018)
Cash and cash equivalents for statement of cash flows purposes at end of the year	3,435,719	3,603,198	2,637,502	3,394,185

20B. Reconciliation of liabilities arising from financing activities:

	At 01.01.2020 US$	Cash flows US$	Non-cash changes US$		At 31.12.2020 US$
Other financial liabilities	24,191,380	3,581,741	–		27,773,121
Lease liabilities	–	(105,575)	2,881,011		2,775,436
	24,191,380	3,476,166	2,881,011		30,548,557

	At 01.01.2019 US$	Cash flows US$	Non-cash changes US$		At 31.12.2019 US$
Other financial liabilities	4,756,645	17,671,615	1,763,120	#A	24,191,380

#A Acquisition of subsidiary and foreign exchange movements.

21. Share capital

	Group and company: Number of shares issued	Share capital US$
Ordinary shares of no par value:		
Balance at 31 July 2018	1,000,000	1,000,000
Profits capitalisation by bonus issue in 2019	1,000,000	1,000,000
Balance at the end of the year 31 December 2019	2,000,000	2,000,000
Issue of share capital	550,000	550,000
Balance at the end of the year 31 December 2020	2,550,000	2,550,000

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

During the reporting year, 550,000 ordinary shares of no par value were issued for cash at US$1.00 each.

On 26 April 2019 and 24 July 2019, the company issued 500,000 ordinary shares on each date at an issue price of US$1.00 each by capitalisation of retained earnings of US$1,000,000.

The new ordinary shares issued ranked pari passu with the existing ordinary shares of the company.

21. Share capital (cont'd)

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Net debt:				
Total borrowings	27,773,121	24,191,380	25,119,653	23,403,041
Less: cash and cash equivalents	(5,639,970)	(5,568,216)	(4,841,753)	(5,359,203)
Net debt	22,133,151	18,623,164	20,277,900	18,043,838
Adjusted capital:				
Total equity	16,058,524	11,204,264	9,113,507	5,954,355
Adjusted capital	16,058,524	11,204,264	9,113,507	5,954,355
Debt-to-adjusted capital ratio	137.8%	166.2%	222.5%	303.0%

There are significant borrowings but these are secured by specific assets. The unfavourable change as shown by the increase in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increase in new debt. There was a favourable change with improved retained earnings.

22. Foreign currency translation reserve

	Group	
	2020	2019
	US$	US$
At beginning of the year	26,313	–
Exchange differences on translating foreign operations	155,087	26,313
At end of the year	181,400	26,313

23. Lease liabilities

	Group 2020 US$	Group 2019 US$	Company 2020 US$	Company 2019 US$
Lease liabilities, current	183,532	–	120,181	–
Lease liabilities, non-current	2,591,904	–	40,060	–
	2,775,436	–	160,241	–

Movements of lease liabilities for the reporting year are as follows:

	Group 2020 US$	Group 2019 US$	Company 2020 US$	Company 2019 US$
Total lease liabilities recognised	2,881,011	–	258,463	–
Lease payments – principal and interest portion paid	(105,575)	–	(98,222)	–
Total lease liabilities at end of reporting year	2,775,436	–	160,241	–

Total cash outflow for leases for the year ended 31 December 2020 are shown in the statement of cash flows. There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

At 31 December 2020, there were no commitments on leases which had not yet commenced.

24. Other financial liabilities

	Group 2020 US$	Group 2019 US$	Company 2020 US$	Company 2019 US$
Non-current:				
Bank loans	3,717,348	1,372,622	3,717,348	1,372,622
Current:				
Bills payable (Secured)	19,976,845	21,031,637	19,976,845	21,031,637
Bank loans	4,078,928	1,787,121	1,425,460	998,782
	24,055,773	22,818,758	21,402,305	22,030,419
	27,773,121	24,191,380	25,119,653	23,403,041

	Group 2020	Group 2019	Company 2020	Company 2019
The range of floating rate interest:				
Bills payable (Secured)	2.10% to 3.19%	3.58% to 4.45%	2.10% to 3.19%	3.58% to 4.45%
Bank loans	2.50% to 6.50%	3.73% to 6.50%	2.50% to 6.50%	4.79% to 6.50%

The agreements for the bank facilities provide among other matters for the following:-

1. Joint and several guarantees from the directors of the company; and
2. Pledged of fixed deposit (Note 20).

25. Trade and other payables

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Trade payables:				
Outside parties and accrued liabilities	4,292,514	2,759,235	1,156,999	724,167
Other payables:				
Advance payments from customer	–	186,335	–	–
Subsidiaries (Note 3)	–	–	1,637,570	963,262
Associates (Note 3)	1,057,079	–	1,057,079	–
Directors (Note 3)	3,208,734	2,723,243	–	239,694
Outside parties	1,408,348	612,163	541,552	–
Others	–	433,580	–	–
Other payables – subtotal	5,674,161	3,955,321	3,236,201	1,202,956
Total trade and other payables	9,966,675	6,714,556	4,393,200	1,927,123

26. Contract liabilities

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Contract liabilities on long term contracts	1,936,120	434,772	1,261,520	434,772

The movements in contract liabilities are as follows:

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
At beginning of the year	434,772	–	434,772	–
Consideration received or receivable	1,936,120	434,772	1,261,520	434,772
Revenue recognised in the reporting year from performance obligations satisfied in previous years	(434,772)	–	(434,772)	–
At the end of the year	1,936,120	434,772	1,261,520	434,772

The contract liabilities primarily related to the advance consideration received from customers for which transfer of control has not occur, and therefore revenue is not recognised. The group recognises revenue for each respective performance obligation when control of the product or service transfers to the customer. Aggregate amount of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at end of reporting year.

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Expected to be recognised as revenue within one year	1,936,120	434,772	1,261,520	434,772

27. Financial instruments: information on financial risks

27A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Financial assets at amortised cost	17,988,479	20,431,496	12,579,556	16,206,650
Financial liabilities at amortised cost	40,515,232	30,905,936	29,512,853	25,330,164

Further quantitative disclosures are included throughout these financial statements.

27B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposure to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

27C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

27. Financial instruments: information on financial risks (cont'd)

27D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 months ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 20 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 60 - 90 days (2019: 60 - 90 days). But some customers take a longer period to settle the amounts.

As at the end of the reporting year, there were no amounts that were impaired.

Other receivables are normally with no fixed terms and therefore there is no maturity.

27E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2018: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

27. Financial instruments: information on financial risks (cont'd)

27E. Liquidity risk – financial liabilities maturity analysis

	Less than 1 year US$	Between 2 and 5 years US$	Total US$
Group			
2020			
Other financial liabilities	24,055,773	3,891,141	27,946,914
Trade and other payables	9,966,675	–	9,966,675
Lease liabilities	183,352	2,591,904	2,775,256
	34,205,800	6,483,045	40,688,845
2019			
Other financial liabilities	22,971,400	1,473,440	24,444,840
Trade and other payables	6,714,552	–	6,714,552
	29,685,952	1,473,440	31,159,392
Company			
2020			
Other financial liabilities	21,402,305	3,891,141	25,293,446
Trade and other payables	4,393,200	–	4,393,200
Lease liabilities	120,181	40,232	160,413
	25,915,686	3,931,373	29,847,059
2019			
Other financial liabilities	22,183,061	1,473,440	23,656,501
Trade and other payables	1,927,123	–	1,927,123
	24,110,184	1,473,440	25,583,624

Bank facilities:

	Group and company 2020 US$	Group and company 2019 US$
Undrawn borrowing facilities	4,839,650	1,389,198

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A regularly schedule showing the maturity of financial liabilities and unused bank facilities is provided to management to assist them in monitoring the liquidity risk.

27. Financial instruments: information on financial risks (cont'd)

27F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments (excluding derivatives) by type of interest rate:

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Financial liabilities with interest:				
Floating rates	27,773,121	23,403,041	25,119,653	23,403,041
Total at end of the year	27,773,121	23,403,041	25,119,653	23,403,041

The floating rate debt instruments are with interest rates that are re-set regular intervals. The interest rates are disclosed in Note 24.

Sensitivity analysis: The effect on profit before tax is not significant.

	Group		Company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Financial liabilities:				
A hypothetical variation in floating interest rates by 100 basis points with all other variables held constant, would have an increase / decrease in pre-tax profit for the year by	277,731	234,030	251,197	234,030

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

27G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

27. Financial instruments: information on financial risks (cont'd)

27G. Foreign currency risks (cont'd)

Analysis of amounts denominated in non-functional currency:

	Singapore Dollar		Euro	
	Group and company		Group and company	
	2020	2019	2020	2019
	US$	US$	US$	US$
Financial assets:				
Loans and receivables	–	163,779	–	201,277
Total financial assets	–	163,779	–	201,277
Financial liabilities:				
Other financial liabilities	(9,478,349)	(3,456,349)	–	–
Trade and other payables	(107,923)	(15,992)	–	–
Total financial liabilities	(9,586,272)	(3,472,341)	–	–
Net financial (liabilities) / assets at end of the year	(9,586,272)	(3,308,562)	–	201,277

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

	Group and company	
	2020	2019
	US$	US$
A hypothetical 10% strengthening in the exchange rate of the functional currency US$ against the Singapore Dollar would have a favourable effect on profit before income tax of	958,627	330,856
A hypothetical 10% strengthening in the exchange rate of the functional currency US$ against the Euro would have an adverse effect on profit before income tax of	–	(20,128)

The above table shows sensitivity to a hypothetical percentage variation in the functional currency against Singapore Dollar and Euro. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for the currency to which the company has significant exposure. The analysis above has been carried out on the basis that there are no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

28. Changes and adoption of financial reporting standards

For the current reporting year, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 103	Definition of a Business – Amendments
FRS 1 and 8	Definition of Material – Amendments
	The Conceptual Framework for Financial Reporting
FRS 116	Covid-19 Related Rent Concessions - Amendment to (effective from 30 June 2020)

29. New or amended standards in issue but not yet effective

For the future reporting years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

FRS No.	Title	Effective date for periods beginning on or after
FRS 103	Definition of a Business - Reference to the Conceptual Framework – Amendments	1 January 2022
FRS 116	Covid-19-Related Rent Concessions – Amendments	1 June 2020

RSM

APEIRON AGROCOMMODITIES PTE. LTD.

(Registration No: 200714891H)

Statement by Directors and Financial Statements

Reporting Year Ended 31 December 2021

RSM Chio Lim LLP

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APEIRON AGROCOMMODITIES PTE. LTD.

Statement by Directors and Financial Statements

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Statement by Directors

The directors are pleased to present the accompanying financial statements of Apeiron Agrocommodities Pte. Ltd. (the "company") and its subsidiaries (collectively, the "group") for the reporting year ended 31 December 2021.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company are drawn up so as to give a true and fair view of the financial position of the group and of the company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the group and changes in equity of the company for the reporting year ended on that date; and

(b) at the date of the 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 approved and authorised these financial statements for issue.

2. Directors

The directors of the company in office at the date of this statement are:

Chen Ruhuang
Ng Sheng Ce

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year were not interested in shares or in debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act 1967 except as follows:

Name of directors and company in which interests are held	At beginning of the reporting year	At end of the reporting year
The company	Number of ordinary shares of no par value	
Chen Ruhuang	1,530,000	1,530,000
Ng Sheng Ce	1,020,000	1,020,000

By virtue of section 7 of the Act, the above directors with interests are deemed to have an interest in the company and in all the related body corporate of the company.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted and there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

....	....
Chen Ruhuang	Ng Sheng Ce
Director	Director

27 June 2022

RSM

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Independent Auditor's Report to the Members of
APEIRON AGROCOMMODITIES PTE. LTD.

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Apeiron Agrocommodities Pte. Ltd. (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including the accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards in Singapore ("SFRSs") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the statement by directors but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

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

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

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Beng Teck.

RSM Chio Lim LLP

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

27 June 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year Ended 31 December 2021

	Notes	Group 2021 US$	Group 2020 US$
Revenue	4	259,673,123	161,091,530
Cost of sales		(242,192,879)	(153,556,581)
Gross profit		17,480,244	7,534,949
Interest income	5	14,394	41,295
Other gains	6	7,544,398	3,541,055
Distribution costs		(103,146)	(105,645)
Finance costs	7	(1,356,149)	(1,335,181)
Administrative expenses		(9,705,503)	(4,898,258)
Other losses	6	(956,406)	–
Share of profit / (loss) from an equity-accounted associates	14	61,713	(276,550)
Profit before tax from continuing operations		12,979,545	4,501,665
Income tax expense	9	(2,283,903)	(592,377)
Profit from continuing operations for the year		10,695,642	3,909,288
<u>Other comprehensive income:</u>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		290,094	394,972
Total comprehensive income for the year		10,985,736	4,304,260
Profit attributable to owners of the parent, net of tax		8,177,597	3,223,225
Profit attributable to non-controlling interests, net of tax		2,518,045	686,063
Profit net of tax		10,695,642	3,909,288
Total comprehensive income attributable to owners of the parent		8,330,121	3,378,312
Total comprehensive income attributable to non-controlling interests		2,655,615	925,948
Total comprehensive income for the year		10,985,736	4,304,260

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

APEIRON AGROCOMMODITIES PTE. LTD.

