IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

Important: You must read the following before continuing. The following applies to the offering circular following this page ("**offering circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of this offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN AN OFFERING CIRCULAR THAT WILL BE DISTRIBUTED TO YOU ON OR PRIOR TO THE CLOSING DATE AND NOT ON THE BASIS OF THE ATTACHED DOCUMENTS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of the Representation: In order to be eligible to view this offering circular or make an investment decision with respect to the securities, investors must not be located in the United States. This offering circular is being sent at your request and, by accepting the electronic mail and accessing this offering circular, you shall be deemed to have represented to us that the electronic mail address that you gave us and to which this electronic mail has been delivered is not located in the United States and that you consent to delivery of such offering circular by electronic transmission and, to the extent you purchase the securities described in the attached offering circular, you will be doing so pursuant to Regulation S under the United States Securities Act; and that you consent to delivery of the attached offering circular and any amendments or supplements thereto by electronic transmission.

You are reminded that this offering circular has been delivered to you on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver this offering circular to any other person.

The materials relating to any offering of securities to which this offering circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that such offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters are licensed brokers or dealers in that jurisdiction, such offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer and the Guarantors (each term as defined in the attached offering circular) in such jurisdiction.

This offering circular has been sent to you in electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Crédit Agricole Corporate and Investment Bank, Singapore Branch, DBS Bank Ltd., ING Bank N.V., Singapore Branch or MUFG Securities Asia (Singapore) Limited (the "**Arrangers**"), the Dealers (as defined in the offering circular), any person who controls the Arrangers or any Dealer, or any director, officer, employee or agent of the Arrangers, or any of the Dealers, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between this offering circular distributed to you in electronic format and the hard copy version available to you on request from the Arrangers and the Dealers.

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.

Offering Circular

VENA ENERGY CAPITAL PTE. LTD.

(Company Registration No. 201930617G)
(incorporated with limited liability under the laws of Singapore)

U.S.$1,000,000,000
Guaranteed Euro Medium Term Note Programme
Guaranteed By

VENA ENERGY

VENA ENERGY HOLDINGS LTD
VENA ENERGY (TAIWAN) HOLDINGS LTD
ZENITH JAPAN HOLDINGS LTD (AS TRUSTEE OF ZENITH JAPAN HOLDINGS TRUST)

Under the U.S.$1,000,000,000 guaranteed medium term note programme (the "**Programme**") described in this offering circular (the "**Offering Circular**"), the Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer. The due and punctual payment of all sums payable by the Issuer from time to time in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis (the "**Guarantee of the Notes**") by Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) (each a "**Guarantor**" and together, the "**Guarantors**").

The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$1,000,000,000 (or its equivalent in other currencies), subject to increase as described herein.

Approval in-principle has been granted by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for the listing of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Unlisted series of Notes may also be issued pursuant to the Programme. The relevant Pricing Supplement (as defined herein) in respect of any series of Notes will specify whether or not such Notes will be listed on the SGX-ST (or any other stock exchange). There is no assurance that the application to the Official List of the SGX-ST for the listing of the Notes will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Programme, the Notes, the Guarantee of the Notes, the Issuer, the Guarantors, their respective subsidiaries, joint ventures and/or associated entities. Investors are advised to read and understand the contents of this document before investing. If in doubt, investors should consult their advisers.

The Notes and the Guarantee of the Notes have not been and will not be registered under the United States Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States unless an exemption from the registration requirement of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale*".

The Notes of each Series (as defined herein) issued in bearer form ("**Bearer Notes**") will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**", and together with any Temporary Global Notes, the "**Global Notes**"). Notes in registered form ("**Registered Notes**") will be represented by a global note in registered form (each a "**Global Note Certificate**"), one Global Note Certificate being issued in respect of each Noteholder's entire holding of Notes in the registered form of one Series. Global Notes or Global Note Certificates may be deposited on the relevant issue date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), or The Central Depository (Pte) Limited ("**CDP**"). The provisions governing the exchange of interests in Global Notes or Global Note Certificates for other Global Notes and Definitive Notes or Individual Note Certificates are described in "*Form of the Notes*".

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Summary of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, such rating will be specified in the relevant Pricing Supplement (as defined herein). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The Issuer and the Guarantors may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Offering Circular or a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Investing in Notes issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in the Notes. Investors should not purchase the Notes unless they understand and are able to bear risks associated with the Notes. The principal risk factors that may affect the abilities of the Issuer and the Guarantors to fulfil their respective obligations in respect of the Notes are discussed under "*Risk Factors*" contained in this Offering Circular.

This Offering Circular is an advertisement and is not a prospectus for the purpose of Regulation (EU) 2017/1129.

Arrangers

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK | DBS | ING | MUFG

Initial Dealers

ABN·AMRO | BANCA IMI | BNP PARIBAS | CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK | DBS | ING | MUFG | SMBC | SMBC NIKKO

The date of this Offering Circular is 26 November 2019.

IMPORTANT NOTICE

Content of this Offering Circular

Each of the Issuer and the Guarantors, having made all reasonable enquiries, confirms that to the best of their knowledge and belief this Offering Circular contains all information with respect to the Issuer (as defined herein), the Guarantors, Vena Energy, the Programme, the Notes, and the Guarantee of the Notes which is (in the context of the Programme and the issue, offering and sale of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Offering Circular are honestly held or made; all proper enquiries have been made to ascertain or verify each of the foregoing; and this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or indications not misleading.

Pricing Supplement

Each Tranche (as defined in "*Summary of the Programme*") of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as amended and/or supplemented by a document specific to such Tranche called a Pricing Supplement. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement. This Offering Circular shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

Restrictions on Distribution of the Offering Circular and Pricing Supplement

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantors, the Arrangers, the Dealers and the Trustee (as defined in the Conditions) to inform themselves about and to observe any such restrictions. None of the Issuer, the Guarantors, the Arrangers, the Dealers or the Trustee represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action is being taken to permit a public offering of the Notes or the distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action would be required for such purposes. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

There are restrictions on the offer and sale of the Notes, 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 Notes and distribution of this Offering Circular and any Pricing Supplement, see "*Subscription and Sale*".

Authorisations

No person has been authorised by the Issuer, the Guarantors, the Arrangers, the Dealers, the Trustee or the Agents (as defined in the Conditions) to give any information or to make any representation other than those contained in this Offering Circular or any other document entered into in relation to the Programme and the sale of Notes and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantors, the Arrangers, any Dealer, the Trustee or any Agent. Neither the delivery of this Offering Circular or any Pricing Supplement nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantors, Vena Energy or any of them since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or create any implication that the information contained herein is correct as at any date subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme 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.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantors, the Arrangers, the Dealers, the Trustee or the Agents to subscribe for or purchase any Notes 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 or solicitation is not authorised or is unlawful.

No representation or warranty or undertaking, express or implied, is made or given and no responsibility or liability is accepted by the Arrangers, the Dealers, the Trustee or the Agents as to the accuracy, completeness or sufficiency of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Guarantors in connection with the Programme, and nothing contained or incorporated in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Arrangers, the Dealers, the Trustee or the Agents. Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Guarantors, the Arrangers, any of the Dealers, the Trustee or any of the Agents that any recipient of this Offering Circular should purchase any Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

PRIIPs/IMPORTANT—EEA RETAIL INVESTORS—If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance/target market—The Pricing Supplement in respect of any Notes may include a legend entitled “**MiFID II Product Governance**” which will outline the target market assessment in respect of the Notes and which channels are appropriate for distribution of the Notes. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

The Pricing Supplement in respect of any Notes may include a legend entitled “Singapore Securities and Futures Act Product Classification” which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the “**SFA**”).

The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a) of the SFA.

CONVENTIONS WHICH APPLY TO THIS OFFERING CIRCULAR

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "**Singapore**" are references to the Republic of Singapore. All references to the "**MAS**" are references to the Monetary Authority of Singapore, the central bank of Singapore. All references to "**United States**" or "**U.S.**" herein are to the United States of America. All references to "**S$**" herein are to the lawful currency of Singapore, all references to "**U.S.$**" herein are to the lawful currency of the United States and all references to "**£**" herein are to the lawful currency of the United Kingdom. All references to the "**SGX-ST**" are to the Singapore Exchange Securities Trading Limited. All references to "**Vena Energy**" are to the Guarantors, their respective subsidiaries and entities in which the Guarantors have an economic interest, taken as a whole from time to time. All references to the "**Issuer**" are to Vena Energy Capital Pte. Ltd., incorporated with limited liability under the laws of Singapore. All references to the "**Guarantors**" are to Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) (and all references to a "**Guarantor**" are to each of them).

PRESENTATION OF FINANCIAL INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Offering Circular (other than the Pro Forma Financial Information (as defined herein), relating to the Guarantors has been derived from (i) the audited consolidated financial statements of each Guarantor for the financial years ended 31 December 2018 and (ii) the reviewed consolidated financial statements of each Guarantor for the six months ended 30 June 2019 (together, the "**Financial Statements**"). KPMG LLP performed an assurance engagement on the compilation of the Pro Forma Financial Information (as defined herein) in accordance with the Singapore Standard on Assurance Engagement 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included In a Prospectus, issued by the Institute of Singapore Chartered Accountants. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") (as defined in the Conditions) as issued by the International Accounting Standards Board.

Unaudited Pro Forma Financial Information

On 19 January 2018, the Guarantors acquired a portfolio of renewable energy assets (the "**Acquisition**"), forming Vena Energy. As part of the Acquisition, the Guarantors collectively acquired economic interests in renewable energy assets in Australia, India, Indonesia, the Philippines, Japan, Taiwan, Thailand, and their respective asset management teams.