Statements of Financial Position
As at 31 December 2021

		Group		Company	
	Notes	2021	2020	2021	2020
ASSETS		US$	US$	US$	US$
Non-current assets					
Plant and equipment	10	9,379,456	8,305,260	21,234	19,613
Right-of-use assets	11	619,099	2,789,255	298,523	160,241
Intangible assets	12	127,581	144,470	–	–
Investment in subsidiaries	13	–	–	3,720,681	3,592,871
Investment in associates	14	4,148	1,863,994	4,148	1,863,994
Total non-current assets		10,130,284	13,102,979	4,044,586	5,636,719
Current assets					
Inventories	15	16,867,189	8,193,722	3,633,749	4,200,506
Trade and other receivables	16	31,910,102	12,348,509	20,642,115	7,737,813
Other assets	17	14,568,788	20,302,812	17,892,003	18,252,791
Cash and cash equivalents	18	11,376,117	5,639,970	9,248,627	4,841,753
Total current assets		74,722,196	46,485,013	51,416,494	35,032,863
Total assets		84,852,480	59,587,992	55,461,080	40,669,582
EQUITY AND LIABILITIES					
Equity					
Share capital	19	2,550,000	2,550,000	2,550,000	2,550,000
Retained earnings		17,167,130	8,586,801	12,541,173	6,563,507
Foreign currency translation reserve	20	333,924	181,400	–	–
Equity, attributable to owners of the parent		20,051,054	11,318,201	15,091,173	9,113,507
Non-controlling interests		8,023,733	4,740,323	–	–
Total equity		28,074,787	16,058,524	15,091,173	9,113,507
Non-current liabilities					
Lease liabilities, non-current	21	436,584	2,591,904	172,308	40,060
Other financial liabilities	22	2,553,764	3,717,348	2,553,764	3,717,348
Total non-current liabilities		2,990,348	6,309,252	2,726,072	3,757,408
Current liabilities					
Income tax payable		2,826,191	1,078,116	1,142,973	621,461
Trade and other payables	23	12,884,855	9,966,675	3,705,964	4,393,200
Lease liabilities, current	21	255,789	183,532	126,214	120,181
Other financial liabilities	22	30,900,868	24,055,773	28,076,668	21,402,305
Contract liabilities	24	6,919,642	1,936,120	4,592,016	1,261,520
Total current liabilities		53,787,345	37,220,216	37,643,835	27,798,667
Total liabilities		56,777,693	43,529,468	40,369,907	31,556,075
Total equity and liabilities		84,852,480	59,587,992	55,461,080	40,669,582

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

APEIRON AGROCOMMODITIES PTE. LTD.

Consolidated Statements of Changes in Equity
Year Ended 31 December 2021

Group	Total equity US$	Attributable to parent company sub-total US$	Share capital US$	Foreign currency translation reserve US$	Retained earnings US$	Non-controlling interests US$
Current year:						
Opening balance at 1 January 2021	16,058,524	11,318,201	2,550,000	181,400	8,586,801	4,740,323
Changes in equity:						
Total comprehensive income for the year	10,985,736	8,330,121	–	152,524	8,177,597	2,655,615
Acquisition of subsidiaries under common control (Note 13A)	402,732	402,732	–	–	402,732	–
Issue of share capital to non-controlling interests of subsidiary	627,795	–	–	–	–	627,795
Closing balance at 31 December 2021	28,074,787	20,051,054	2,550,000	333,924	17,167,130	8,023,733
Previous year:						
Opening balance at 1 January 2020	11,204,264	7,389,889	2,000,000	26,313	5,363,576	3,814,375
Changes in equity:						
Total comprehensive income for the year	4,304,260	3,378,312	–	155,087	3,223,225	925,948
Issue of share capital	550,000	550,000	550,000	–	–	–
Closing balance at 31 December 2020	16,058,524	11,318,201	2,550,000	181,400	8,586,801	4,740,323

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

Statements of Changes in Equity
Year Ended 31 December 2021

Company	Total equity US$	Share capital US$	Retained earnings US$
Current year:			
Opening balance at 1 January 2021	9,113,507	2,550,000	6,563,507
Changes in equity:			
Total comprehensive income for the year	5,977,666	–	5,977,666
Closing balance at 31 December 2021	15,091,173	2,550,000	12,541,173
Previous year:			
Opening balance at 1 January 2020	5,954,355	2,000,000	3,954,355
Changes in equity:			
Total comprehensive income for the year	2,609,152	–	2,609,152
Issue of share capital (Note 19)	550,000	550,000	–
Closing balance at 31 December 2020	9,113,507	2,550,000	6,563,507

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

Consolidated Statement of Cash Flows
Year Ended 31 December 2021

	Group	
	2021	2020
	US$	US$
Cash flows from operating activities		
Profit before tax	12,979,545	4,501,665
Adjustments for:		
Share of (profit) / loss of associate	(61,713)	276,550
Depreciation of plant and equipment	1,161,920	756,643
Depreciation of right-of-use asset	737,174	599,818
Depreciation of intangible assets	16,548	8,988
Foreign exchange adjustments gain, net	102,385	(512,609)
Interest income	(14,394)	(41,295)
Interest expense	1,356,149	1,335,181
Loss on disposal of associate	791,477	–
Operating cash flows before changes in working capital	17,069,091	6,924,941
Inventories	(7,156,011)	(5,077,352)
Trade and other receivables	(17,327,721)	2,703,345
Other assets	5,828,214	(8,484,470)
Trade and other payables	3,529,874	1,709,549
Contract liabilities	4,983,522	1,501,348
Net cash flows from / (used in) operations	6,926,969	(722,639)
Income taxes (paid) / refund	(535,828)	342,540
Net cash flows from / (used in) operating activities	6,391,141	(380,099)
Cash flows from investing activities		
Purchase of plant and equipment	(1,902,486)	(2,469,726)
Purchase of intangible assets	–	(14,938)
Interest received	14,394	41,295
Acquisition of subsidiary (net of cash acquired)(Note 13A)	272,280	93,435
Net movement in amounts due from directors	–	(336,943)
Net movements in amounts due from related companies	–	107,799
Amount due from associate	(76,481)	(1,563)
Amount due from related parties	(870,713)	(383,867)
Net cash flows used in investing activities	(2,563,006)	(2,964,508)

Consolidated Statement of Cash Flows (cont'd)
Year Ended 31 December 2021

	Group	
	2021	2020
	US$	US$
Cash flows from financing activities		
Issue of share capital	–	550,000
Interest paid	(1,356,149)	(1,335,181)
Lease payments – principal and interest	(650,081)	(105,575)
Cash restricted in use	116,364	(239,233)
Net movement in amounts due to directors	(2,395,064)	485,491
Increase in other financial liabilities, current	5,681,511	3,581,741
Issue of share capital to non-controlling interests of subsidiary	627,795	239,885
Net cash flows from financing activities	2,024,376	3,177,128
Net increase / (decrease) in cash and cash equivalents	5,852,511	(167,479)
Cash and cash equivalents, statement of cash flows, beginning balance	3,435,719	3,603,198
Cash and cash equivalents, statement of cash flows, ending balance (Note 18A)	9,288,230	3,435,719

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

1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in United States Dollars ("US$") and they cover the company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the company are those of general importers and exporters of agriculture products. The principal activities of the subsidiaries are described in Note 13 to the financial statements

The registered office is at 8 Eu Tong Sen Street #21-98/99, The Central, Singapore 059818. The company is situated in Singapore.

The Covid-19 pandemic

Management has not identified any material uncertainties resulting from the Covid-19 pandemic and the aftermath of the pandemic surrounding the group's business, and accordingly none is disclosed in these financial statements.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRSs") and the related interpretations to SFRS ("INT SFRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C, where applicable.

1. General (cont'd)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the company's separate statement of profit or loss and other comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from sale of goods is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Interest income

Interest income is recognised using the effective interest method.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest rate method.

Foreign currency transactions

The functional currency is the United States dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiary and joint arrangements except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Plant and equipment	–	20% - 33.3%
Leasehold improvement	–	5% - 10%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Plant and equipment (cont'd)

The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted. Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Software – Useful lives not exceeding three years

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets over their estimated useful lives as follows:

Office space – Over the lease terms of 2 years

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Leases

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Associates (cont'd)

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation.

Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with the financial reporting standard on financial instruments. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Where the fair values are measured on a provisional basis they are finalised within one year from the acquisition date with consequent retrospective changes to the amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

Acquisitions of entities under common control

Business combinations involving businesses or entities under common control are accounted for by applying the pooling of interest method which involves the following:

- Assets, liabilities, reserves, revenue and expenses of combined business or entities are reflected at their existing amounts;
- The retained earnings and share capital recognised in the consolidated financial statements are the retained earnings and share capital of the combining entities or businesses immediately before the combination;
- No additional goodwill is recognised as a result of the combination; and
- The statement of comprehensive income reflects the results of the combining entities or businesses for the full year, irrespective of when the combination took place. Comparatives are presented as if the entities or businesses had always been combined since the date the entities or businesses had come under common control.

Under the pooling-of-interest method, any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets:

#1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

#2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

#3. Financial asset that is an equity investment measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.

#4. Financial asset classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Fair value measurement

The 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. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful trade accounts:
The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 16 on trade and other receivables.

Net realisable value of inventories:
A review is made on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in Note 15.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The company's ultimate controlling person is Chen Ruhuang.

3A. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

3. Related party relationships and transactions (cont'd)

3A. Related party transactions (cont'd)

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	Group and company	
	2021	2020
	US$	US$
Related parties:		
Purchases of goods and services	806,652	–

3B. Key management compensation

	Group and company	
	2021	2020
	US$	US$
Remuneration of directors	43,538	39,086
Fees to a director	221,948	182,692
	265,486	221,778

The above amounts are included under employee benefits expense.

Key management personnel are the directors having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The above amounts do not include compensation if any of certain key management personnel and directors of the company who received compensation from related corporations in their capacity as directors and or executives of those related corporations.

3C. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

3. Related party relationships and transactions (cont'd)

3C. Other receivables from and other payables to related parties (cont'd)

The movements in other receivables from and other payables to related parties are as follows:

	Group	
	2021	2020
Directors	US$	US$
Other receivables/(payables):		
Balance at beginning of the year	(2,867,159)	(2,718,611)
Director's fee	(221,948)	(182,692)
Amounts paid out / (in) and settlement of liabilities on behalf of directors	2,617,012	34,144
Balance at end of the year	(472,095)	(2,867,159)
Presented to statement of financial position:		
Other receivables (Note 16)	549,795	341,575
Other payables (Note 23)	(1,021,890)	(3,208,734)
	(472,095)	(2,867,159)

	Company	
	2021	2020
Directors	US$	US$
Other receivables/(payables):		
Balance at beginning of the year	341,575	4,632
Amounts paid out and settlement of liabilities on behalf of directors	208,220	336,943
Balance at end of the year (Note 16)	549,795	341,575

	Company	
	2021	2020
Subsidiaries	US$	US$
Other receivables/(other payables):		
Balance at beginning of the year	667,533	697,250
Amounts paid out and settlement of liabilities on behalf of the subsidiaries	2,150,873	757,032
Amounts paid in and settlement of liabilities on behalf of subsidiaries	(170,355)	(774,308)
Transfer from related parties	283,495	–
Balance at end of the year	2,931,546	679,974
Presented to statement of financial position:		
Other receivables (Note 16)	3,644,912	2,317,544
Other payables (Note 23)	(713,366)	(1,637,570)
	2,931,546	679,974

3. Related party relationships and transactions (cont'd)

3C. Other receivables from and other payables to related parties

	Group and Company	
	2021	2020
Associates	US$	US$
Other receivables/(other payables):		
Balance at beginning of the year	(1,055,516)	–
Amounts paid out and settlement of liabilities on behalf of the associate	80,629	1,563
Amounts paid in and settlement of liabilities on behalf of the associate	(4,148)	–
Acquisition of associate (Note 14)	–	(1,057,079)
Disposal of associate	1,057,079	–
Balance at end of the year	78,044	(1,055,516)
Presented to statement of financial position:		
Other receivables (Note 16)	82,192	1,563
Other payables (Note 23)	(4,148)	(1,057,079)
	78,044	(1,055,516)
Related parties		
Other receivables:		
Balance at beginning of the year	383,867	–
Amounts paid out and settlement of liabilities on behalf of related parties	870,713	383,867
Transfer to subsidiary	(283,495)	–
Balance at end of the year (Note 16)	971,085	383,867

4. Revenue

	Group	
	2021	2020
	US$	US$
Sale of goods	259,673,123	161,091,530

All the contracts are less than 12 months is recognised based on point in time.