The Pro Forma Financial Information (as defined herein) included in this Offering Circular has been prepared by the Guarantors in relation to Vena Energy and in order to present the unaudited (a) pro forma consolidated statements of financial position of Vena Energy as at 31 December 2018 and as at 30 June 2019, (b) pro forma consolidated statements of comprehensive income of Vena Energy for the year ended 31 December 2018 and for the six-month period ended 30 June 2019, and (c) pro forma consolidated statements of cash flows of Vena Energy for the year ended 31 December 2018 and for the six-month period ended 30 June 2019 (together with the notes comprising a summary of significant accounting policies and other explanatory information, the "**Pro Forma Financial Information**").

In making an investment decision, prospective investors must rely upon their own examination of Vena Energy and the Notes. Prospective investors who are not familiar with IFRS are urged to consult with their own professional advisers.

The Pro Forma Financial Information reflects certain estimates, assumptions and judgements made by the Guarantors. These estimates, assumptions and judgements affect the reported amounts of assets and liabilities as of the dates presented as well as revenue and expenses reported for the periods presented. As a result, the Pro Forma Financial Information is not necessarily indicative of what Vena Energy's actual results of operations, financial position and cash flow would have been on or as of such dates, nor does it purport to project Vena Energy's results of operations, financial position or cash flows for any future period or date. Further, the Pro Forma Financial Information was not prepared in connection with an offering registered with the United States Securities and Exchange Commission (the "**SEC**") under the U.S. Securities Act and consequently does not comply with the SEC's rules on presentation of pro forma financial statements.

Non-IFRS Financial Measures

The non-IFRS financial data set out in "*Non-IFRS Financial and Other Operating Data*" has been derived from the Pro Forma Financial Information, the Financial Statements included in this Offering Circular and management schedules prepared by the Guarantors, where applicable, but are supplemental financial measures and are not presented in accordance with IFRS or generally accepted accounting principles in other countries, including Singapore. Accordingly, such financial data should not be considered in isolation from, or as a substitute for, the analysis of the financial condition or results of operations of Vena Energy or any of the Guarantors as reported under IFRS. Other companies may calculate similarly titled financial measures differently, limiting their usefulness as comparative measures.

The Guarantors have presented the following non-IFRS financial data in this Offering Circular, namely Proportionate Revenue, Proportionate EBITDA, Proportionate EBITDA Margin, Guarantor's Net Debt, FFOA and Guarantor's Net Debt to FFOA (each as defined herein), as well as other operating data, as the Guarantors believe they are useful supplements to the Pro Forma Financial Information as measures of the financial and operating performance of Vena Energy, as well as measures of its assets' ability to generate cash from operations. Such data is used by the Guarantors to measure the performance of Vena Energy's businesses. For instance, as assets located in the Philippines are defined as associates under IFRS, among other things, revenues from these renewable energy generation assets are not consolidated but are instead accounted for using the equity method of accounting under "share of net profit/(loss) of equity-accounted investees" in the Financial Statements.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

BASIS FOR CERTAIN MARKET DATA

Market data and certain industry forecasts and other data used throughout this Offering Circular were obtained or derived from internal surveys, market research, governmental data, publicly available information and/or industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information are not guaranteed and have not been independently verified by the Issuer, the Guarantors, the Arrangers, the Dealers, the Trustee or the Agents. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Guarantors, the Arrangers, the Dealers, the Trustee or the Agents makes any representation or warranty, express or implied, as to the accuracy or completeness of such information. In addition, such information may not be consistent with other information compiled within or outside Singapore.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors which may cause Vena Energy's actual results, performance or achievements to be materially different from any future results; and
- performance or achievements expressed or implied by forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Vena Energy's present and future business strategies and the environment in which Vena Energy will operate in the future. Among the important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- risks relating to Vena Energy's business;
- Vena Energy's ability to successfully implement its strategy;
- Vena Energy's ability to successfully manage its growth;
- changes in the property market in the countries in which Vena Energy operates;
- Vena Energy's ability to complete its development projects on time and within budgeted project costs;
- global macro-economic conditions;
- fluctuations in interest rates and exchange rates, increased inflation, and changes in government borrowing patterns; and
- changes in regulatory requirements and government policies in the countries in which Vena Energy operates.

Additional factors that could cause Vena Energy's actual results, performance or achievements to differ materially include, but are not limited to, those disclosed under "*Risk Factors*". These forward-looking statements speak only as of the date of this Offering Circular. Each of the Issuer, the Guarantors, the Arrangers and the Dealers expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in Vena Energy's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with:

(a) in relation to each Tranche of Notes, each relevant Pricing Supplement;

(b) all amendments and supplements from time to time to this Offering Circular;

(c) the most recent audited consolidated annual financial statements (if published), and any interim financial statements (whether audited or unaudited) subsequent to such annual financial statements, of each Guarantor from time to time (if published); and

(d) the most recent *pro forma* combined financial statement of the Guarantors derived from the financial statements described in paragraph (c) above from time to time (if published),

which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available for inspection upon prior written notice during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the Issuer's registered office at 80 Robinson Road, #02-00, Singapore 068898 and the Specified Office (as defined in the Conditions) of the Issuing and Paying Agent and CDP Issuing and Paying Agent as set out at the end of this Offering Circular.

CONTENTS

SUMMARY

*Unless otherwise indicated, references to "Vena Energy" refer to Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) (collectively, the "**Guarantors**"), their respective subsidiaries and entities in which the Guarantors have an economic interest, taken as a whole from time to time.*

Overview

Vena Energy is a Singapore-based independent power producer ("**IPP**") and leading renewable energy company in the Asia Pacific region, with 18 offices across nine jurisdictions in Japan, Australia, India, Indonesia, the Philippines, Singapore, South Korea, Taiwan and Thailand. Vena Energy is a professionally managed business, and its management has extensive experience across its operational and strategic focus areas, being primarily utility-scale solar and wind generation projects. With 461 permanent staff across functions such as engineering, development, investment and operations, Vena Energy has the ability to develop, design, procure, construct and operate its projects. Vena Energy believes that the centralisation of equipment procurement and construction management functions combined with its deep local knowledge allows it to better manage risks and position itself as one of the most cost-effective developers and operators of renewable energy in the region.

Founded in 2012, Vena Energy made its first investment in the same year into 10 solar projects across Thailand, and has since increased its operational capacity to 1,562 MW as at 30 June 2019.

As at 30 June 2019, Vena Energy's portfolio comprises:

- 47 operational assets with a combined Gross Capacity[1] of 1,562 MW, comprising 1,022 MW of solar and 540 MW of wind projects;
- 13 solar projects under construction with a combined Gross Capacity of 300 MW;
- 16 wind and solar projects which are shovel-ready with a combined Gross Capacity of 374 MW; and
- 90 wind and solar projects which are advanced or under development with a combined Gross Capacity of 9.0 GW.

The table below sets forth the definition of each project phase, i.e. operational, under construction, shovel-ready, advanced development and early development and the respective capacity under each category for Vena Energy's wind and solar projects as at 30 June 2019:

Project Phase	Characteristics	Solar Gross Capacity (MW)	Wind Gross Capacity (MW)
Operational	• Commenced operations	1,022	540
Under Construction	• Having exclusivity[2] • Secured grid connection • Completed feasibility studies • Wind masts placed (for wind assets) and resource studies completed • Secured land and offtake arrangements	300	—
Shovel-Ready	• Having exclusivity • Secured or completing final procedural steps for grid connection • Completed feasibility studies • Wind masts placed (for wind assets) and/or have completed resource studies • In final stages of securing the land and offtake arrangements	220	154

1 "**Gross Capacity**" is defined as the maximum, or rated, generating capacity at standard test conditions of the relevant asset.

2 Definitions for asset exclusivity vary based on the geography in which the assets are located. In Australia and Korea, exclusivity is defined as an asset reaching an advanced PPA discussion status and receiving the relevant development approvals from local government departments overseeing planning and infrastructure. In India, exclusivity is defined as an asset receiving or having applied for a grid allocation or government order from a local authority. In Indonesia, exclusivity is defined as an asset having a heads of agreement signed with the PLN or a permit having been received from local government authorities. In Japan, exclusivity is defined as the asset having secured a PPA, land or grid. In the Philippines, exclusivity is defined by virtue of a service contract issued by the Department of Energy or an application for a service contract. In Taiwan, exclusivity is defined as an asset having secured exclusive rights to the grid. In Thailand, exclusivity is defined as the asset having secured land on which it is to be built.

Project Phase	Characteristics	Solar Gross Capacity (MW)	Wind Gross Capacity (MW)
Advanced Development	• Having exclusivity • Identified and in the process for securing land and grid connection • In the process of securing offtake arrangements • Have completed or in the process of completing feasibility studies • Completed resource studies • Management approved for development financing	978	1,242
Early Development	• Identified by management • Commenced work on a preliminary basis • In the process of securing exclusive entitlement, land, grid connection and capacity availability	4,383	2,388

Vena Energy is geographically diversified, with no single jurisdiction accounting for more than 50% of Vena Energy's total operational capacity as at 30 June 2019. Vena Energy aims to enter into long-term power purchase agreements ("**PPAs**") and/or feed-in-tariff agreements with creditworthy counterparties, and its offtakers comprise mainly government-linked or creditworthy corporate entities. As at 30 June 2019, there was no single offtaker accounting for more than 20% of Vena Energy's total project capacity for which offtake agreements have been secured. The weighted average balance of Vena Energy's PPA tenor for operational and pre-operational assets is 19.7 years and 20.4 years respectively as at 30 June 2019. This excludes the PPAs for the 10 solar projects in Thailand, for which tenors are evergreen in nature as they are automatically renewed every five years, subject to limited rights of termination by the offtaker.

History and Development

The table below lists key milestones and achievements of Vena Energy since its establishment in 2012:

Year	Milestone
2012	• First investment into 10 solar projects with an Economic Capacity[3] of 64 MW[4] across Thailand
2013	• First investment into a wind project in India with Economic Capacity of 54 MW • First investment into four solar assets with Economic Capacity of 48 MW in Japan • Held one operating asset with Economic Capacity of 5 MW and assets under construction with Economic Capacity of 113 MW
2014	• First solar and wind investment in the Philippines, with Economic Capacities of 30 MW and 51 MW[5], respectively • Increased portfolio to 12 operating assets with Economic Capacity of 148 MW and assets under construction with Economic Capacity of 303 MW
2015	• Entry into Taiwan • Entry into Indonesia • First successful bid for a solar project with Economic Capacity of 130 MW in Telangana, India • Increased portfolio to 20 operating assets with Economic Capacity of 457 MW and assets under construction with Economic Capacity of 511 MW
2016	• Entry into Australia • Fully commissioned Project Pollo, a solar facility in Cadiz, the Philippines, with Economic Capacity of 132 MW, the largest single solar facility in Southeast Asia at the time • Signed first wind energy PPA in Indonesia for a capacity of 60 MW • Increased portfolio to 30 operating assets with Economic Capacity of 839 MW and assets under construction with Economic Capacity of 297 MW

3 "**Economic Capacity**" is defined as the economic interest of Vena Energy in the Gross Capacity of the relevant asset (net of third party interests) and inclusive of any economic interest obtained from usage of any financial instruments other than common shares such as preference shares, shareholder loans, non-convertible debentures (NCDs) and TK interests.

4 These projects have a Gross Capacity of 92 MW.

5 This project has a Gross Capacity of 54 MW.

Year	Milestone
2017	• Secured tender to develop Taiwan's largest solar project • Increased portfolio to 39 operating assets with Economic Capacity of 1,103 MW and assets under construction with Economic Capacity of 292 MW
2018	• Started construction on 127 MW Australian solar project in Tailem Bend, South Australia • Opened office in Seoul, South Korea • Increased portfolio to 43 operating assets with Economic Capacity of 1,289 MW and assets under construction with Economic Capacity of 446 MW
2019	• Fully commissioned first Indonesia and Australia projects • Increased planned portfolio to a total of 374 MW in Economic Capacity of shovel-ready assets, of which 269 MW is in Japan, 97 MW is in India, and 8 MW is in Taiwan • Fully commissioned Taiwan's largest ground-mounted solar project in July 2019 • Increased portfolio to 47 operating assets with Economic Capacity of 1,482 MW and assets under construction with Economic Capacity of 300 MW

Strengths

Vena Energy believes that it benefits from the following strengths:

Favourable market environment

Vena Energy believes that the Asia Pacific region will represent the fastest growing solar and wind energy market worldwide. According to BNEF, Asia Pacific will account for almost half of new capital spent globally from 2019 to 2050, with total investment of U.S.$5.8 trillion in new power generating capacity. A majority of this new capital is expected to be committed to solar and wind generation capacity.

Vena Energy's business is focused on mature economies in Asia Pacific such as Japan, Australia, Taiwan and South Korea, and other high-growth renewable energy generation countries in the region, namely Indonesia, India, the Philippines and Thailand. The table below presents the BNEF outlook on the various regions which Vena Energy operates in:

Region	Outlook
Japan	By 2050, renewable energy is expected to account for 78% of total generation, up from 20% in 2018. Utility-scale solar photovoltaic ("**PV**") systems and wind are expected to contribute c.17% and c.32% of generation respectively by 2050.
India	Solar and wind is expected to account for 55% of total electricity demand by 2050, up from 7% in 2018. Solar PV installed capacity is expected to increase from 32GW in 2018 to 1,079GW in 2050 while onshore wind installed capacity is expected to increase from 35GW in 2018 to 379GW in 2050.
Australia	By 2050, nearly all existing large and emissions intensive coal generators will have retired, with renewable energy accounting for 84% of electricity generation. 57GW of utility-scale solar PV and 21GW of onshore wind are expected to be installed by 2050.
South Korea	By 2050, renewable energy is expected to generate 59% of total generation, up from 8% in 2018. Nearly 70% of capacity additions by 2050 is attributed to renewable energy with additional 91GW of new solar PV and 69GW of wind to come online.
Southeast Asia[6]	By 2050, renewable energy is expected to account for 58% of electricity generation. Solar PV is expected to dominate new capacity additions across the region, increasing from 6GW in 2018 to 602GW in 2050. Additionally, solar PV will provide 38% of generation in 2050, up from 1% today.

The table below shows the combined wind and solar forecast capacity for 2030 for the markets Vena Energy operates in:

In MW	Japan	India	Australia	Korea	Thailand	The Philippines	Indonesia
2018	59,923	67,155	17,013	9,168	4,493	1,635	288
2030	131,896	373,830	72,035	52,622	35,317	18,283	28,489

Source: BNEF

6 Includes Malaysia, Thailand, Indonesia and the Philippines.

Vena Energy believes that most major Asia Pacific governments have committed to ambitious renewable energy targets over the next two decades, as well as favourable renewable policies, which are expected to drive investments in renewable energy infrastructure.

Additionally, according to BNEF, the levelised costs of electricity from solar PV systems and wind have dropped by 85% and 49% respectively since 2010. Vena Energy believes that as technology continues to advance, equipment in both solar and wind will become increasingly more powerful and efficient. BNEF estimates that the cost of an average solar PV plant and an onshore wind farm will fall by 63% and 50% respectively by 2050, on a dollar-per-MWh basis.

Fully integrated capabilities

Vena Energy has expertise across the whole renewable energy project lifecycle, with origination, development, construction and operational capabilities, from project and site assessment, pre-execution, contracting and procurement, installation and commissioning to operations and maintenance. See "*—Development Process*" below. Vena Energy also employs dedicated solar and wind experts focused on centralising its intellectual property with respect to resource assessment, system design, equipment procurement, construction management and operations and maintenance ("**O&M**") services. The capabilities to manage the whole project life cycle allows Vena Energy to minimise the involvement of third parties at each stage, generating significant economies of scale and building unparalleled experience, expertise and intellectual property across its jurisdictions in both solar and wind sectors. This in-house development approach allows Vena Energy to minimise the inheritance of development and construction risks, and ensures that the technology and equipment used for assets are consistent with best-in-class, international standards.

In addition, Vena Energy has placed a strong emphasis on building complete management capabilities in each country. Where economies of scale can be realised or sharing of intellectual property is beneficial to Vena Energy, resources may be centralised or grouped around certain countries. For example, each country employs dedicated land development experts as the issue of land is considered unique to each country. However, the procurement of solar equipment is centralised given the cost advantage of negotiating with suppliers as one of the largest regional customers as opposed to a customer for individual assets. As a result, assets developed by Vena Energy benefit from a system design that is optimised through local knowledge and experience utilising best-in-class equipment, and Vena Energy continues to operate the assets with the benefits of established local key stakeholder relationships.

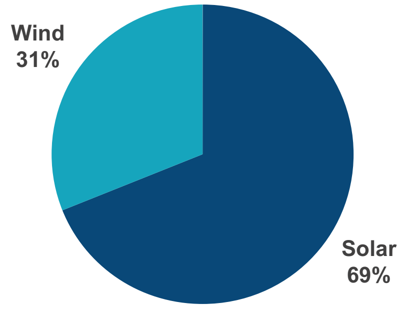
Vena Energy's projects continue to be successfully operated post-construction with no significant delays or disruptions. As at the date of this Offering Circular, operating assets in Japan, Taiwan and the Philippines are managed by Vena Energy's in-house O&M team. The internal O&M expertise enables Vena Energy to reduce maintenance costs, extend the lifetime of assets and increase generation availability. Where O&M services are outsourced, services are primarily contracted to original equipment manufacturers to ensure smooth operation and timely maintenance in the case of equipment failure or disruption.

Vena Energy's ability to efficiently self-develop, build and operate assets in-house has enabled it to successfully commission an average of one asset every six weeks across seven countries since 2013, bringing the total number of operating solar and wind projects to 47 as at 30 June 2019.

Diversified asset portfolio

Vena Energy's asset portfolio is well diversified across the markets of Japan, India, the Philippines, Thailand, Indonesia, Taiwan and Australia, and, as at 30 June 2019, comprised 47 operational, 13 under-construction, 16 shovel-ready, 27 advanced and 63 early development assets. No single location comprises more than 35% of results from Operational Assets for the financial year ended 31 December 2018, and no single asset comprises more than 11% of the results from Operational Assets for the six months ended 30 June 2019.

Furthermore, Vena Energy's asset portfolio is sector-balanced, with utility-scale solar and wind assets comprising 69% and 31% respectively of 31 December 2018 results from Operational Assets.