5. Interest income

	Group	
	2021	2020
	US$	US$
Interest income	14,394	41,295

6. Other gains and (losses)

	Group 2021 US$	Group 2020 US$
Foreign exchange adjustments (losses) / gains, net	(164,929)	146,751
Other income	7,487,600	3,372,629
Loss on disposal of associate	(791,477)	–
Government grant	56,798	13,885
Other gains	–	7,790
Net	6,587,992	3,541,055
Presented in profit or loss as:		
Other gains	7,544,398	3,541,055
Other losses	(956,406)	–
	6,587,992	3,541,055

7. Finance costs

	Group 2021 US$	Group 2020 US$
Bank charges on trade financing	393,417	323,214
Interest expense	962,732	1,011,967
	1,356,149	1,335,181

8. Employee benefits expense

	Group 2021 US$	Group 2020 US$
Short term employee benefits expense	2,368,925	2,414,212
Contributions to defined contribution plan	116,422	66,369
Total employee benefits expense included in administrative expenses	2,485,347	2,480,581

9. Income tax

9A. Components of tax expense recognised in profit or loss include:

	Group 2021 US$	Group 2020 US$
Current tax expense	2,241,044	592,268
Under adjustments in respect of prior periods	42,859	109
	2,283,903	592,377

9. Income tax (cont'd)

9A. Components of tax expense recognised in profit or loss include (cont'd):

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the parent is situated. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2019: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2021 US$	2020 US$
Profit before tax	12,979,545	4,501,665
Share of (profit)/loss from an equity-accounted associate	(61,713)	276,550
	12,917,832	4,778,215
Income tax expense at the above tax rate	2,196,031	812,297
Expenses not deductible for tax purposes	177,684	257,185
Income not subject to tax	(653,142)	(553,870)
Tax exemptions	(15,614)	(15,949)
Unrecognised deferred tax assets	504,518	61,687
Under-provision for prior year	42,859	109
Others	31,567	30,918
Total income tax expense	2,283,903	592,377

There are no income tax consequences of dividends to owners of the company.

9B. Unrecognised deferred tax assets

	Group	
	2021 US$	2020 US$
Unabsorbed tax losses	566,205	61,687

No deferred tax asset for the tax losses (including deductible temporary differences, unused tax losses and unused tax credit) has been recognised in respect of the above balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised. The realisation of the future income tax benefits is subject to the conditions imposed by laws of the countries in which the group operates, including the retention of majority shareholders as defined. Under the taxation laws of Indonesia, tax losses may be carried forward for a maximum period of five years.

10. Plant and equipment

Group	Plant and equipment US$	Leasehold improvement US$	Total US$
Cost:			
At 1 January 2020	6,654,845	1,939,425	8,594,270
Additions	372,861	2,096,865	2,469,726
Transfer	3,262,914	(3,055,615)	207,299
Arising from acquisition of subsidiary	282,034	15,805	297,839
Currency translation reserve	204,471	17,372	221,843
At 31 December 2020	10,777,125	1,013,852	11,790,977
Additions	1,106,972	795,514	1,902,486
Arising from acquisition of subsidiary	285,741	8,089	293,830
Currency translation reserve	93,115	6,622	99,737
At 31 December 2021	12,262,953	1,824,077	14,087,030
Accumulated depreciation:			
At 1 January 2020	2,379,494	–	2,379,494
Depreciation for the year	743,032	13,611	756,643
Arising from acquisition of subsidiary	137,110	–	137,110
Currency translation reserve	209,366	3,104	212,470
At 31 December 2020	3,469,002	16,715	3,485,717
Depreciation for the year	1,146,257	15,663	1,161,920
Arising from acquisition of subsidiary	20,305	135	20,440
Currency translation reserve	40,165	(668)	39,497
At 31 December 2021	4,675,729	31,845	4,707,574
Carrying value:			
At 1 January 2020	4,275,351	1,939,425	6,214,776
At 31 December 2020	7,308,123	997,137	8,305,260
At 31 December 2021	7,587,224	1,792,232	9,379,456

The depreciation expenses are charged to profit or loss under administrative expenses.

10. Plant and equipment (cont'd)

Company	Plant and equipment US$
Cost:	
At 1 January 2020	54,311
Additions	21,216
At 31 December 2020	75,527
Additions	10,319
At 31 December 2021	85,846
Accumulated depreciation:	
At 1 January 2020	49,960
Depreciation for the year	5,954
At 31 December 2020	55,914
Depreciation for the year	8,698
At 31 December 2021	64,612
Carrying value:	
At 1 January 2020	4,351
At 31 December 2020	19,613
At 31 December 2021	21,234

11. Right-of-use asset

Group	Equipment US$	Office US$	Total US$
Cost:			
At 1 January 2020	–	–	–
Addition	2,664,031	725,042	3,389,073
At 31 December 2020	2,664,031	725,042	3,389,073
Addition	–	316,560	316,560
Disposal	(2,664,031)	–	(2,664,031)
Balances at 31 December 2021	–	1,041,602	1,041,602
Accumulated depreciation:			
At 1 January 2020	–	–	–
Depreciation for the year	413,240	186,578	599,818
At 31 December 2020	413,240	186,578	599,818
Depreciation for the year	501,249	235,925	737,174
Disposal	(914,489)	–	(914,489)
At 31 December 2021	–	422,503	422,503
Carrying value:			
At 1 January 2020	–	–	–
At 31 December 2020	2,250,791	538,464	2,789,255
At 31 December 2021	–	619,099	619,099

11. Right-of-use asset (cont'd)

Company	Office
	US$
Cost:	
At 1 January 2020	–
Addition	258,463
At 31 December 2020	258,463
Addition	258,462
At 31 December 2021	516,925
Accumulated depreciation:	
At 1 January 2020	–
Depreciation for the year	98,222
At 31 December 2020	98,222
Depreciation for the year	120,180
At 31 December 2021	218,402
Carrying value:	
At 1 January 2020	–
At 31 December 2020	160,241
At 31 December 2021	298,523

The depreciation expenses are charged to profit or loss under administrative expenses.

The company leases its office for two years from 1 April 2020 and further extended for another 2 years. There are restrictions or covenants imposed by the lessor to sublease the leased office to another party. Unless permitted by the lessor, the lease prohibits from selling or pledging the underlying leased office as security. The lease is non-cancellable or may only be cancelled by incurring a substantive termination fee. The lease contract requires the property in a good state of repair and return the properties in its original condition at the end of the lease. Insurance, and maintenance fees on right-of-use assets are usually required under the lease contracts.

The related lease liabilities are disclosed in Note 21.

12. Intangible assets

	Group	
	2021	2020
	US$	US$
Goodwill (Note 12A)	108,538	108,538
Other intangible assets (Note 12B)	19,043	35,932
Total	127,581	144,470

12. Intangible assets (cont'd)

12A. Goodwill

	Group 2021 US$	Group 2020 US$
Cost:		
Balance at beginning of the year	108,538	–
Arising from acquisition of subsidiaries	–	108,538
Balance at end of the year	108,538	108,538

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the group's investment by each subsidiary follows:

	Group 2021 US$	Group 2020 US$
Name of subsidiary:		
Apeiron Twin Gem Biofuel Pte. Ltd.	108,538	108,538

12B. Other intangible assets

Group	Software US$
Cost:	
At 1 January 2020	28,666
Additions	14,938
Currency translation reserve	2,653
At 31 December 2020	46,257
Currency translation reserve	63
At 31 December 2021	46,320
Accumulated depreciation:	
At 1 January 2020	795
Depreciation for the year	8,988
Currency translation reserve	542
At 31 December 2020	10,325
Depreciation for the year	16,548
Currency translation reserve	404
At 31 December 2021	27,277
Carrying value:	
At 1 January 2020	27,871
At 31 December 2020	35,932
At 31 December 2021	19,043

13. Investment in subsidiaries

	Company 2021 US$	Company 2020 US$
Movements during the year. At cost:		
At beginning of the year	3,592,871	2,715,432
Subscription of shares in subsidiaries	–	764,732
Acquisitions (Note 13A)	127,810	112,707
At end of the year	3,720,681	3,592,871
Carrying value in the books of the company comprising:		
Unquoted equity shares, at cost	3,720,681	3,592,871
Analysis of above amount denominated in non-functional currency:		
Chinese Renminbi	3,030,164	3,030,164
Indonesian Rupiah	450,000	450,000
Japanese Yen	9,576	9,576
Philippine Peso	20,824	20,824
Malaysian Ringgit	23,365	23,365
Singapore Dollar	58,942	58,942
Thai Baht	27,810	–
Vietnam Dong	100,000	–

The subsidiaries held by the company are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities and independent auditor	Cost in books of company 2021 US$	Cost in books of company 2020 US$	Effective percentage of equity held by company 2021 %	Effective percentage of equity held by company 2020 %
PT Apeiron Used Cooking Oil Biodiesel Refinery [(a)] Republic of Indonesia Refining Palm Oil Mill Effluent ("POME") to refined for export	450,000	450,000	60	60
Tanghe Jinhai Biological Technology Co. Ltd. [(b)] People's Republic of China Manufacturing of bio-fuel, collection of waste oil and trading	2,265,432	2,265,432	51	51
Apeiron Bioenergy Inc. [(c)] Philippines Manufacturing of bio-fuel, collection of waste oil and trading	20,824	20,824	100	100
Apeiron Bioenergy Japan Co., Ltd. [(c)] Japan Manufacturing of bio-fuel, collection of waste oil and trading	9,576	9,576	100	100
Balance carried forward	2,745,832	2,745,832		

13. Investment in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities and independent auditor	Cost in books of company		Effective percentage of equity held by company	
	2021	2020	2021	2020
	US$	US$	%	%
Balance brought forward	2,745,832	2,745,832		
Apeiron Bioenergy Jinhai (Sichuan) Co., Ltd. [c] People's Republic of China Manufacturing of bio-fuel, collection of waste oil and trading	764,732	764,732	100	100
Apeiron Bioenergy Sdn. Bhd. [c] Malaysia Manufacturing of bio-fuel, collection of waste oil and trading	23,365	23,365	100	100
Apeiron Twin Gem Biofuel Pte. Ltd. [c] Singapore Manufacturing of bio-fuel, collection of waste oil and trading	58,942	58,942	80	80
Apeiron Bioenergy (Viet nam) Co., Ltd. [c] Vietnam Manufacturing of bio-fuel, collection of waste oil and trading	100,000	–	100	–
Apeiron Bioenergy (Thailand) Co., Ltd. [c] Thailand Manufacturing of bio-fuel, collection of waste oil and trading	27,810	–	90	–
	3,720,681	3,592,871		

(a) Audited by member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(b) Audited by SBA Stone Forest CPA Ltd, an alliance firm of RSM Chio Lim LLP, for consolidation purpose.

(c) Not required to be audited in the country of incorporation.

13A. Acquisition of subsidiaries

(i) On 10 June 2021, the company has acquired 100% equity interest in Apeiron Bioenergy (Viet nam) Co., Ltd., for a cash consideration of VND232,450,000 (equivalents to US$100,000).

(ii) On 17 September 2021, the company has acquired 90% equity interest in Apeiron Bioenergy (Thailand) Co., Ltd. for a cash consideration of THB900,000 (equivalents to US$27,810).

13. Investment in subsidiaries (cont'd)

13A. Acquisition of subsidiaries (cont'd)

Apeiron Bioenergy (Viet nam) Co., Ltd. and Apeiron Bioenergy (Thailand) Co., Ltd. are under common control of the controlling shareholders, the acquisition was accounted for as business combination under common control by applying the pooling of interest method. As disclosed in Note 2A, in accordance with the Group's accounting policy, this requires, amongst others, that the consolidated statement of profit and loss and other comprehensive income reflects the results of the combining business for the full year, irrespective of when the combination took place, and the comparatives are presented as if the business had always been combined since the date the business had come under common control. The difference between consideration paid and carrying amount at date of acquisition are reflected in retained earnings.

The net assets acquired and the related fair values are as follows:

	Group Acquiree's carrying amount at date of acquisition 2021 US$
Plant and equipment	273,390
Inventories	1,517,456
Trade and other receivables	1,001,307
Other assets	94,190
Cash and cash equivalents	272,280
Trade and other payables	(2,628,081)
	530,542
Consideration	127,810
Cash paid into the subsidiaries as register capital	(127,810)
Less: cash taken over	(272,280)
Net cash inflow on acquisition	(272,280)

13. Investment in subsidiaries (cont'd)

13B. Interest in subsidiaries with material non-controlling interest (NCI)

The group has the following subsidiaries that have NCI that are material to the group.

Name of subsidiaries	Principal place of business	Proportion of ownership interest held by NCI	Gain allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
			US$	US$
31 December 2021:				
PT Apeiron Used Cooking Oil Biodiesel Refinery	Indonesia	40%	897,596	1,075,941
Tanghe Jinhai Biological Technology Co. Ltd.	China	49%	1,753,451	6,971,354
			2,651,047	8,047,295
31 December 2020:				
PT Apeiron Used Cooking Oil Biodiesel Refinery	Indonesia	40%	107	180,263
Tanghe Jinhai Biological Technology Co. Ltd.	China	49%	695,838	4,330,057
			695,945	4,510,320

14. Investment in associates

	Group and company 2021	2020
	US$	US$
Movement in carrying value		
At beginning of the year	1,863,994	1,079,317
Additions	–	1,061,227
Disposals (Note 14A)	(1,921,559)	–
Share of post-acquisition gain / (loss), net of dividends received	61,713	(276,550)
At end of the year	4,148	1,863,994
Carrying value comprising:		
Unquoted equity shares at cost	4,148	2,061,227
Share of post-acquisition loss, net of dividends	–	(197,233)
At end of the year	4,148	1,863,994

14. Investment in associates (cont'd)

The listing of and information on the associates is given below:

Name of associates, country of incorporation, place of operations and principal activities and independent auditor	Cost in books of company		Effective percentage of equity held by company	
	2021	2020	2021	2020
	US$	US$	%	%
Taizhou Ke Yuan Oil Industries Co., Ltd. [a] People's Republic of China Engaged in the collection and processing of waste oil	–	1,000,000	–	25
Jiangsu Partner Energy Group Ltd. [b] People's Republic of China Engaged in the collection and processing of waste oil	–	1,057,079	–	15
Apeiron Bioenergy (Myanmar) Co., Ltd. [c] Myanmar Engaged in the collection and processing of waste oil	4,148	4,148	35	35
	4,148	2,061,227		

(a) On 15 December 2021, the group entered a shares sales and purchase agreement with Quimic Pte. Ltd. to sell its entire shares in Taizhou Ke Yuan Oil Industries Co., Ltd. for a cash consideration of SGD100,000 (equivalent to US$73,003). A loss of US$791,477 on disposal was recognised.

(b) As at the previous reporting year end, the committed investment of CNY7,500,000 (equivalent to USD$1,057,079) had not been paid. This associate continued to be dormant during the reporting year and management has elects to rescind the investment agreement during the reporting year. There is no gain or loss arising from this transaction.

(c) Not audited, as it is immaterial.

14. Investment in associates (cont'd)

The summarised financial information of the associates and the amounts (and not the reporting entity's share of those amounts) based on the financial statements of the associates are as follows. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

	2021 US$	2020 US$
Non-current assets	1,723,774	91,294
Current assets	2,762,997	20,101,139
Current liabilities	(4,323,070)	(18,287,024)
Revenue	40,237,720	46,119,375
Profit / (loss) for the year	246,853	(1,106,202)
Reconciliation:		
Profit / (loss) for the year of the associates	246,853	(1,106,202)
Proportion of the reporting entity's interest in the associates	25%	25%
	61,713	(276,550)

15. Inventories

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Raw materials	7,914,904	6,713,333	2,799,093	3,962,926
Finished goods	8,117,629	1,242,809	–	–
Goods in transit	834,656	237,580	834,656	237,580
	16,867,189	8,193,722	3,633,749	4,200,506
The amount of inventories included in cost of goods sold	230,828,881	150,461,787	239,957,272	151,202,027

16. Trade and other receivables

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Trade receivables:				
Outside parties	25,708,418	6,810,345	15,072,667	4,155,181
Subsidiary	–	–	1,046	–
Trade receivables – subtotal	25,708,418	6,810,345	15,073,713	4,155,181
Other receivables:				
Subsidiaries (Note 3)	–	–	3,644,912	2,317,544
Associate (Note 3)	82,192	1,563	82,192	1,563
Related parties (Note 3)	971,085	383,867	971,085	383,867
Director (Note 3)	549,795	341,575	549,795	341,575
Outside parties	4,598,612	4,811,159	320,418	538,083
Other receivables – subtotal	6,201,684	5,538,164	5,568,402	3,582,632
Total trade and other receivables	31,910,102	12,348,509	20,642,115	7,737,813

16. Trade and other receivables (cont'd)

The expected credit losses ("ECL") on the above trade receivables, and contract assets are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables and contract assets recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on the historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the Covid-19 pandemic. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. No loss allowance is necessary.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

The credit period generally granted to trade customers is about 7 days (2020: 7 days). But some customers take a longer period to settle the amounts.

An ageing analysis of the trade receivables as at the end of the reporting years are as follows:

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Not past due	25,704,572	4,588,517	15,069,867	1,933,353
Past due:				
1 to 30 days	–	102,649	–	102,649
More than 60 days	3,846	2,119,179	3,846	2,119,179
	25,708,418	6,810,345	15,073,713	4,155,181

Concentration of trade receivable customers as at the end of reporting year:

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Top 1 customer	15,069,300	2,101,651	15,069,300	2,101,651
Top 2 customers	21,618,537	3,636,365	15,072,100	3,636,365
Top 3 customers	25,704,382	3,832,865	15,073,146	3,832,865

Other receivables are normally with no fixed terms and therefore there is no maturity.

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 months expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

17. Other assets

	Group 2021 US$	Group 2020 US$	Company 2021 US$	Company 2020 US$
Deposit	389,924	138,039	97,808	105,019
Prepayments	558,474	2,552,249	76,910	106,845
Margin accounts with broker	2,664	59,865	2,664	59,865
Advance payment to suppliers – outside parties	13,578,467	17,317,019	13,448,101	17,287,394
Advance payment to supplier – related parties	39,259	235,640	4,266,520	693,668
	14,568,788	20,302,812	17,892,003	18,252,791

18. Cash and cash equivalents

	Group 2021 US$	Group 2020 US$	Company 2021 US$	Company 2020 US$
Not restricted in use	9,288,230	3,435,719	7,160,740	2,637,502
Cash pledged for bank facilities (a)	2,087,887	2,204,251	2,087,887	2,204,251
Cash at end of the year	11,376,117	5,639,970	9,248,627	4,841,753

The interest earning balances are not significant.

(a) This is the amounts held by bankers to cover the bank facilities issued (Note 22).

18A. Cash and cash equivalents in the statement of cash flows:

	Group 2021 US$	Group 2020 US$	Company 2021 US$	Company 2020 US$
Amount as shown above:	11,376,117	5,639,970	9,248,627	4,841,753
Cash pledged for bank facilities	(2,087,887)	(2,204,251)	(2,087,887)	(2,204,251)
Cash and cash equivalents for statement of cash flows purposes at end of the year	9,288,230	3,435,719	7,160,740	2,637,502

18. Cash and cash equivalents (cont'd)

18B. Reconciliation of liabilities arising from financing activities:

	Beginning of the year	Cash flows	Non-cash changes	End of the year
	US$	US$	US$	US$
2021:				
Other financial liabilities	27,773,121	5,681,511	–	33,454,632
Lease liabilities	2,775,436	(650,081)	(1,432,982)	692,373
	30,548,557	5,031,430	(1,432,982)	34,147,005

	Beginning of the year	Cash flows	Non-cash changes	End of the year
	US$	US$	US$	US$
2020:				
Other financial liabilities	24,191,380	3,581,741	–	27,773,121
Lease liabilities	–	(105,575)	2,881,011	2,775,436
	24,191,380	3,476,166	2,881,011	30,548,557

19. Share capital

	Group and company	
	Number of shares issued	Share capital US$
Ordinary shares of no par value:		
Balance at the beginning of the year 1 January 2020	2,000,000	2,000,000
Issue of share capital	550,000	550,000
Balance at the end of the year 31 December 2020 and 31 December 2021	2,550,000	2,550,000

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

19. Share capital (cont'd)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Net debt:				
Total borrowings	33,454,632	27,773,121	30,630,432	25,119,653
Less: cash and cash equivalents	(11,376,117)	(5,639,970)	(9,248,627)	(4,841,753)
Net debt	22,078,515	22,133,151	21,381,805	20,277,900
Adjusted capital:				
Total equity	28,074,787	16,058,524	15,091,173	9,113,507
Adjusted capital	28,074,787	16,058,524	15,091,173	9,113,507
Debt-to-adjusted capital ratio	78.6%	137.8%	141.7%	222.5%

There are significant borrowings but these are secured by specific assets. There was a favourable change in the debt-to-adjusted capital ratio with improved retained earnings.

The debt-to-adjusted capital ratio (leverage ratio) is a key financial measure that is used by management to assess the borrowing capacity of the entity. The ratio is calculated as net debt (total principal debt outstanding less unrestricted cash) divided by the adjusted capital. If the entity has more cash than debt, the ratio can be negative.

20. Foreign currency translation reserve

	Group	
	2021 US$	2020 US$
At beginning of the year	181,400	26,313
Exchange differences on translating foreign operations	152,524	155,087
At end of the year	333,924	181,400

21. Lease liabilities

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Lease liabilities, current	255,789	183,532	126,214	120,181
Lease liabilities, non-current	436,584	2,591,904	172,308	40,060
	692,373	2,775,436	298,522	160,241

Movements of lease liabilities for the reporting year are as follows:

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Total lease liabilities recognised	2,775,436	2,881,011	516,925	258,463
Disposal	(1,432,982)	–	–	–
Lease payments – principal and interest portion paid	(650,081)	(105,575)	(218,403)	(98,222)
Total lease liabilities at end of reporting year	692,373	2,775,436	298,522	160,241

The right-of-use assets are disclosed in Note 11.

A summary of the maturity analysis of lease liabilities is disclosed in Note 25E.

The weighted average incremental borrowing rate applied to lease liabilities recognized at 4.23% (2020: 4.23%) per annum.

Total cash outflow for leases for the year ended 31 December 2021 are shown in the statement of cash flows. There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

At 31 December 2021, there were no commitments on leases which had not yet commenced.

22. Other financial liabilities

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Non-current:				
Bank loans	2,553,764	3,717,348	2,553,764	3,717,348
Current:				
Bills payable (Secured)	26,855,631	19,976,845	26,855,631	19,976,845
Bank loans	4,045,237	4,078,928	1,221,037	1,425,460
	30,900,868	24,055,773	28,076,668	21,402,305
	33,454,632	27,773,121	30,630,432	25,119,653

22. Other financial liabilities (cont'd)

	Group 2021	Group 2020	Company 2021	Company 2020
The range of floating rate interest:				
Bills payable (Secured)	2.15% to 3.19%	2.10% to 3.19%	2.15% to 3.19%	2.10% to 3.19%
Bank loans	2.50% to 4.79%	2.50% to 6.50%	2.50% to 4.79%	2.50% to 6.50%

The agreements for the bank facilities provide among other matters for the following:-

1. Joint and several guarantees from the directors of the company; and
2. Pledged of fixed deposit (Note 18).

23. Trade and other payables

	Group 2021 US$	Group 2020 US$	Company 2021 US$	Company 2020 US$
Trade payables:				
Outside parties and accrued liabilities	7,621,104	4,292,514	2,976,206	1,156,999
Other payables:				
Subsidiaries (Note 3)	–	–	713,366	1,637,570
Associates (Note 3)	4,148	1,057,079	4,148	1,057,079
Directors (Note 3)	1,021,890	3,208,734	–	–
Outside parties	4,237,713	1,408,348	12,244	541,552
Other payables – subtotal	5,263,751	5,674,161	729,758	3,236,201
Total trade and other payables	12,884,855	9,966,675	3,705,964	4,393,200

24. Contract liabilities

	Group 2021 US$	Group 2020 US$	Company 2021 US$	Company 2020 US$
Contract liabilities on long term contracts	6,919,642	1,936,120	4,592,016	1,261,520

The movements in contract liabilities are as follows:

	Group 2021 US$	Group 2020 US$	Company 2021 US$	Company 2020 US$
At beginning of the year	1,936,120	434,772	1,261,520	434,772
Consideration received or receivable	6,919,642	1,936,120	4,592,016	1,261,520
Revenue recognised in the reporting year from performance obligations satisfied in previous years	(1,936,120)	(434,772)	(1,261,520)	(434,772)
At the end of the year	6,919,642	1,936,120	4,592,016	1,261,520

24. Contract liabilities (cont'd)

The contract liabilities primarily related to the advance consideration received from customers for which transfer of control has not occur, and therefore revenue is not recognised. The group recognises revenue for each respective performance obligation when control of the product or service transfers to the customer. Aggregate amount of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at end of reporting year.

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Expected to be recognised as revenue within one year	6,919,642	1,936,120	4,592,016	1,261,520

25. Financial instruments: information on financial risks

25A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Financial assets at amortised cost	43,286,219	17,988,479	29,890,742	12,579,566
Financial liabilities at amortised cost	47,031,860	40,515,232	34,634,918	29,512,853

Further quantitative disclosures are included throughout these financial statements.