Long-term favourable offtake contracts with credible and diversified counterparties

Vena Energy's revenues come from utility-scale renewable energy generation assets under offtake arrangements with diversified and creditworthy counterparties. As at 30 June 2019, the entire operating capacity of Vena Energy was 100% contracted. In particular:

- 89% of operating capacity was contracted through long-term PPAs with Japanese regulated regional utilities, central state-owned utilities and provincial state-owned utilities;
- 10% of operating capacity was contracted through long-term PPAs with investment grade corporate offtakers; and
- 1% of operating capacity was contracted with unrated corporate offtakers.

Under Vena Energy's offtake arrangements, each customer has agreed to purchase up to 100.0% of Grid Supplied Power[7] (subject to grid availability, curtailment and force majeure risks), thereby significantly mitigating revenue and cash flow risk. All the energy sold to government or semi-government authorities and utilities is sold pursuant to long-term PPAs, feed-in tariffs or other renewable energy incentive regimes under which customers have agreed to pre-determined energy tariffs over the life of the relevant agreement. In the case of Indonesia and Australia, these tariffs are indexed for changes in the U.S., Indonesian and/or Australian consumer price index (as applicable), thereby mitigating price risk. In the case of Thailand, the assets held by Vena Energy will receive a fixed adder rate on top of the average wholesale electricity price.

The offtake arrangements for Vena Energy's operational asset portfolio have a weighted average remaining life of approximately 19.7 years as at 30 June 2019.

Steady recurring cash flow generation

Each of the assets in Vena Energy's asset portfolio has a stable and predictable cash flow profile driven by low operational risk, as it holds assets that use proven renewable energy technologies, where the risk of obsolescence and the risk associated with thermal energy technologies, including combustion, fuel waste management and fuel supply are low and/or inapplicable. As a result, Vena Energy's operating costs and on-going capital expenditure are expected to be broadly predictable, which will in turn contribute to a stable cost base and cashflow stability.

Strong management team and strong corporate governance

Vena Energy is led by a qualified senior management team with extensive experience and a proven performance track record. The senior management team, led by Vena Energy's CEO, has an average of approximately 21 years of working experience across key functions.

Furthermore, Vena Energy has seasoned local management teams that are experienced in originating, developing, building and operating renewable energy assets. Vena Energy employs 461 professionals, including dedicated solar and wind experts focused on centralising expertise with respect to resource assessments, system design, equipment procurement, construction management and O&M services. See "—*Employees*" below. Each local market also employs land, early stage development, grid assessment, construction management and operations and monitoring experts rather than relying on third parties. Vena Energy's ability to centrally manage key activities and co-ordinate staff across the region provides a material advantage over its competitors, promoting growth and sustainability for Vena Energy.

Vena Energy is also committed to implementing a robust corporate governance framework through clear investment strategies and detailed due diligence and approval procedures. Its corporate governance structure is overseen by its committees. The key committees include:

- an Investment Committee that oversees investment activities in respect of the assets which Vena Energy operates and manages. The Investment Committee meets regularly to oversee Vena Energy's investment activities, including the alignment of investments with corporate strategy and evaluating the effectiveness of investment decisions;
- an Audit and Risk Committee that provides independent oversight and monitors Vena Energy's audit, compliance, risk processes and internal control activities. The Audit and Risk Committee meets regularly to discharge the responsibilities relating to the internal and external audits related to operational and financial risks, regulatory compliance, financial reporting practices and enforcement of business ethics and internal controls;

---

7 "**Grid Supplied Power**" is defined as the net energy generated by an asset injected to the power grid or offtaker, at the point of grid connection.

- a Remuneration Committee that assists the Board in relation to remuneration, succession planning and related matters; and
- a Sustainability Committee that governs Vena Energy's sustainable investment matters including the oversight of environmental, social and risk management, corporate responsibility and investment initiatives as well as the implementation of Vena Energy's Green Financing Framework (2019) published on its website (www.venaenergy.com)[8] (including as amended, supplemented, restated or otherwise updated on such website from time to time (the "**Vena Energy Green Financing Framework**")), such as the allocation of green financing proceeds towards Eligible Green Projects.

See "*Vena Energy Green Financing Framework*" and "*Directors and Management of Vena Energy*".

Internationally-recognised environmental and social standards and policies

Vena Energy has a comprehensive environmental, social and governance ("**ESG**") policy (the "**ESG Policy**") implemented in accordance with local environmental, health and safety laws and regulations and international standards, including the International Finance Corporation's Performance Standards, World Bank Group Environmental, Health and Safety Guidelines, International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights. Vena Energy's ESG Policy supports its growth in a disciplined manner by ensuring that it adheres to certain standards. The ESG Policy provides guidelines on key ESG-related areas including the selection of investments in supporting the reduction in greenhouse gas emissions, assessment of environmental, health and safety and community impacts of projects, recruitment, wages, workplace safety and diversity policies and the monitoring and recording of environmental and social issues.

Sustainability commitment and environmental and social practices based on international best practices

Sustainability remains the centerpiece of Vena Energy's corporate strategy, as it operates to deliver benefits and results to all its stakeholders including its employees, suppliers, counterparties, investors, partners and, especially, to the environment and to the host communities that it works with. Vena Energy's line of action encompasses the creation of long-term value for the environment, local economies and people, including their living and health conditions.

As a pure renewable energy player with a reach across the Asia-Pacific region, Vena Energy is keen to play a leading role in directing investments into green sustainable projects and activities that are driving the transition to a low carbon economy while making a positive impact on the environment and its host communities.

As part of its sustainability commitment, Vena Energy has voluntarily established the Vena Energy Green Financing Framework in order to enhance transparency, disclosures and alignment of Vena Energy's green and social financing activities with the Green Bond Principles (ICMA[9], 2018) and the Green Loan Principles (LMA[10], 2018). The Vena Energy Green Financing Framework was independently assessed by Vigeo Eiris and Japan Credit Rating Agency, and has received the highest level of assurance by both agencies.

Strategies

The key elements of Vena Energy's business strategy are the following:

Maintain market leading position through risk-adjusted growth in the Asia Pacific region

Vena Energy intends to strengthen its market leading position in the renewable energy sector through investments in countries within the Asia Pacific region with strong credit and supportive industry fundamentals. Vena Energy actively assesses the risk-reward dynamics in each market and forms its investment decisions taking into consideration transparency in the regulatory regime, tariffs and offtake structures, risk of curtailment and re-regulation.

Invest in proven technologies

Vena Energy seeks to balance portfolio risk by avoiding riskier technologies and limiting exposure to assets with relatively long development and construction timetables. As a result, Vena Energy focuses on tested technologies with a proven track record such as solar PV, wind and their respective extensions (such as floating solar and offshore wind), rather than other technologies with different risk and scalability profiles.

8 The information found on Vena Energy's website is not incorporated in, and does not form part of, this Offering Circular.
9 International Capital Market Association.
10 Loan Market Association.

Nonetheless Vena Energy expects technology advancements to continue to drive new asset development, and it intends to critically evaluate new initiatives, such as energy storage, on a case-by-case basis.

Continue to develop in-house capabilities and target controlling positions in projects

Vena Energy will continue to develop its fully-integrated in-house development, construction and operational capabilities, and target projects which provide economic and decision-making control subject to any legal restrictions. The emphasis on decision-making control has allowed Vena Energy's management to be nimble and efficient when making key decisions around investments or market entry in general, making it one of the most successful entrants in jurisdictions such as Japan and Taiwan.

Once Vena Energy has established a local presence, management will use its local positioning and expertise to originate and develop projects, thereby avoiding the payment of developer premiums and the risks associated with sub-standard development work and asset sale processes. Vena Energy's independence and strong capability to develop its own assets allows it to be selective on project acquisition, unlike many other new market entrants. Due to its operational scale, regional reach and cost-competitiveness, Vena Energy can be competitive amongst its rivals when an attractive acquisition opportunity is identified.

Expansion through disciplined investment approach

Vena Energy intends to continue expanding its asset portfolio through the development and acquisition of utility-scale solar and wind generation projects in accordance with its investment mandate, as guided by its internal investment process and policies. The elements of Vena Energy's investment mandate which determine its asset selection criteria include the following:

- countries in Asia Pacific with strong sovereign credit, underpinned by a legal and regulatory framework and government policies which are supportive of growth in renewable energy generation;
- structures under which Vena Energy can exercise control over management and operations while ensuring compliance with local foreign-ownership laws;
- prime resource locations which are close in proximity to grid connections with sufficient capacity;
- assessment as to optimal risk allocation for projects in terms of debt financing, land ownership, construction and operation risk, and whether there are long-term offtake arrangements in place with creditworthy counterparties;
- projects with risk-adjusted returns and high operating margins and cash yields; and
- adherence to internationally-recognised ESG standards, including detailed counterparty screening, garnering support from local communities and stakeholders, and ensuring minimal impact to indigenous flora and fauna.

Vena Energy will prudently expand its business across the region, where such expansion satisfies its risk profile and capital return requirements and offers a sufficient level of diversification.

SUMMARY OF THE PROGRAMME

The following is a general summary of the terms of the Notes issued under the Programme. The following summary is qualified in its entirety by the remainder of this Offering Circular. This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any information incorporated by reference. Phrases used in this summary and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Notes".