25B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposure to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

25C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

25. Financial instruments: information on financial risks (cont'd)

25D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 months ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 18 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 60 - 90 days (2020: 60 - 90 days). But some customers take a longer period to settle the amounts.

25E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2020: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

25. Financial instruments: information on financial risks (cont'd)

25E. Liquidity risk – financial liabilities maturity analysis (cont'd)

	Less than 1 year US$	Between 2 and 5 years US$	Total US$
Group			
2021			
Other financial liabilities	31,100,858	2,886,291	33,987,149
Trade and other payables	12,884,855	–	12,884,855
Lease liabilities	303,046	477,779	780,825
	44,288,759	3,364,070	47,652,829
2020			
Other financial liabilities	24,346,495	3,994,517	28,341,012
Trade and other payables	9,966,675	–	9,966,675
Lease liabilities	183,352	2,591,904	2,775,256
	34,496,522	6,586,421	41,082,943

	Less than 1 year US$	Between 2 and 5 years US$	Total US$
Company			
2021			
Other financial liabilities	28,276,658	2,886,291	31,162,949
Trade and other payables	3,705,964	–	3,705,964
Lease liabilities	173,472	213,504	386,976
	32,156,094	3,099,795	35,255,889
2020			
Other financial liabilities	21,693,026	3,994,517	25,687,543
Trade and other payables	4,393,200	–	4,393,200
Lease liabilities	120,181	40,232	160,413
	26,206,407	4,034,749	30,241,156

Bank facilities:

	Group and company 2021 US$	2020 US$
Undrawn borrowing facilities	6,334,359	4,839,650

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A regularly schedule showing the maturity of financial liabilities and unused bank facilities is provided to management to assist them in monitoring the liquidity risk.

25. Financial instruments: information on financial risks (cont'd)

25F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments (excluding derivatives) by type of interest rate:

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Financial liabilities with interest:				
Floating rates	33,454,632	27,773,121	30,630,432	25,119,653
Fixed rates	692,373	2,775,436	298,522	160,241
Total at end of the year	34,147,005	30,548,557	30,928,954	25,279,894

The floating rate debt instruments are with interest rates that are re-set regular intervals. The interest rates are disclosed in Note 22.

Sensitivity analysis: The effect on profit before tax is not significant.

	Group		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Financial liabilities:				
A hypothetical variation in floating interest rates by 100 basis points with all other variables held constant, would have an increase / decrease in pre-tax profit for the year by	334,546	277,731	306,304	251,197

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

25G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

25. Financial instruments: information on financial risks (cont'd)

25G. Foreign currency risks (cont'd)

Analysis of amounts denominated in non-functional currency:

	Singapore Dollar Group and company 2021 US$	2020 US$
Financial assets:		
Cash and cash equivalents	130,280	95,742
Total financial assets	130,280	95,742
Financial liabilities:		
Other financial liabilities	(3,760,010)	(4,739,174)
Trade and other payables	–	(107,923)
Total financial liabilities	(3,760,010)	(4,847,097)
Net financial liabilities	(3,629,730)	(4,751,355)

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

	Group and company 2021 US$	2020 US$
A hypothetical 10% strengthening in the exchange rate of the functional currency US$ against the Singapore Dollar would have a favourable effect on profit before income tax of	362,973	475,136

The above table shows sensitivity to a hypothetical percentage variation in the functional currency against Singapore Dollar and Euro. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for the currency to which the company has significant exposure. The analysis above has been carried out on the basis that there are no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

26. Changes and adoption of financial reporting standards

For the current reporting year certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. None of these are applicable to the reporting entity for the current reporting year.

27. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. None of these are applicable to the Company and its subsidiaries based on its current operations.

CREDIT GUARANTEE AND INVESTMENT FACILITY
(A Trust Fund of the Asian Development Bank)

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CREDIT GUARANTEE AND INVESTMENT FACILITY
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF CREDIT GUARANTEE AND INVESTMENT FACILITY

Opinion

We have audited the financial statements of Credit Guarantee and Investment Facility ("CGIF"), which comprise the statement of financial position as at 31 December 2022, the statement of net income, the statement of comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CGIF as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of CGIF in accordance with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditor's report thereon.

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

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

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Management is responsible for overseeing CGIF's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CGIF's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CGIF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CGIF to cease to continue as a going concern.

Deloitte.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

21 April 2023

CREDIT GUARANTEE AND INVESTMENT FACILITY
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2022
Expressed in Thousands of United States Dollars

	NOTES	2022	2021
ASSETS			
CASH		9,342	9,154
INVESTMENTS	5	1,182,301	1,214,772
ACCRUED INTEREST INCOME	5	8,236	6,900
GUARANTEE FEE RECEIVABLE, NET	6	57,248	63,568
GUARANTEE RECEIVABLE, NET	6	45,335	73,079
REINSURANCE RECEIVABLE, NET		-	2,576
RIGHT OF USE – LEASE ASSET, NET	7	177	343
FURNITURE, FIXTURES AND EQUIPMENT, NET	8	135	140
INTANGIBLE ASSETS, NET	9	82	69
OTHER ASSETS	10	2,145	2,164
TOTAL ASSETS		**1,305,001**	**1,372,765**
LIABILITIES AND MEMBERS' EQUITY			
LIABILITIES			
GUARANTEE LIABILITY	6	66,435	76,200
UNEARNED INTEREST INCOME – GUARANTEES		1,041	936
LEASE LIABILITY	7	150	325
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	11	12,999	1,821
OTHER LIABILITIES	12	1,144	1,121
TOTAL LIABILITIES		**81,769**	**80,403**
MEMBERS' EQUITY			
CAPITAL STOCK			
PAID-IN CAPITAL	13	1,148,899	1,137,000
RETAINED EARNINGS		13,834	29,791
RESERVE	14	139,249	109,458
ACCUMULATED OTHER COMPREHENSIVE INCOME			
INVESTMENT REVALUATION RESERVE	5	(78,750)	16,113
TOTAL MEMBERS' EQUITY		**1,223,232**	**1,292,362**
TOTAL LIABILITIES AND MEMBERS' EQUITY		**1,305,001**	**1,372,765**

CREDIT GUARANTEE AND INVESTMENT FACILITY
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)
STATEMENT OF NET INCOME
For the year ended 31 December 2022
Expressed in Thousands of United States Dollars

	NOTES	2022	2021
REVENUE			
GUARANTEE FEES		20,034	19,420
INTEREST INCOME	15	28,458	27,276
REALIZED (LOSS) GAIN FROM SECURITIES		(19)	810
INCOME FROM REINSURANCE	18	1,577	2,759
MISCELLANEOUS INCOME	16	1,050	850
GROSS REVENUE		**51,100**	**51,115**
EXPENSES			
ADMINISTRATIVE AND OPERATIONAL EXPENSES	17	10,716	9,905
REINSURANCE EXPENSES	18	7,730	7,138
FINANCIAL EXPENSES		103	114
IMPAIRMENT LOSSES	5, 6	16,244	831
MISCELLANEOUS EXPENSES	12	1,144	1,121
TOTAL EXPENSES		**35,937**	**19,109**
NET OPERATING INCOME		**15,163**	**32,006**
LOSS FROM FOREIGN EXCHANGE		(1,329)	(2,215)
NET INCOME		**13,834**	**29,791**

CREDIT GUARANTEE AND INVESTMENT FACILITY
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022
Expressed in Thousands of United States Dollars

	NOTES	2022	2021
NET INCOME		13,834	29,791
OTHER COMPREHENSIVE INCOME			
ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME:			
NET UNREALIZED LOSS ON INVESTMENTS MEASURED AT FVTOCI	5	(94,863)	(36,740)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(81,029)**	**(6,949)**

CREDIT GUARANTEE AND INVESTMENT FACILITY
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the year ended 31 December 2022
Expressed in Thousands of United States Dollars

	Paid-in Capital					
	Subscribed Capital	**Unpaid Subscription**	**Retained Earnings**	**Reserve**	**Investment Revaluation Reserve**	**Total Members' Equity**
BALANCE, 1 JANUARY 2021	1,149,000	(46,800)	23,963	85,495	52,853	1,264,511
ADDITIONAL SUBSCRIPTION (NOTE 13)	9,000	25,800	-	-	-	34,800
NET INCOME FOR THE YEAR	-	-	29,791	-	-	29,791
ALLOCATION OF PRIOR YEAR INCOME TO RESERVE	-	-	(23,963)	23,963	-	-
OTHER COMPREHENSIVE LOSS						
NET UNREALIZED GAIN ON INVESTMENTS MEASURED AT FVTOCI (NOTE 5)	-	-	-	-	(36,740)	(36,740)
BALANCE, 1 JANUARY 2022	1,158,000	(21,000)	29,791	109,458	16,113	1,292,362
ADDITIONAL SUBSCRIPTION (NOTE 13)	-	11,899	-	-	-	11,899
NET INCOME FOR THE YEAR	-	-	13,834	-	-	13,834
ALLOCATION OF PRIOR YEAR INCOME TO RESERVE	-	-	(29,791)	29,791	-	-
OTHER COMPREHENSIVE LOSS						
NET UNREALIZED LOSS ON INVESTMENTS MEASURED AT FVTOCI (NOTE 5)	-	-	-	-	(94,863)	(94,863)
BALANCE, 31 DECEMBER 2022	**1,158,000**	**(9,101)**	**13,834**	**139,249**	**(78,750)**	**1,223,232**

CREDIT GUARANTEE AND INVESTMENT FACILITY
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)
STATEMENT OF CASH FLOWS
For the year ended 31 December 2022
Expressed in Thousands of United States Dollars

	NOTES	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
GUARANTEE RELATED INCOME RECEIVED		23,550	25,054
OTHER INCOME RECEIVED		986	1,739
GUARANTEE PAYMENT		-	(84,843)
REINSURANCE CLAIMS RECEIVED		21,211	-
ADMINISTRATIVE AND OPERATIONAL EXPENSES PAID		(11,771)	(10,462)
REINSURANCE EXPENSES PAID		(6,296)	(5,390)
FINANCIAL EXPENSES PAID		(103)	(113)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		**27,577**	**(74,015)**
CASH FLOWS FROM INVESTING ACTIVITIES			
PURCHASES OF INVESTMENTS		(2,212,665)	(1,924,532)
MATURITIES/SALES OF INVESTMENTS		2,149,817	1,942,987
INTEREST RECEIVED ON INVESTMENTS		23,880	25,982
REALIZED (LOSS) GAIN FROM SECURITIES		(19)	810
PURCHASE OF FURNITURE AND EQUIPMENT AND INTANGIBLE ASSETS		(98)	(126)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES		**(39,085)**	**45,121**
CASH FLOWS FROM FINANCING ACTIVITIES			
CONTRIBUTIONS RECEIVED	13	11,899	34,800
LEASE LIABILITY PAID		(162)	(155)
NET CASH PROVIDED BY FINANCING ACTIVITIES		**11,737**	**34,645**
EFFECT OF EXCHANGE RATE CHANGES IN CASH		**(41)**	**(57)**
NET INCREASE IN CASH		**188**	**5,694**
CASH AT THE BEGINNING OF THE YEAR		9,154	3,460
CASH AT THE END OF THE YEAR		**9,342**	**9,154**

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	2022	2021
NET INCOME	13,834	29,791
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION – FIXED AND INTANGIBLE ASSETS	87	89
DEPRECIATION – ROU ASSETS	160	165
PROVISION FOR EXPECTED CREDIT LOSSES	16,244	831
INTEREST INCOME ON INVESTMENTS	(24,747)	(24,049)
REALIZED LOSS (GAIN) FROM SECURITIES	19	(810)
FX REVALUATION LOSS	33	41
CHANGE IN GUARANTEE FEE RECEIVABLE	6,501	5,400
CHANGE IN GUARANTEE RECEIVABLES	2,297	(82,830)
CHANGE IN GUARANTEE LIABILITY	(7,589)	(2,786)
CHANGE IN UNEARNED INTEREST INCOME	105	142
CHANGE IN ACCOUNTS PAYABLE AND ACCRUED EXPENSES	20,727	456
CHANGE IN OTHER ASSETS	(118)	(489)
CHANGE IN OTHER LIABILITIES	24	34
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**27,577**	**(74,015)**

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2022

NOTE 1— GENERAL INFORMATION

The Credit Guarantee and Investment Facility (CGIF) was established on 12 November 2010. Its main objectives are to promote resilience of the financial markets, and to prevent disruptions to the international financial order, by eliminating currency and maturity mismatches for creditworthy corporations in the region through guarantees to help them access local currency bond markets.

The general principles of organization, management and operations of CGIF are set out in the Articles of Agreement (AoA) as adopted by the Contributors. The Asian Development Bank (ADB) is the Trustee of CGIF and holds in trust and manages CGIF funds and other property only for the purposes of, and in accordance with the provisions of the AoA. Based on the Article 13.2 of the AoA of CGIF, the privileges, immunities and exemption accorded to ADB pursuant to the Agreement Establishing the ADB shall apply to (1) the Trustee, (2) the property, asset, archives, income, operations, and transactions of CGIF.

CGIF will be financed solely from capital contributed by member countries and ADB. CGIF will not borrow from any source to finance its operations except for purposes of cash management.

The Contributors in CGIF are the governments of Association of Southeast Asian Nations, People's Republic of China, Japan, Republic of Korea (ASEAN+3) and ADB. Ownership rights are in proportion to capital contributions. The authorized capital of CGIF is US$1,200,000,000, divided into 12,000 shares with a nominal value of US$100,000 each. As of 31 December 2022, $1,158,000,000 are subscribed and $1,148,898,970 are paid in by the Contributors. Details are discussed in Note 13.

The financial statements were approved by the Board of Directors on 21 April 2023 for presentation to the Meeting of Contributors (MOC) scheduled on 29 May 2023. The financial statements are subject to approval at the MOC.

NOTE 2—ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

On January 1, 2022, CGIF adopted all the new and revised IFRS pronouncements that are mandatorily effective and relevant to its operations. The adoption of these new/revised IFRS pronouncements does not result in changes to the company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current and prior years.

Revised IFRS in issue but not yet effective

CGIF has not applied the following revised IFRS that has been issued but not yet effective:

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

The amendment to IAS 1 published in January 2020 affects only the presentation of liabilities as current or non-current in the Statement of Financial Position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments that clarify the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence If covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

In October 2022, IASB deferred the effective date of application of the January 2020 amendments to 1 January 2024 with earlier application permitted.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosures of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments require to disclose the material accounting policy information rather than the significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept if materiality to accounting policy disclosures.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The amendments deleted the definition of 'change in accounting estimates' and added a definition of 'accounting estimates'. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.

- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

CGIF does not anticipate any significant impact on CGIF's Financial Statements upon the application of these amendments.

NOTE 3—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of CGIF have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies adopted are consistent with those of the previous financial year unless stated otherwise.

These financial statements have been prepared using the historical cost basis except for certain assets and financial instruments that are measured at fair values or revalued amounts at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, CGIF takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

The fair values of CGIF's financial assets and liabilities are categorized as follows:

Level 1: fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities that CGIF can access at the measurement date;
Level 2: fair values are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
Level 3: fair values are based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Inter-level transfers from one year to another may occur due to changes in market activities affecting the availability of quoted market prices or observable market data.

CGIF's policy is to recognize transfers in and transfers out of levels as of the end of the reporting period in which they occur.

Cash

Cash represents cash on hand or deposits in a bank account. The carrying amount of these assets is approximately equal to their fair value.

Financial Instruments

Financial assets and liabilities are recognized by CGIF once it becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue are added to or deducted from the fair value of the financial assets or financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss), as appropriate, on initial recognition.

Classification of Financial Assets

Financial assets are both measured and classified as amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL), on the basis of both: (i) CGIF's business model for managing the financial assets and (ii) the contractual cashflow characteristics of the financial asset.

Amortized Cost and Effective Interest Method

The amortized cost and effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts), excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting any loss allowance.

Interest income on investment securities and money market instruments are recognized as earned and reported net of amortization of premiums and discounts. Interest is accrued, by reference to the principal outstanding at the applicable effective interest rate.

Financial Assets at Amortized Cost

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at amortized cost using the effective interest method, less any impairment. This includes cash on hand or deposit in a bank account, time deposits, certificates of deposits, accrued interest income, guarantee fee receivables, reinsurance receivables, and other receivables.

Investments

All investments in debt securities are considered to be FVTOCI and are reported at fair value. Investment securities are recorded at trade dates. Changes in the carrying amount of these instruments as a result of foreign exchange gains or losses, impairment gains and losses (see below), and interest income are recognized in the profit or loss. All other changes in the carrying amount arising from change in fair value are recognized and accumulated in other comprehensive income under member's equity. Time deposits and certificates of deposits are also classified under investments and are reported at cost which is a reasonable estimate of its fair value.

Guarantee Fee Receivable

Guarantee fee receivables are initially recognized at their fair values in the Statement of Financial Position, which are estimated based on the present value of total fees expected to be received under the guarantees. They are subsequently measured at amortized cost net of any loss allowance.

Guarantee Receivable

Guarantee receivables are from guarantee obligations on defaulted bonds that were settled and is expected to be received or recovered based on guarantee contracts. They are initially recognized as credit impaired in the Statement of Financial Position. For these assets, all changes in lifetime expected credit loss (ECL) since initial recognition are recorded as a loss allowance with any changes recognized in the Statement of Net Income. Any favorable change creates an impairment gain.

Credit-impaired Financial Assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Impairment of Financial Assets

Financial assets that are classified and measured as amortized cost, FVTOCI, and financial guarantee contracts shall recognize loss allowance based on the ECL model. Changes in the carrying amount of the allowance account are recognized in the Statement of Net Income under impairment losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

If there has been a significant increase in credit risk (SICR) of the financial instrument from initial recognition, the loss allowance is based on the lifetime ECL of the item. If the credit risk on the financial instrument has not increased significantly since initial recognition, the loss allowance is based on the 12-month ECL of the financial instrument.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant Increase in Credit Risk

CGIF assesses an SICR on a guarantee account if any of the following conditions are met: (1) credit risk rating drops to B- or lower, but the account is not in default; (2) credit risk rating drops by at least 3 notches in the recent past 36 months, and is at least 3 notches below credit risk rating at inception; or (3) credit risk rating drops by at least 4 notches from inception if in its initial four years after inception, or by at least 5 notches from inception if beyond four years from inception. The date that CGIF becomes a party to a guarantee is the date of initial recognition or inception for the purpose of assessing impairment.

For CGIF's investments, it is assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have a low credit risk (see Notes 4 and 5). A financial instrument is determined to have a low credit risk if (i) it has a low risk of default, (ii) there is a strong capacity for the counterparty to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of Default

For purposes of ECL computation, financial guarantee contracts and guarantee fee receivables shall be in default once an event of default in the Guarantee Agreement has occurred, and CGIF's guarantee has been called. An investment is in default if it has been declared by the debt capital market agents particularly the investors' trustee for the investment instrument. Technical defaults, i.e. defaults without missed payments, are not considered defaults for ECL model unless decided otherwise by the GIC.

Write-off Policy

A financial asset is written-off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Any recoveries made on a financial asset previously written-off are recognized in profit or loss.

Measurement and Recognition of Expected Credit Losses

ECL is a function of probability of default (PD), loss given default (LGD), and exposure at default (EAD). CGIF generates unbiased probability-weighted ECLs based on point-in-time PDs that are derived from several future scenarios. The Credit Cycle Projection Overlay (CCPO) from S&P Global Market Intelligence (SPGMI) is used in generating these point-in-time PDs. In each future scenario, CGIF uses forecasted or forward-looking values of CCPO's input macroeconomic variables. LGD is currently set at 50%. For accounts in stage 3, ECL derivation considers additional information and assumptions that reflect the default position. For CGIF's investments, EAD is the gross carrying amount of the assets at reporting date and next unpaid coupon. For financial guarantee contracts, EAD is the sum of a guaranteed bond's unpaid principal and next unpaid coupon. For a receivable arising from a guarantee payment, EAD is the total book value of the guarantee receivable. EAD in currencies other than USD are translated into USD at the reporting date's exchange rate.

Derecognition of Financial Assets

CGIF derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

When an FVTOCI is derecognized or disposed of, the unrealized gains or losses previously recognized in accumulated other comprehensive income will be recognized in the Statement of Net Income.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

However, financial guarantee contracts issued by CGIF are measured in accordance with the specific accounting policies set out below.

Guarantee Liability

CGIF enters into financial guarantee contracts that requires to make specified payments should the bond issuer fail to make payments due in accordance with the terms of the bond.

Guarantee liabilities recorded in the Statement of Financial Position are measured initially at fair values, and subsequently measured at the higher of the unamortized balance of the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IFRS 15, and the amount of loss allowance determined in accordance with the ECL model.

Derecognition of financial liabilities

CGIF derecognizes financial liabilities when, and only when, CGIF's obligations are discharged, cancelled, or have expired.
CGIF accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

Revenue Recognition for Guarantee Fee

Guarantee fees are recognized upon performance of services and is amortized over the term of the guarantee obligation in accordance with the terms and conditions of the agreement.

Leases

CGIF applies definition of a lease and the related guidance set out in the IFRS for contracts entered into as lease. As lessee, CGIF recognizes right of use asset and lease liability in the Statement of Financial Position.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred and any estimated costs of dismantling and the cost of any removal and restoration of the underlying asset, less any lease incentives received.

Right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of useful life of the asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. It is remeasured when there is a change in discount rate, or if there is a change on CGIF's decision to extend or terminate the lease contract based on assessment.

Furniture, Fixtures and Equipment

All furniture, fixtures and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the asset and bringing it to its working condition.

Subsequent costs incurred for the purpose of enhancement or improvement shall be added to the carrying amount of the asset when it is probable that the expenditure will cause additional future economic benefit to CGIF. Other subsequent costs like maintenance, repairs and minor betterments are charged to expense.

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using straight-line method. The estimated useful lives, residual values and depreciation method are reviewed regularly with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives by asset class are as follows:

Asset Class	Useful Life
Office Furniture and Equipment	
Furniture	10 years
Other Office Equipment	4 years
IT and Communication	
Computer	3 years
Server	5 years
Network	4 years
Communication	7 years
Others	4 years
Leasehold Improvement	Over the lease period

An item of furniture, fixtures, and equipment is derecognized upon disposal. Any gain or loss arising on the disposal of an item of furniture, fixtures, and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Net Income.

Intangible Assets

Intangible assets are composed of acquired information system software licenses that are capitalized on the basis of costs incurred to acquire and bring to use the specific software. These are amortized over a period of 4 years and are carried at cost less accumulated amortization and accumulated impairment losses.

Impairment of Tangible and Intangible Assets

On regular basis, CGIF reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of asset's fair value less costs of disposal and the value in use.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but only to the extent of the carrying amount of the asset had no impairment loss been recognized in prior years. A reversal of the impairment loss is recognized immediately in the profit or loss.

Offsetting Arrangements

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when there is a legally enforceable right to set off the recognized amounts and there is an intention to either settle on a net basis or to realize the asset and settle the liability simultaneously. A right to set-off must be available at the end of the reporting period rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency, or bankruptcy.

Subscribed Capital

Each contributor subscribed by depositing with the Trustee a duly completed Instrument of Acceptance. Contributions are included in the financial statements at historical cost from the date of the signing of the Instrument of Acceptance.

The increase in the authorized capital of CGIF pursuant to Article 4.2 of the AoA was approved by the MOC. Instrument of Subscription (IOS) submitted to the Board Secretary, who acts on behalf of the Trustee, formally confirms the Contributor's intention to subscribe the number of shares specified. The additional subscription will be effective from the date the Board Secretary notifies the subscribing Contributor that the Instrument of Subscription has been received.

Segment Reporting

CGIF is a credit guarantee and investment facility established to develop and strengthen local currency and regional bond markets, so that creditworthy corporations can access those markets and avoid currency and maturity mismatches. CGIF's products and services are unique and are structured and distributed in a uniform manner to its clients. Based on CGIF's operations, CGIF has only one reporting segment.

Fair Value of Financial Instruments

IFRS 13, Fair Value Measurements, defines fair value as 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. Fair value is market-based measurement, not an entity-specific measurement. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market, or in the absence of principal market, in the most advantageous market for the asset or liability.

Functional and Presentation Currency

CGIF's members are from ASEAN+3 and ADB with the subscriptions and redemptions of the shares denominated in the United States dollars (USD). The primary activity of CGIF is guaranteeing bonds that are denominated in local currencies and issued by creditworthy ASEAN+3 corporations in the ASEAN+3 region. The performance of CGIF is measured and reported to the Contributors in USD. The USD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD, which is CGIF's functional and presentation currency.

Translation of Currencies

CGIF adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions denominated in currencies other than USD to be translated to the reporting currency using the exchange rates applicable at the time of transactions. Contributions included in the financial statements during the period are recognized at applicable exchange rates as of the respective dates of commitment. At the end of each accounting period, translations of asset and liabilities which are not denominated in USD are adjusted using the applicable rates of exchange at the end of the reporting period. These translation adjustments are accounted for as unrealized foreign exchange gains or losses and are charged to operations in the Statement of Net Income.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of CGIF's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Since the estimates are based on judgment and available information, actual results may differ and might have a material impact on the financial statement.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are included in Notes 5, 6, and 7. This includes fair value measurements, loss allowances, and valuation processes.

As explained in accounting policies above, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether there is a significant increase in credit risk, CGIF takes into account qualitative and quantitative reasonable and supportable forward-looking information, as reflected in internal risk ratings.