Issuer	Vena Energy Capital Pte. Ltd., a company incorporated under the laws of Singapore.
Legal Entity Identifier	254900WSETM7TQMYGS40
Guarantors	Vena Energy Holdings Ltd Vena Energy (Taiwan) Holdings Ltd Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust)
Description	Guaranteed Euro Medium Term Note Programme.
Size	Up to U.S.$1,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer and the Guarantors may increase the aggregate nominal amount of the Programme in accordance with the terms of the Dealer Agreement (as defined under "*Subscription and Sale*").
Arrangers	Crédit Agricole Corporate and Investment Bank, Singapore Branch DBS Bank Ltd. ING Bank N.V., Singapore Branch MUFG Securities Asia (Singapore) Limited
Dealers	ABN AMRO Securities (USA) LLC, Banca IMI S.p.A., BNP Paribas, Crédit Agricole Corporate and Investment Bank, Singapore Branch, DBS Bank Ltd., ING Bank N.V., Singapore Branch, MUFG Securities Asia (Singapore) Limited and SMBC Nikko Capital Markets Limited and any other Dealer appointed in accordance with the Dealer Agreement. The Issuer and the Guarantors may from time to time terminate the appointment of any dealer under the Programme or appoint dealers either in respect of one or more Tranches of Notes or in respect of the whole Programme. References in this Offering Circular to "**Dealers**" are to all persons appointed as a dealer in respect of one or more Tranches of Notes or the Programme.
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restriction applicable at the date of this Offering Circular.
Notes having a maturity of less than one year	Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended (including by the Financial Services Act 2012 ("**FSA**")) ("**FSMA**") unless they are issued to a limited class of professional

	investors and have a denomination of at least £100,000 or its equivalent. See "*Subscription and Sale*".
Trustee	The Bank of New York Mellon, London Branch
CDP Issuing and Paying Agent, CDP Registrar, CDP Transfer Agent and CDP Calculation Agent	The Bank of New York Mellon, Singapore Branch
Issuing and Paying Agent and Calculation Agent	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest and/or the issue price), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the pricing supplement (the "**Pricing Supplement**").
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes	The Notes will be issued in bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and vice versa.
Clearing Systems	Clearstream, Luxembourg, Euroclear, CDP and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the relevant Issuing and Paying Agent, the Trustee and the relevant Dealer(s).
Initial Delivery of Notes	On or before the issue date for each Tranche, the Global Note or Global Note Certificate representing the Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or CDP. Global Notes or Global Note Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system **provided that** the method of such delivery has been agreed in advance by the Issuer, the Guarantors, the Trustee, the Issuing and Paying Agent and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the Guarantors and the relevant Dealer(s).
Maturities	The Notes will have such maturity as may be agreed between the Issuer, the Guarantors and the relevant Dealer(s) subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Specified Denomination	Notes will be issued in such denominations as may be agreed between the Issuer, the Guarantors and the relevant Dealer(s) save that the minimum denomination of each Note will be such as may be allowed

	or required from time to time by the central banks (or equivalent body) or any laws or regulations applicable to the relevant currency (see "*Certain Restrictions*" and "*Notes having a maturity of less than one year*" above).
Fixed Rate Notes	Fixed interest will be payable in arrears on such date or dates as may be agreed between the Issuer, the Guarantors and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).
Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between the Issuer, the Guarantors and the relevant Dealer(s). Interest periods will be specified in the relevant Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Ranking	The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 5(a) (*Negative Pledge*) of the Conditions) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Guarantee	The Guarantors have in the Trust Deed unconditionally and irrevocably guaranteed on a joint and several basis the due and punctual payment of all sums payable by the Issuer from time to time in respect of the Notes. The Guarantee of the Notes constitutes direct, unconditional, unsubordinated and (subject to Condition 5(a) (*Negative Pledge*) of the Conditions) unsecured obligations of each of the Guarantors which will at all times rank at least *pari passu* with all other present and future unsecured obligations of each of the Guarantors, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Taxation	All payments of principal and interest in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or

	governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore, Guernsey and/or the Cayman Islands (as the case may be) or any political subdivision or any authority therein or thereof having power to tax or, unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) the Guarantors shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except in circumstances specified in Condition 12 (*Taxation*).
Redemption	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula or otherwise) as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement. Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "*Notes having a maturity of less than one year*" above.
Optional Redemption	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement.
Tax Redemption and Change of Control Redemption	Except as described in "*Optional Redemption*" above, early redemption will only be permitted (i) for tax reasons as described in Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*) and (ii) if so specified in the relevant Pricing Supplement, following a Change of Control as described in Condition 9(g) (*Redemption and Purchase – Change of Control*).
Issuer Clean-up call	If specified in the relevant Pricing Supplement, in the event that 10 per cent. or less of the initial aggregate principal amount of the relevant Series of Notes remains outstanding, the outstanding Notes may be redeemed at the option of the Issuer in whole, but not in part, on the Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders, the Trustee and the Paying Agent (which notice shall be irrevocable) at a price equal to 100 per cent. of their principal amount plus accrued interest to (but excluding) the date fixed for redemption.
Certain Covenants	The Issuer and the Guarantors have agreed in the Trust Deed constituting the Notes and the Conditions related thereto to observe certain covenants, including, among other things, a negative pledge and the provision of financial statements and reports. See "*Terms and Conditions of the Notes*".
Event of Default	Certain events will permit acceleration of the payment of the principal amount of the Notes (together with all interest and additional amounts accrued and unpaid thereon). These events include default with respect to the payment of principal, of premium, if any, or of interest on, the Notes. See "*Terms and Conditions of the Notes*".
Listing and Trading	Approval in-principle has been granted by the SGX-ST for permission to deal in for the listing of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. If the application to the SGX-ST to list a particular series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size

	of at least S$200,000 (or its equivalent in other currencies). Unlisted Series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be listed.
Ratings	Notes issued under the Programme may be rated or unrated. Where an issue of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A 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.
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom), Japan, Hong Kong, Singapore, Italy and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*".
Risks of Investing	Before making any investment decision, investors should carefully consider the risks associated with an investment in the Notes. These risks include: • risks relating to Vena Energy's business; • risks relating to the Notes issued under the Programme and the Guarantee of the Notes; and • risks relating to the structure of a particular issue of Notes. See the section titled "*Risk Factors*" in this Offering Circular which, while not intended to be an exhaustive enumeration of all risks, should be considered in connection with a purchase of the Notes.

SELECTED PRO FORMA FINANCIAL INFORMATION

Potential investors should read the following unaudited pro forma financial information for the financial year ended 31 December 2018 and for the six-month periods ended 30 June 2018 and 2019 and as at 31 December 2018 and 30 June 2019 in conjunction with the Pro Forma Financial Information included elsewhere in this Offering Circular.

Basis of Preparation of the Unaudited Pro Forma Financial Information

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

The pro forma consolidated financial information for the year ended 31 December 2018 has been compiled based on the audited consolidated financial statements of Vena Energy Holdings Ltd and its subsidiaries, audited consolidated financial statements of Vena Energy (Taiwan) Holdings Ltd and its subsidiaries and the audited consolidated financial statements of Zenith Japan Holdings Trust and its subsidiaries for the year ended 31 December 2018 (the "**Audited Financial Statements**"). The Audited Financial Statements for the year ended 31 December 2018 were prepared in accordance with IFRS and audited by KPMG LLP, in accordance with International Standards on Auditing.

The pro forma condensed consolidated interim financial information for the six-month period ended 30 June 2019 has been compiled based on the condensed consolidated interim financial statements of Vena Energy Holdings Ltd and its subsidiaries, the condensed consolidated interim financial statements of Vena Energy (Taiwan) Holdings Ltd and its subsidiaries and the condensed consolidated interim financial statements of Zenith Japan Holdings Trust and its subsidiaries for the six-month period ended 30 June 2019, which are unaudited (the "**Interim Financial Statements**"). The Interim Financial Statements for the six-month period ended 30 June 2019 were prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and reviewed by KPMG LLP, in accordance with International Standards on Review Engagements. The Interim Financial Statements includes comparative information in respect of the six-month period ended 30 June 2018 which are neither audited nor reviewed. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of the comparative information in respect of the six-month period ended 30 June 2018, the information presented therein would not have been materially different, and comparative information in respect of the six-month period ended 30 June 2018 should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review. Potential investors should exercise caution when using such data to evaluate the financial condition and results of operations of the Guarantors in respect of the six-month period ended 30 June 2018. In addition, the Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Guarantors for the relevant full financial year.

On 19 January 2018, the Guarantors acquired a portfolio of renewable energy assets (the "**Acquisition**"), forming Vena Energy. As part of the Acquisition, the Guarantors collectively acquired economic interests in renewable energy assets in Australia, India, Indonesia, Thailand, the Philippines, Japan and Taiwan, and their respective asset management teams. The purpose of the Pro Forma Financial Information is to show the financial position, financial performance, changes in equity and cash flows of the Guarantors as a single performance unit as at and for the year ended 31 December 2018 and as at and for the six-month period ended 30 June 2019.

In compiling the Pro Forma Financial Information from the Audited Financial Statements and Interim Financial Statements respectively, items of assets, liabilities, equity, income, expenses and cash flows of each Guarantor and its subsidiaries were aggregated.

In addition, the following key adjustments were made in the compilation of the Pro Forma Financial Information from the Audited Financial Statements and Interim Financial Statements respectively:

(i) Elimination of 1% equity interest in certain subsidiaries of Zenith Japan Holdings Trust held by certain subsidiaries of Vena Energy Holdings Ltd;

(ii) Elimination of balances and transactions between the Guarantors and/or subsidiaries of the Guarantors, and any unrealised income and expenses arising from intra-group transactions between the subsidiaries of the Guarantors; and

(iii) Elimination of unrealised gains arising from transactions between subsidiaries of the Guarantors and equity-accounted investees of the Guarantors against the investment in the equity-accounted investee, to the extent of the Guarantors' interest in the investee.