Furthermore, in calculating the loss allowance, CGIF uses the Credit Cycle Projection Overlay from SPGMI to generate the point in time probabilities of default (PIT-PD). For accounts that are in stage 3, PD will be 100%. LGD shall be set at 50% for either stage 1 or stage 2. For accounts that are in stage 3, LGD is estimated based on additional information and realistic assumptions reflective of the actual conditions at reporting date.

NOTE 4—RISK MANAGEMENT

CGIF manages all its perceived risk exposures, particularly exposures to credit risk, market risk, liquidity risk, and operational risk. These risks are managed pursuant to CGIF's Operational Policies, and Risk Management Framework (RMF). The Board's Internal Control and Risk Management Committee and Risk Management Department (RMD) cause the functional units to identify, measure, monitor, control, and report risks. The Board, management's Guarantee and Investment Committee, and the CEO oversee and regulate both risk taking and risk management. Appetite for risk taking as expressed in operational controls and risk exposure limits emanates from the Board.

CGIF endeavors to conform to international best practices in risk management. CGIF subscribes to the idea that informed risk-taking presents opportunities. CGIF takes risks that offer commensurate rewards. Risk-taking roles are independent of risk management roles. A positive risk management culture is fostered – the system clarifies what conduct and procedures are acceptable, and which ones are not; encourages initiatives that improve the management of risks; promotes transparency, individual responsibility, and accountability.

Categories of Financial Instruments

Categories of financial instruments at carrying amount as of 31 December 2022 and 2021 are as follows (in $'000):

	2022	2021
Financial assets		
FVTOCI	1,138,070	1,075,070
Financial assets at amortized cost	165,478	296,138
Financial liabilities		
Financial liabilities at amortized cost	14,144	2,942
Lease liabilities	150	325
Guarantee liability	66,435	76,200

Credit Risk

As per CGIF's Treasury Risk Management Guidelines, CGIF's long term investments are restricted to those with the international ratings of AA- or better, with the exception of investments in contributor countries' government-related securities that may be rated as low as A+. Short-term investments should be rated no lower than A-1. Credit risk in these investments is considered low.

Credit concentration of investments are controlled by policy limits on exposure per issuer, per type of issuer, and per country rating grade. CGIF controls the concentration of investment per country of issuer. The lower the country sovereign rating grade, the lower the investment concentration limit – 0% of CGIF capital for countries rated A or lower; up to 30% of CGIF capital for countries rated AAA, except for the US where the investment concentration limit is 100% of CGIF capital. Investments in short-term money market instruments are excluded in reckoning country exposure concentrations against country limits.

CGIF has guarantee eligibility criteria that include, among others, a borrower's credit rating grade, proposed guarantee size and tenor, use of bond proceeds, and compliance to safeguards standards and to credit exposure control limits. Eligible borrowers undergo a stringent due diligence review. Guarantee Underwriting Proposals (GUPs) require approval of management's Guarantee and Investment Committee (GIC) and of the Board of Directors (Board). The Board has delegated to the GIC final approval authority for GUPs that are rated BB or better, are not more than USD 50mn, have tenor of not more than 5 years, are not classified as safeguard risk Category A, and are approved by the Chief Risk Officer. In aid of informed decisions on GUPs, the Board is furnished with credit review notes, safeguards review notes, and integrity review notes from CGIF's RMD. As of 31 December 2022, CGIF's guarantee portfolio had a weighted average risk rating of BB+ (BB flat – 31 December 2021).

CGIF controls concentrations of credit risk. Guarantee exposure to any country and to any currency is capped at 20% and 40%, respectively, of CGIF's Maximum Guarantee Capacity (MGC), where MGC is the product of (a) total paid-in capital of CGIF, plus retained earnings, plus reserves, less net credit loss reserves less foreign exchange loss reserves, and less all illiquid assets and (b) the maximum leverage ratio. CGIF's maximum leverage ratio, currently 2.5:1, is determined by the MOC with the recommendation of the CGIF Board. CGIF refers to IMF's list to identify acceptable offshore financial centers (AOFCs). Exposures to AOFCs pertain to guarantee exposures to borrowing entities that are registered through the offshore incorporation process of an AOFC. Aggregate guarantee exposure to any single AOFC and aggregate exposure to all AOFCs are limited to 20% and 40%, respectively, of CGIF's MGC. Aggregate Type-B (investor-procured) guarantee exposure is limited to 20% of MGC. Aggregate guarantee exposure to any sector and to any industry is limited to 40% and 20%, respectively, of MGC. In any country, exposure to any industry may not exceed 10% of MGC. Single borrower exposures, and single group exposures, may not exceed 20% of CGIF's paid-in capital. CGIF's leverage ratio and concentration ratios are reported quarterly to the CGIF Board.

CGIF's exposure to credit risk is reckoned on the amount of financial assets recorded in the financial statements and the guarantee obligations disclosed in Note 6.

A reinsurance treaty whereby CGIF cedes to a consortium of reinsurers agreed portions of credit risk from bond issuers reduces CGIF's credit risk exposure from its guarantee portfolio. Please refer to Note 18.

Market Risk

Market risk represents the potential loss that could result from adverse market movements. The main components of market risk for CGIF are interest rate risk and foreign exchange risk.

Interest rate risk is primarily the exposure of income on assets to fluctuation in interest rates. An objective of interest rate risk management in CGIF is the generation of overall interest income that is not overly sensitive to changes in interest rates, but yet responsive to general market trends.

CGIF's Treasury Risk Management Guidelines restrict CGIF's investment portfolio duration to no more than 5 years. The duration of CGIF's portfolio is the market value-weighted average of effective duration of all outstanding investments. As of 31 December 2022, CGIF's investment portfolio had remaining maturities of up to 8.59 years (9.59 years - 31 December 2021), with duration of 2.87 years (2.93 years - 31 December 2021). CGIF's investments are sensitive to interest rate movements. For CGIF's investment portfolio at 31 December 2022, it is estimated that a 100 basis points upward/downward parallel shift in the yield curve would cause an unrealized loss/gain of about $34.1 million ($35.7 million - 31 December 2021).

The following tables presents CGIF's foreign exchange exposure of monetary assets and liabilities (in '000) as at the end of the reporting period:

	2022			
	Asset		Liabilities	
	Local Currency	USD Equivalent	Local Currency	USD Equivalent
THB	1,875,815	54,199	546,072	15,778
VND	391,759,337	16,596	-	-
JPY	1,835,556	13,750	-	-
SGD	10,723	7,959	-	-
IDR	31,953,522	2,040	-	-
PHP	4,089	73	16,885	302
MYR	44	10	-	-
LAK	539	-	-	-
KHR	-	-	943,326	229
TOTAL		94,627		16,309

	2021			
	Asset		Liabilities	
	Local Currency	USD Equivalent	Local Currency	USD Equivalent
THB	2,259,425	67,401	144,306	4,305
VND	520,973,221	22,815	-	-
JPY	864,698	7,531	-	-
SGD	8,566	6,327	2,061	1,522
IDR	38,239,397	2,688	-	-
PHP	5,120	101	24,889	493
MYR	44	10	-	-
LAK	540	-	-	-
TOTAL		106,873		6,320

CGIF is exposed to foreign exchange risk underlying foreign currency payables and receivables relating mostly to CGIF's guarantee operation. For CGIF's foreign exchange exposure at 31 December 2022, it is estimated that a 10% adverse change in FX rates in the relevant foreign currency exposure will cause an instant loss of $7.2 million ($9.2 million - 31 December 2021).

Liquidity Risk

Liquidity risk can arise if CGIF is unable to provide funds to meet its financial and operational commitments. CGIF maintains adequate liquidity resources to meet the cash requirements and potential calls on the guarantees issued. CGIF assesses and monitors the availability of its liquid assets on a quarterly basis. CGIF conducts quarterly tests of its liquidity under stress scenarios where CGIF has to meet lumpy obligations related to claims on guarantees and raise funds from various sources. A liquidity stress test conducted on CGIF's guarantee portfolio as of 31 December 2022 and 2021 indicates that CGIF can generate the liquidity that will be required to meet guarantee payment obligations under the assumed stressed scenario.

The following table details (in $'000) the maturity profile of financial instruments. The maturity analysis is based on the remaining period from the end of the reporting date to the contractual maturity date or the expected date the financial asset will be realized, and the financial liability will be settled.

	2022					
	Less than 1 month	1 to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Total
Financial assets						
FVTOCI	-	29,891	122,406	747,662	238,111	1,138,070
Financial assets at amortized cost	26,025	18,026	29,082	107,997	10,072	191,202
Total financial assets	26,025	47,917	151,488	855,659	248,183	1,329,272
Financial liabilities						
Financial liabilities at amortized cost	277	702	1,865	11,300	-	14,144
Lease liability	12	24	114	-	-	150
Total financial liabilities	289	726	1,979	11,300	-	14,294
Net maturity gap	25,736	47,191	149,509	844,359	248,183	1,314,978

	2021					
	Less than 1 month	1 to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Total
Financial assets						
FVTOCI	20,016	35,119	81,087	732,215	206,633	1,075,070
Financial assets at amortized cost	180,782	3,135	60,566	40,906	11,074	296,463
Total financial assets	200,798	38,254	141,653	773,121	217,707	1,371,533
Financial liabilities						
Financial liabilities at amortized cost	705	722	1,394	121	-	2,942
Lease liability	12	26	119	168	-	325
Total financial liabilities	717	748	1,513	289	-	3,267
Net maturity gap	200,081	37,506	140,140	772,832	217,707	1,368,266

Capital Resources

CGIF's capital resources comprise of capital stock, retained earnings and reserves. The primary objective in the management of capital resources is to protect CGIF's capital by maintaining a conservative exposure to market risk, credit risk and liquidity risk. CGIF strives to maximize returns on the invested asset portfolio while minimizing volatility of investment income. CGIF's capital resources are placed with the Trustee, ADB.

Capital Adequacy

CGIF deems that it has adequate capital to underwrite credit guarantees for as long as its capital exceeds total capital charge; alternatively, for as long as the capital-to-capital charge ratio – capital adequacy ratio (CAR) – exceeds 1.1. CGIF's CAR at 31 December 2022 was at 4.35 (4.28 – 31 December 2021). CGIF's overall strategy remains unchanged from prior year.

Operational Risk

CGIF manages operational risks through quarterly risk and control self-assessments (RCSAs) by each department of the enterprise. Through RCSAs, CGIF's operating units are directed to identify operational risk events and assess the significance of each of these. The significance of an identified operational risk event is a function of two attributes – the likelihood and impact of its occurrence. Measurable risk indicators, and corresponding control limits, are assigned to each operational risk event. Results of RCSAs are reported to the CEO and to the Board's Internal Control and Risk Management Committee.

NOTE 5—INVESTMENTS

This account is composed of the following (in $'000):

	2022	2021
Certificates of Deposit	44,231	55,000
Time Deposits	-	84,702
FVTOCI		
Government-related-entity or government-guaranteed obligations (GGO)	1,008,440	1,001,638
Corporate obligations	129,630	73,432
Total FVTOCI	1,138,070	1,075,070
Total Investment	1,182,301	1,214,772

ADB, as the Trustee, manages capital resources in accordance with CGIF's Treasury Risk Management Guidelines prepared in consultation with ADB and approved by the CGIF Board of Directors.

ADB follows the same process and internal controls to value the investment securities as ADB's portfolio. The data management unit in ADB's treasury department is responsible for providing the valuation in accordance with the business process. In instances where ADB relies primarily on prices from third party pricing information, there are procedures in place to validate the appropriateness of those values in determining the hierarchy levels. This involves evaluating the nature of prices provided by third party pricing sources to determine if they are indicative or binding prices.

The annualized rate of return on the average investments held during the period ended 31 December 2022, based on the portfolio held at the beginning and end of each month without the effect of change in fair value was 1.97% (1.98% - 31 December 2021).

The investment revaluation reserve of negative $78,750 thousand in the Statement of Financial Position as of 31 December 2022 ($16,113 thousand – 31 December 2021) is composed of the unrealized loss on FV of investments measured at FVTOCI and its credit loss allowance.

The estimated fair value and amortized cost of the investments by contractual maturity as of 31 December 2022 and 2021 are as follows (in $'000):

	2022		2021	
	Estimated Fair Value	Amortized Cost	Estimated Fair Value	Amortized Cost
Due in less than one year	196,528	198,386	275,924	274,737
Due in one to five years	747,662	794,819	732,215	717,943
Due more than five years	238,111	267,863	206,633	206,005
TOTAL	1,182,301	1,261,068	1,214,772	1,198,685

Fair Value Disclosure

The fair value of the investments as of 31 December 2022 and 2021 are as follows (in $'000):

	2022	Fair Value Measurements		
		Level 1	Level 2	Level 3
Certificates of Deposits	44,231	-	44,231	-
Time Deposits	-	-	-	-
Government-related-entity or GGO	1,008,440	979,757	28,683	-
Corporate obligations	129,630	100,484	29,146	-

	2021	Fair Value Measurements		
		Level 1	Level 2	Level 3
Certificates of Deposits	55,000	-	55,000	-
Time Deposits	84,702	-	84,702	-
Government-related-entity or GGO	1,001,638	971,113	30,525	-
Corporate obligations	73,432	73,432	-	-

If available, active market quotes are used to assign fair values to investment securities. These include government-related-entity/government-guaranteed obligations and corporate obligations. For investments where active market quotes are not available, investments are categorized as Level 2 or Level 3, and valuation is provided by independent valuation services. Time deposits and certificates of deposits are reported at cost, which approximates fair value.