The following tables present the Guarantors' unaudited pro forma:

(a) consolidated statements of financial position as at 31 December 2018 and 30 June 2019;

(b) consolidated statements of comprehensive income for the year ended 31 December 2018 and the six-month periods ended 30 June 2018 and 30 June 2019; and

(c) consolidated statements of cash flows for the year ended 31 December 2018 and the six-month periods ended 30 June 2018 and 30 June 2019.

Unaudited pro forma consolidated statement of financial position

	30 June 2019	31 December 2018
	U.S.$'000	
Assets		
Property, plant and equipment	1,696,340	1,652,874
Right-of-use assets	157,796	—
Intangible assets	2,592,366	2,619,198
Equity-accounted investees	460,731	526,464
Other investments	5,876	5,363
Deferred tax assets	13,846	13,734
Loans receivables	78,296	78,780
Trade and other receivables	2,061	—
Derivative assets	39,870	53,844
Prepayment and other assets	19,370	21,271
Non-current assets	**5,066,552**	**4,971,528**
Loans receivables	14,616	23,554
Trade and other receivables	142,365	113,063
Prepayment and other assets	16,473	17,735
Derivative assets	2,865	1,199
Cash and cash equivalents	545,704	486,744
Current assets	**722,023**	**642,295**
Total assets	**5,788,575**	**5,613,823**
Equity		
Share capital and units in issue	3,232,919	3,232,919
Accumulated losses	(22,388)	(37,025)
Reserves	133,079	70,211
Equity attributable to owners of the Holding Companies	**3,343,610**	**3,266,105**
Non-controlling interests	81,651	78,027
Total equity	**3,425,261**	**3,344,132**
Liabilities		
Loans and borrowings	2,054,051	1,989,840
Employee benefits	46	188
Derivative liabilities	31,380	15,457
Asset retirement obligation	24,915	29,307
Deferred tax liabilities	25,177	20,812
Non-current liabilities	**2,135,569**	**2,055,604**
Loans and borrowings	132,417	134,016
Derivative liabilities	4,034	—
Trade and other payables	90,526	78,264
Current tax liabilities	768	1,807
Current liabilities	**227,745**	**214,087**
Total liabilities	**2,363,314**	**2,269,691**
Total equity and liabilities	**5,788,575**	**5,613,823**

Unaudited pro forma consolidated statement of comprehensive income

	Six-month period ended		Year ended
	30 June 2019	30 June 2018	31 December 2018
		U.S.$'000	
Sale of energy	142,339	121,855	250,967
Service concession income	23,589	69,734	123,042
Fee income	—	—	1,405
Total revenue	**165,928**	**191,589**	**375,414**
Other income	5,449	2,874	6,866
Cost of service concession income	(23,589)	(69,734)	(123,042)
Operating costs	(21,557)	(17,193)	(37,948)
Shared services costs	(17,717)	(22,981)	(50,656)
Development costs	(1,811)	(1,971)	(3,330)
Depreciation expense	(30,791)	(26,058)	(55,090)
Amortisation expense	(23,973)	(21,701)	(42,849)
	(119,438)	(159,638)	(312,915)
Finance income	5,729	3,973	8,332
Finance costs	(49,101)	(55,978)	(107,911)
Change in fair value of financial derivatives	(32,593)	18,805	34,035
Foreign exchange loss	(409)	(20,113)	(28,794)
Net finance costs	**(76,374)**	**(53,313)**	**(94,338)**
Gain on transfer of TK interests	45,969	—	—
Impairment loss on financial assets	—	—	(738)
Loss on write off of property, plant and equipment	(9)	—	(1,347)
Share of net profit of equity-accounted investees, net of tax	4,174	(6,081)	(345)
Profit/(loss) before tax	**25,699**	**(24,569)**	**(27,403)**
Tax expense	(6,278)	(223)	(1,154)
Profit/(loss) for the period	**19,421**	**(24,792)**	**(28,557)**
Profit/(loss) attributable to:			
Owners of the Holding Companies	14,637	(29,098)	(37,025)
Non-controlling interests	4,784	4,306	8,468
	19,421	**(24,792)**	**(28,557)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	—	—	113
Equity-accounted investees—share of OCI	—	—	(4)
Related tax	—	—	(11)
	—	—	98
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences	57,643	17,382	8,072
Equity-accounted investees – share of OCI	7,357	(23,899)	(17,632)
Other comprehensive income/(loss) for the period	**65,000**	**(6,517)**	**(9,462)**
Total comprehensive income/(loss) for the period	**84,421**	**(31,309)**	**(38,019)**
Total comprehensive income/(loss) attributable to:			
Owners of the Holding Companies	77,505	(35,256)	(46,794)
Non-controlling interests	6,916	3,947	8,775
	84,421	**(31,309)**	**(38,019)**

Unaudited pro forma consolidated statement of cash flows

	For the six-month period ended		Year ended
	30 June 2019	30 June 2018	31 December 2018
		U.S.$'000	
Cash flows from operating activities			
Profit/(loss) before tax	25,699	(24,569)	(27,403)
Adjustments for:			
Depreciation expense	30,791	26,058	55,090
Amortisation expense	23,973	21,701	42,849
Gain on transfer of TK interests	(45,969)	—	—
Impairment loss on financial assets	—	—	738
Loss on write off of property, plant and equipment	9	—	1,347
Finance income	(5,729)	(3,973)	(8,332)
Finance costs	49,101	55,978	107,911
Net changes in fair value of financial instruments	32,593	(18,805)	(34,035)
Unrealised foreign exchange loss	4,820	3,004	37,431
Share of net (profit)/loss of equity-accounted investees, net of tax	(4,174)	6,081	345
	111,114	65,475	175,941
Changes in:			
—Trade and other receivables	(23,387)	33,232	10,206
—Prepayments and other assets	4,242	(391)	(11,711)
—Trade and other payables	14,402	(68,370)	(82,624)
—Provisions and employee benefits	(183)	(43)	224
—Lease liabilities	158,488	—	—
—Right-of-use assets	(157,274)	—	—
Cash generated from operating activities	**107,402**	**29,903**	**92,036**
Tax paid	(3,118)	(1,067)	(6,967)
Net cash from operating activities	**104,284**	**28,836**	**85,069**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	—	(3,353,079)	(3,353,079)
Acquisition of interest in equity-accounted investees	(1,658)	(45,019)	(45,019)
Repayment of loan from equity-accounted investees	3,309	3,642	6,875
Distributions from equity-accounted investees	76,110	8,535	8,535
Purchase of property, plant and equipment	(157,138)	(157,525)	(278,715)
Development expenditure	(23,818)	(123,961)	(127,947)
Disbursement of loan to equity account investees	—	—	(3,600)
Deposits pledged	7,346	(44,691)	(57,935)
Interest received	14,281	1,869	7,122
Proceeds from transfer of TK interests	109,505	—	—
Net cash generated from/(used in) investing activities	**27,937**	**(3,710,229)**	**(3,843,763)**
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares	—	3,232,919	3,232,919
Proceeds from additional equity received	—	29,980	29,980
Contributions from non-controlling interest	—	—	3,600
Dividends paid to non-controlling interests	—	—	(6,671)
Proceeds from drawdown of loans and borrowings	168,402	884,139	1,440,726
Repayment of loans and borrowings	(182,117)	(48,896)	(389,228)
Proceeds from lease liabilities	84	—	—
Payment of lease liabilities	(2,705)	(15)	(30)
Transaction costs related to loans and borrowings	(4,220)	(19,365)	(35,798)
Interest paid to loans and borrowings	(46,599)	(34,905)	(76,892)
Interest paid to on acquisition	—	(17,472)	(17,472)
Dividends paid to non-controlling interest	(3,030)	—	—
Net cash (used in)/from financing activities	**(70,185)**	**4,026,385**	**4,181,134**
Net increase in cash and cash equivalents	**62,036**	**344,992**	**422,440**
Cash and cash equivalents at 1 January	424,596	—	—
Effect of exchange rate fluctuations on cash held	(671)	6,946	2,156
Cash and cash equivalents at 30 June/31 December	**485,961**	**351,938**	**424,596**

NON-IFRS FINANCIAL AND OTHER OPERATING DATA

The following section presents certain non-IFRS financial and other operating data for the financial year ended 31 December 2018 and the six-month periods ended 30 June 2018 and 2019. These non-IFRS financial data have been derived from the Pro Forma Financial Information, the Audited Financial Statements and/or Interim Financial Statements included elsewhere in this Offering Circular and management schedules prepared by the Guarantors, where applicable, and are supplemental financial measures and are not presented in accordance with IFRS or generally accepted accounting principles in other countries, including Singapore. Accordingly, these data should not be considered in isolation from, or as a substitute for, the analysis of the financial condition or results of operations of Vena Energy, as reported under IFRS. Other companies may calculate similarly-titled financial measures differently, limiting their usefulness as comparative measures.

The following non-IFRS financial data, namely Proportionate Revenue, Proportionate EBITDA, Proportionate EBITDA Margin, Guarantors' Net Debt, Funds from Operational Assets[11] and Guarantors' Net Debt to Funds from Operational Assets, as well as other operating data, as Vena Energy believes they are useful supplements to its financial data presented under IFRS, as measures of Vena Energy's financial and operating performance as well as measures of its assets' ability to generate cash from operations. This data is used by Vena Energy to measure its performance. In particular, as the assets located in the Philippines are defined as associates under IFRS, among other things, revenues from these renewable energy generation assets are not consolidated but are instead accounted for using the equity method of accounting under "share of net profit/(loss) of equity-accounted investees" in the Financial Statements.

Prospective investors should read the following non-IFRS financial and other operating data in conjunction with the Pro Forma Financial Information included elsewhere in this Offering Circular.

Key Non-IFRS Financial Data

	Year ended 31 December	Six months ended 30 June	
	2018	2018	2019
	U.S.$ in millions except margin data		
Proportionate Revenue[(a)]	308.0	151.5	171.1
Proportionate EBITDA[(b)]	206.8	104.6	126.6
Proportionate EBITDA Margin[(c)]	67%	69%	74%
Guarantors' Net Debt[(d)]	522.3	n.m[(e)]	482.9

	Year ended 31 December	Last 12 month period from 1 July 2018 to 30 June 2019[(f)]	
	2018	2018	2019
	U.S.$ in millions except margin data		
Funds from Operational Assets ("**FFOA**")	155.5	n.m[(e)]	163.6[(f)]
Guarantors' Net Debt to FFOA[(g)]	3.36x	n.m	2.95x

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

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

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

(d) Guarantors' Net Debt is a non-IFRS financial measure and represents the aggregate third party debt for the Guarantors less the aggregate cash and cash equivalents of the Guarantors.

(e) Not meaningful.

(f) Funds from Operational Assets for the 12 months ended 30 June 2019 is derived from the aggregate of Funds from Operational Assets for the period of 1 July 2018 to 31 December 2018 and 1 January 2019 to 30 June 2019.

(g) Guarantors' Net Debt to FFOA is a non-IFRS financial measure and represents an indicator of the ability of the Guarantors to cover their outstanding aggregated third party debt from the funds generated by the Operational Assets. Guarantors' Net Debt to FFOA is calculated by dividing Guarantors' Net Debt over FFOA.

11 "**Operational Asset**" means a subsidiary or equity-accounted investee (as defined in IFRS) of the Guarantors which holds the legal and economic interest in a renewable generation facility that is commissioned and capable of generating electricity during the relevant reporting period.

Reconciliation of Gross Revenue to Proportionate Revenue

	Year ended 31 December	Six months ended 30 June	
	2018	2018	2019
	U.S.$ in millions		
Revenue	375.4	191.6	165.9
Other income	6.9	2.9	5.5
Total income	**382.3**	**194.5**	**171.4**
Less: Service concession income	(123.0)	(69.7)	(23.6)
Less: Total Income attributable to non-controlling interests[a]	(14.4)	(7.4)	(7.5)
Add: Share of Total Income of equity-accounted investees	63.1	34.1	30.8
Proportionate Revenue	**308.0**	**151.5**	**171.1**

(a) Total Income attributable to non-controlling interests represents the aggregate of Revenue and Other income attributable to minority shareholder who is unrelated to Vena Energy based on its effective economic interest in the relevant subsidiaries of Vena Energy.

Reconciliation of Profit/(Loss) for the Year/Period to Adjusted EBITDA and Proportionate EBITDA

	Year ended 31 December	Six months ended 30 June	
	2018	2018	2019
	U.S.$ in millions		
Profit/(Loss) for the Year/ Period	**(28.6)**	**(24.8)**	**19.4**
Less: Service concession income	(123.0)	(69.7)	(23.6)
Add: Cost of service concession income	123.0	69.7	23.6
Add: Development costs	3.3	2.0	1.8
Add: Depreciation expense	55.1	26.1	30.8
Add: Amortisation expense	42.9	21.7	24.0
Add: Net finance costs	94.3	53.3	76.4
Add: Impairment loss on financial assets	0.7	—	—
Add: Loss on write-off of property, plant and equipment	1.4	—	—
Add: Tax expense	1.2	0.2	6.3
Less: Gain on transfer of TK interests	—	—	(46.0)
Adjusted EBITDA	**170.3**	**78.5**	**112.7**
Less: Adjusted EBITDA attributable to non-controlling interests[b]	(12.8)	(6.8)	(6.7)
Less: Share of net profit/(loss) of equity-accounted investees, net of tax	0.3	6.1	(4.2)
Add: Share of Adjusted EBITDA of equity-accounted investees	49.0	26.8	24.8
Proportionate EBITDA	**206.8**	**104.6**	**126.6**

(b) Adjusted EBITDA attributable to non-controlling interests represents the Adjusted EBITDA attributable to minority shareholders who are unrelated to Vena Energy based on its effective economic interest in the relevant subsidiaries of Vena Energy.

Guarantors' Net Debt

	As at	
	31 December 2018	30 June 2019
	U.S.$ in millions	
Term loan	622.5	630.5
Revolving credit facility	78.4	55.0
Guarantors' Gross Debt	**700.9**	**685.5**
Less: Cash and cash equivalents of the Guarantors and Zenith Japan Trust[c]	(178.6)	(202.6)
Guarantors' Net Debt	**522.3**	**482.9**

(c) Zenith Japan Trust is a wholly-owned subsidiary (as defined in IFRS) of Zenith Japan Holdings Trust.

Funds from Operational Assets

The following tables present the Funds from Operational Assets of the Guarantors for the year ended 31 December 2018 and the 12 months ended 30 June 2019.

Funds from Operational Assets represents an indicator of recurring funds generated by the Operational Assets that can be used for servicing the Guarantors' third party debt, committed and discretionary capital expenditure, development costs and working capital.

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

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

	Year ended 31 December 2018							
	Australia	India	Indonesia	Japan	Philippines	Taiwan	Thailand	Total
	U.S.$ in millions unless otherwise stated							
Operational Assets Economic Capacity (MW)	**—**	**679.0**	**—**	**290.9**	**244.8**	**10.0**	**64.2**	**1,288.9**
Revenue	**—**	**101.9**	**—**	**102.8**	**68.3**	**2.0**	**48.9**	**323.9**
Less: Operating Expenses								
—Operation and maintenance costs	—	(8.0)	—	(6.3)	(4.4)	(0.1)	(1.8)	(20.6)
—Asset management & shared service fees	—	(2.5)	—	(3.9)	(2.2)	(0.7)	(0.8)	(10.1)
—Business related taxes	—	(0.1)	—	(6.4)	(4.0)	—	(0.1)	(10.6)
—Land rent and occupancy costs	—	(0.6)	—	(4.5)	(0.6)	(0.2)	(0.8)	(6.7)
—General and administrative expenses	—	(3.0)	—	(2.9)	(4.2)	(0.5)	(1.5)	(12.1)
Results from Operational Assets[a]	**—**	**87.7**	**—**	**78.8**	**52.9**	**0.5**	**43.9**	**263.8**
Less: Share of economic interest attributable to other shareholder[b]	—	—	—	—	(0.8)	—	(13.2)	(14.0)
Proportionate results from operating activities attributable to the Guarantors	**—**	**87.7**	**—**	**78.8**	**52.1**	**0.5**	**30.7**	**249.8**
Add: Proportionate interest income received[c]	—	2.4	—	—	0.6	—	0.1	3.1
Less: Proportionate debt service and tax payments[d]	—	(54.1)	—	(12.0)	(19.4)	(0.2)	(11.7)	(97.4)
Funds from Operational Assets[e]	**—**	**36.0**	**—**	**66.8**	**33.3**	**0.3**	**19.1**	**155.5**

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

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

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

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

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

	12 Months ended 30 June 2019							
	Australia	**India**	**Indonesia**	**Japan**	**Philippines**	**Taiwan**	**Thailand**	**Total**
	U.S.$ in millions unless otherwise stated							
Operational Assets Economic Capacity (MW)	**127.0**	**679.0**	**72.0**	**275.5**	**244.8**	**20.0**	**64.2**	**1,482.5**
Revenue	**1.6**	**106.9**	**10.3**	**107.2**	**64.5**	**3.3**	**50.4**	**344.2**
Less: Operating Expenses								
—Operation and maintenance costs	(0.2)	(10.3)	(0.7)	(6.4)	(4.6)	(0.2)	(1.5)	(23.9)
—Asset management & shared service fees	(0.6)	(2.3)	—	(4.3)	(2.7)	(0.4)	(0.8)	(11.1)
—Business related taxes	—	(0.2)	—	(6.5)	(3.3)	—	(0.2)	(10.2)
—Land rent and occupancy costs(1)	—	(0.6)	(0.1)	(4.3)	(0.3)	(0.2)	(0.8)	(6.3)
—General and administrative expenses	(0.4)	(2.7)	(1.3)	(2.9)	(4.5)	(0.6)	(1.5)	(13.9)
Results from Operational Assets	**0.4**	**90.8**	**8.2**	**82.8**	**49.1**	**1.9**	**45.6**	**278.8**
Less: Share of economic interest attributable to other shareholder	—	—	—	—	(0.7)	—	(13.7)	(14.4)
Proportionate results from Operating Results attributable to the Guarantors	**0.4**	**90.8**	**8.2**	**82.8**	**48.4**	**1.9**	**31.9**	**264.4**
Add: Interest income received	0.1	3.2	—	—	0.9	—	—	4.2
Less: Debt service and tax payments	(0.5)	(62.9)	(5.9)	(10.9)	(14.3)	(0.8)	(9.7)	(105.0)
Funds from Operational Assets	**—**	**31.1**	**2.3**	**71.9**	**35.0**	**1.1**	**22.2**	**163.6**

(1) The effects of applying IFRS 16 *Leases* on land rent and occupancy costs for the period from 1 January 2019 to 30 June 2019 is reversed from the management accounts of the Operational Assets and is accounted in accordance with IAS 17 *Leases* for comparability purposes.