For the years ended 31 December 2022 and 2021, there were no inter-level transfers.

Impairment Losses

For purposes of impairment assessment, the FVTOCI in CGIF's portfolio are considered to have low credit risk as the counterparties of these investments have a minimum A+ credit rating for government related bonds of Contributor countries and AA- for all others. Accordingly, the loss allowance for these financial instruments is measured at an amount equal to 12-month ECL.

Impairment losses do not reduce the carrying amount of the debt instruments at FVTOCI in the Statement of Financial Position, which remains at fair value. The balance at the end of the year reflected below is included in the Investment Revaluation Reserve in Accumulated Other Comprehensive Income.

The movements in the credit loss allowance are as follows (in $'000):

	2022	2021
Balance at beginning of the year	26	911
Loss allowance recognized in profit or loss under impairment losses during the year on:		
Assets originated	3	4
Reversals	(4)	(164)
Change in credit risk	(9)	(725)
	(10)	(885)
Balance at end of the year	16	26

During the year, all transactions are classified to Stage 1 and there are no transfers between stages.

Accrued Interest Income

The details of accrued interest income including from investments as of 31 December 2022 and 2021 are as follows (in $'000):

	2022	2021
FVTOCI	8,223	6,728
Certificates of Deposits	-	112
Time Deposits	-	50
Guarantee	13	10
TOTAL	8,236	6,900

NOTE 6 – GUARANTEES

As of 31 December 2022, CGIF has issued guarantees covering bonds denominated in Vietnamese Dong, Singapore Dollar, Thai Baht, Chinese Yuan, Japanese Yen, Indonesian Rupiah, Malaysian Ringgit, Cambodian Riel, and Philippine Peso. The total outstanding amount of the guarantees issued under the related bonds was $2,186 million as of 31 December 2022 ($2,299 million – 31 December 2021). The guarantees are inclusive of coupon payments. The USD guarantee obligation below is for KHR issued bonds where all payments will be in USD converted at a fixed exchange rate agreed at inception.

Below is the summary of the outstanding guarantees by currency (in '000):

31 December 2022

	Local Currency			USD Equivalent
	Principal	Coupon	Total Obligation	of Total Obligation
VND	12,393,000,000	4,060,095,333	16,453,095,333	697,017
SGD	695,000	82,433	777,433	576,988
THB	11,720,000	901,413	12,621,413	364,675
CNY	1,500,000	95,041	1,595,041	228,949
JPY	15,400,000	592,900	15,992,900	119,806
IDR	1,283,000,000	226,026,563	1,509,026,563	96,343
MYR	150,000	9,137	159,137	35,970
KHR	127,200,000	4,796,137	131,996,137	32,073
PHP	107,500	7,732	115,232	2,061
USD	29,401	3,157	32,558	32,558
				2,186,440

31 December 2021

	Local Currency			USD Equivalent
	Principal	Coupon	Total Obligation	of Total Obligation
VND	13,608,000,000	5,042,553,766	18,650,553,766	816,753
SGD	645,000	89,084	734,084	542,159
THB	12,720,000	1,317,301	14,037,301	418,749
CNY	1,000,000	75,041	1,075,041	168,647
JPY	15,400,000	677,600	16,077,600	140,024
IDR	1,062,500,000	247,180,000	1,309,680,000	92,049
MYR	150,000	13,712	163,712	39,161
KHR	127,200,000	14,336,137	141,536,137	34,752
PHP	272,500	19,634	292,134	5,791
USD	36,333	4,915	41,248	41,248
				2,299,333

The range of remaining tenor of financial guarantee contracts as of 31 December 2022 are from less than 1 year to 12 years (31 December 2021 – from less than 1 year to 13 years).

As of 31 December 2022, a guarantee liability of $66.4 million ($76.2 million - 31 December 2021) was reported on the Statement of Financial Position. As of 31 December 2022 and 2021, the reported liability is composed of the following (in $'000):

	2022	**2021**
Unamortized balance of present value of total guarantee fees	62,783	70,373
Allowance for ECL	3,652	5,827
TOTAL	66,435	76,200

The total amount of loss allowance for guarantee obligations determined through ECL amounted to $6.5 million as of 31 December 2022 ($10.9 million – 31 December 2021). The unamortized balance of guarantee liabilities is compared against the required ECL on a per instrument basis and the higher between the two will be reflected as the guarantee liability in the Statement of Financial Position. The allowance for ECL on the above table represents the total differences between the higher ECL that was computed vs the unamortized balances of guarantee liabilities. As of 31 December 2022, there is one account in the portfolio that was classified into stage 2 and no additional account defaulted (2 accounts in Stage 2 and one guarantee default – 31 December 2021). There is one account in stage 2 that matured and no transfer of stages.

The reported guarantee fee receivable of $57.2 million represents the present value of the stream of total guarantee fees expected to be received for the guarantee outstanding as of 31 December 2022 ($63.6 million – 31 December 2021) net of allowance for credit losses.

In December 2021, CGIF fulfilled its obligation on the first ever default of a bond guarantee which resulted to a credit impaired guarantee receivable of $73.1 million. As of 31 December 2022, a guarantee receivable of $45.3 million was reported in the Statement of Financial Position net of allowance for credit losses amounting to $25.4 million.

As of 31 December 2022 and 2021, all of CGIF's future guarantee fee receivables are classified as Level 3 within the fair value hierarchy. Likewise, as of 31 December 2022, the credit impaired guarantee receivables from the default is classified as Level 3 within the fair value hierarchy as well.

The Finance Department is responsible for determining and reporting the fair value of guarantees reported in the Statement of Financial Position. The carrying amount of guarantees approximates its fair value. Future guarantees are stated at discounted present value using significant unobservable inputs such as discount rates applicable to individual guarantee contracts that are internally determined. The valuation technique and significant unobservable quantitative inputs for guarantee fee receivables classified as Level 3 as of 31 December 2022 and 2021 were summarized below:

	Valuation Technique	Unobservable Input	Range 2022	Range 2021
Guarantee fee receivable	Discounted cash flows	Discount rates	2.55% to 9.70%	1.35% to 9.70%

There were no inter-level transfers during the year ended 31 December 2022 and 2021.

Impairment Losses

The movements in the credit loss allowance for guarantee fees receivable are as follows (in $'000):

	2022	2021
Balance at beginning of the year	325	1,389
Loss allowance recognized in profit or loss under impairment losses during the year on:		
Assets originated	2	27
Reversals	(16)	(81)
Changes in credit risk	(167)	(1,009)
Stage 1 to Stage 2	-	(1)
	(181)	(1,064)
Balance at end of the year	144	325

During the year, one account classified as stage 2 matured. As of 31 December 2022, only one account in the portfolio was classified as stage 2 (two – 31 December 2021).

At the time of the recognition of the guarantee receivable in 2021, the impairment losses amounting to $9.8 million was charged off against the credit impaired asset. As of 31 December 2022, additional provision was recognized due to changes in credit risk.

The movements in the credit loss allowance for guarantee receivable are as follows (in $'000):

	2022
Balance at beginning of the year	-
Loss allowance recognized in profit or loss under impairment losses during the year on:	
Changes in credit risk	25,447
Balance at end of the year	25,447

NOTE 7—LEASES

CGIF recognized right of use lease asset related to the office rental contract with ADB. This is initially measured at cost and is subsequently depreciated on a straight-line basis for two years. In December 2020, CGIF and ADB agreed to extend the lease contract upon expiry for 3 years ending 31 January 2024. Since the extension of lease term did not add the right to use a new underlying asset, it is not accounted for as a separate lease. Accordingly, the lease liability is remeasured on 31 December 2020 and a corresponding adjustment was made to the ROU Lease Asset.

The details of the amount presented in the Statement of Financial Position are as follows:

Cost	
1 January 2021	813
Remeasurement	-
31 December 2021	813
Remeasurement/Adjustment	(6)
31 December 2022	807
Accumulated depreciation	
1 January 2021	(305)
Depreciation	(165)
31 December 2021	(470)
Depreciation	(160)
31 December 2022	(630)
NET Balance at 31 December 2022	177
NET Balance at 31 December 2021	343

Depreciation – ROU Lease Asset charged for the period is reported under administrative expenses in the Statement of Net Income.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payment includes fixed payment and in-substance fixed payments for the amortization of alteration cost. The discount rate used is the latest bank average domestic lending rate (annual) published by the Central Bank of the Philippines (BSP) upon date of commencement. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Interest expense is reported under financial expenses in the Statement of Net Income.

NOTE 8—FURNITURE, FIXTURES AND EQUIPMENT - NET

The details of this account are as follows (in $'000):

	Office Furniture and Equipment	IT and Communications	Building Improvement	TOTAL
Cost				
1 January 2021	359	379	5	743
Additions	-	38	-	38
Disposals	-	-	-	-
31 December 2021	359	417	5	781
Additions	7	61	-	68
Disposals	-	(2)	-	(2)
31 December 2022	366	476	5	847
Accumulated Depreciation/Amortization				
1 January 2021	(273)	(284)	(5)	(562)
Depreciation	(28)	(51)	-	(79)
Amortization	-	-	-	-
Disposals	-	-	-	-
31 December 2021	(301)	(335)	(5)	(641)
Depreciation	(20)	(53)	-	(73)
Amortization	-	-	-	-
Disposals	-	2	-	2
31 December 2022	(321)	(386)	(5)	(712)
NET, 31 December 2022	45	90	-	135
NET, 31 December 2021	58	82	-	140

Depreciation is reported under administrative expenses in the Statement of Net Income.

NOTE 9—INTANGIBLE ASSETS - NET

Intangible assets are composed of Information systems software that is capitalized. The details of this account are as follows (in $'000):

	Information Systems Software
Cost	
1 January 2021	981
Additions	63
Disposals	-
31 December 2021	1,044
Additions	27
Disposals	-
31 December 2022	1,071
Accumulated Depreciation/Amortization	
1 January 2021	(965)
Amortization	(10)
Disposals	-
31 December 2021	(975)
Amortization	(14)
Disposals	-
31 December 2022	(989)
NET, 31 December 2022	82
NET, 31 December 2021	69

The amortization is reported under administrative expenses in the Statement of Net Income.

NOTE 10—OTHER ASSETS

Other assets pertain to commission receivable from reinsurance, advances made by CGIF for staff benefits, prepaid expenses, subscriptions and licenses as well as security deposit.

NOTE 11—ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of accounts payable, and accrual of administrative and operating expenses incurred but not yet paid. Aside from accruals for reinsurance expenses on premiums to be ceded, this account includes accrual on provision for expected refund to reinsurers upon recovery of the guarantee receivables.

NOTE 12—RELATED PARTY TRANSACTIONS

CGIF utilizes certain services from ADB including treasury service as may be agreed with the Chief Executive Officer from time to time.

Provision for ADB's administration fee, amounting to $1.14 million ($1.12 million – 31 December 2021), recorded in other miscellaneous expense was accrued in other liabilities. ADB's administration fee is equivalent to 10 bps of contributions received. ADB's administration fee for 2022 will be settled subsequently in May 2023. Key management personnel total compensation of short-term employee benefits for 31 December 2022 amounted to $3.49 million ($3.28 million – 31 December 2021).

NOTE 13—PAID-IN CAPITAL

The increase in CGIF's authorized capital to 12,000 shares from 7,000 shares at $100,000 per share was approved by the Contributors on 6 December 2017 per Resolution No. 2017-S-01. Each Contributor shall pay in full or in installments for the number of shares by the date indicated in the IOS. However, in case where payment cannot be made by a Contributor during the subscription payment period, the subscription is renounced and forfeited after one hundred and twenty (120) days following the last due date indicated in the IOS or the end of 2023, as applicable, or such later date as the Board may determine.

The authorized capital stock of CGIF as of 31 December 2022 and 2021 are as follows (in $'000):

	2022	2021
Authorized capital (12,000 shares)	1,200,000	1,200,000
Subscribed	1,158,000	1,158,000
Unsubscribed	42,000	42,000
Total authorized capital	1,200,000	1,200,000
Subscribed capital comprises:		
Amounts received	1,148,899	1,137,000
Amounts not yet due	9,101	21,000
Total subscribed capital	1,158,000	1,158,000

The AoA prescribe that shares shall be allocated to Contributors only after full payment has been received. Therefore, only paid-in capital shall be taken into account when calculating each Contributor's voting rights.

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