RISK FACTORS

An investment in the Notes 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. Vena Energy's business, financial condition and results of operations could be materially and adversely affected by any of these risks. The market price of the Notes 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 Vena Energy or the Notes. This Offering Circular contains forward-looking statements relating to events that involve risks and uncertainties. The Issuer's actual results may differ materially from those anticipated in forward-looking statements as a result of various factors, including the risks faced by Vena Energy described below and elsewhere in this Offering Circular.

Risks Relating to the Issuer and Vena Energy's corporate structure

The Issuer has no operating history and no material assets, and will depend on receipt of payments from the Guarantors to make payments to the Noteholders.

At the date of this Offering Circular, the Issuer is a newly established special purpose vehicle in the form of a private company with limited liability incorporated in Singapore on 13 September 2019 pursuant to the Companies Act, Chapter 50 of Singapore, and has no operating history. The Issuer has not, as at the date of this Offering Circular, and will not engage in any business activity other than raising debt financing (including, without limitation, the issuance of Notes under the Programme and on-lending the proceeds to the Guarantors).

Accordingly, the Issuer's only material assets will be intercompany loans to the Guarantors. Therefore, the Issuer is subject to all the risks to which Vena Energy is subject to the extent that such risks could limit the Guarantors' ability to satisfy in full and on a timely basis their obligations under the Notes. See "*Risks Relating to Vena Energy's Business*" below for a further description of these risks.

The ability of the Issuer to pay amounts due on the Notes will primarily be dependent upon receipt by the Issuer from the Guarantors, of all amounts due under the intercompany loans, or in the event that such payments are insufficient, payments from the Guarantors under the Guarantee of the Notes to make up the shortfall.

Vena Energy Holdings Ltd and Vena Energy (Taiwan) Holdings Ltd are holding companies holding interests in Vena Energy's assets. Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) indirectly holds TK interests in the Japanese Assets. Any limitation on the ability of the respective Asset Companies of the Guarantors or Zenith Japan Trust to make Distributions or other payments could have a material adverse effect on the ability of the Guarantors to make payments to the Issuer or the Noteholders.

The activities of Vena Energy Holdings Ltd and Vena Energy (Taiwan) Holdings Ltd are limited to the holding of interests in Vena Energy's assets and the activities of Zenith Japan Holdings Ltd are limited to acting as the trustee of Zenith Japan Holdings Trust, in which capacity Zenith Japan Holdings Ltd indirectly holds TK interests in the Japanese Assets through Zenith Japan Ltd (as trustee of Zenith Japan Trust).

Accordingly, each of the Guarantors have no significant business operations. Vena Energy Holdings Ltd and Vena Energy (Taiwan) Holdings Ltd rely, for their cash and financing requirements, on dividends and other distributions (collectively, "**Distributions**") that may be paid by their respective asset holding companies, project companies or equity-accounted investees that hold Vena Energy's assets ("**Asset Companies**"). Zenith Japan Holdings Trust invests in the TK interests in the Japanese Assets through Zenith Japan Trust, and consequently Zenith Japan Holdings Trust relies upon payments that may be made to it by Zenith Japan Trust for its cash financing requirements, which in turn relies on the Japanese project companies to make payments under TK arrangements. The cash financing requirements of the Guarantors include the funds necessary to pay dividends and other cash distributions and service any debt which may be incurred by the relevant Guarantor. The instruments governing any debt incurred by the Asset Companies on their own behalf or by Zenith Japan Ltd (as trustee of Zenith Japan Trust) may restrict their ability to pay Distributions to the relevant Guarantor.

In addition, even if the relevant Asset Companies or Zenith Japan Trust are allowed to pay Distributions to the relevant Guarantors, tax regimes in some of the countries where Vena Energy operate generally require the relevant Asset Companies or Zenith Japan Trust to set aside certain percentage of the dividend or after-tax profit to fund certain statutory reserves and may be required to withhold tax amounts on dividend payments. Although a bilateral income tax treaty may be applied to reduce such withholding tax, such treaty benefit may not be available as its applicability depends on the income tax treaty framework of the payor country and whether a tax payor is qualified to claim benefit under the relevant tax treaty. Any limitation on the ability of the Asset Companies or Zenith Japan Trust to pay Distributions to the Guarantors could materially and adversely limit the ability of the Guarantors to make payments to the Noteholders under the Guarantee of the Notes.

Risks Relating to Vena Energy's Business

The performance of Vena Energy's assets will be affected by wind and solar conditions, and the seasonality of Vena Energy's operations may affect liquidity.

The revenues generated by Vena Energy's projects are proportional to the amount of electricity generated, which is in turn dependent upon environmental conditions. Operating results for wind and solar energy projects vary depending on natural variations from season to season and from year to year, and may also change permanently because of climate change or other factors. In some periods, the wind or solar conditions may fall within Vena Energy's long-term estimates but not within the averages expected for such a period. In addition, the amount of electricity Vena Energy's projects produce is dependent in part on the amount of sunlight or irradiation (in the case of solar power projects) and on actual wind conditions, including wind speed (in the case of wind power projects).

Wind energy is highly dependent on weather conditions and in particular on wind conditions. If wind speeds are lower than expected, Vena Energy's wind assets may not perform as it expects or may not be able to generate energy at all and, if wind speeds are too high, the wind assets may have to shut down to avoid damage. The profitability of a wind energy project depends not only on observed wind conditions at the sites, which are inherently variable, but also on whether observed wind conditions are consistent with assumptions made during the project development phase. Actual wind conditions at these sites, however, may not conform to the measured data in these studies and may be affected by variations in weather patterns, including seasonal variations in wind patterns and any potential impact of climate change. In addition, climatic conditions may be adversely affected by nearby objects (such as buildings, other large-scale structures or wind turbines) developed later by third parties. For example, the "wake effect" is the aggregated influence on the energy production of a given wind energy project which results from the changes in wind speed caused by the impact of the turbines on each other. An increase in wake effects leads to a decrease in downwind wind speeds which, in turn, adversely impacts a given wind energy project's power generation capability. Accordingly, wake effects from neighbouring wind farms, both currently in existence and which may be built in close proximity to Vena Energy's projects in future, could have an adverse impact. For these reasons, the electricity generated by Vena Energy's wind energy projects may not meet its anticipated production levels. If the wind resources at a particular site are below the levels Vena Energy expects including in terms of quality, the rate of return for that project would be below its expectations.

The electricity produced and revenues generated by Vena Energy's solar energy projects are highly dependent on suitable solar conditions and associated weather conditions, which are beyond its control. In addition, the amount of electricity that solar energy generation assets produce is dependent on seasonal variations in the amount of sunlight where the assets are located. As there are shorter sunlight hours in winter months or during monsoon seasons, resulting in less irradiation, the output of solar assets will vary depending on the season where the solar assets are located. In addition to factors such as lower irradiation in winter months, snowfall onto solar panels at the locations of Vena Energy's solar generation assets in Japan during winter months leads to a reduction in output. Vena Energy bases its investment decisions with respect to each solar energy project on the findings of related solar studies conducted on-site prior to construction. However, actual climatic conditions at a project site may not conform to the findings of these studies and may be affected by variations in weather patterns and any potential impact of climate change. Unfavourable weather and atmospheric conditions could impair the effectiveness of Vena Energy's projects or reduce their output to levels below their rated capacity.

Vena Energy will need to maintain sufficient financial liquidity to absorb the impact of these variations in energy generation and other significant events. Vena Energy expects that its principal source of liquidity will be cash generated from its operating activities. Vena Energy's results of operations may fluctuate significantly for various reasons, including economic incentives and weather patterns. See "*– Laws, governmental regulations and policies supporting renewable energy are subject to change, including as a result of new political leadership, and such change may materially and adversely affect Vena Energy's business, results of operations and growth strategy*".

Natural and catastrophic events may reduce energy production to levels below Vena Energy's expectations.

Natural disasters, severe weather conditions or accidents that damage or otherwise adversely affect any of Vena Energy's operations could materially and adversely affect its business, financial condition and results of operations. Typhoons, severe flooding, lightning strikes, earthquakes, extreme wind conditions, severe storms, wildfires and other unfavourable weather conditions (including those resulting from climate change) or natural disasters could damage Vena Energy's property and assets or require it to shut down its turbines, solar panels or related equipment and facilities, impeding Vena Energy's ability to maintain and operate its projects and decreasing electricity production levels and revenues from operations. For example, an earthquake in the Philippines in 2017 and severe flooding resulting from the monsoon season in India in 2019 resulted in a negative impact on Vena Energy's solar energy projects located in these countries. Any of these events, to the extent not fully covered by insurance, could have a material adverse effect on Vena Energy's business, cash flows, financial condition and results of operations.

In addition, catastrophic events such as explosions, terrorist acts or other similar occurrences could result in similar consequences or in personal injury, loss of life, environmental danger or severe damage to or destruction of the projects or suspension of operations, in each case, adversely affecting Vena Energy's ability to maintain and operate the projects and decreasing electricity production levels and revenues from operations. Any of these events could adversely affect Vena Energy's business, financial condition, results of operations and prospects.

Vena Energy faces risks and uncertainties when developing wind and solar energy projects.

The development and construction of wind and solar energy projects involve numerous risks and uncertainties and require extensive research, planning and due diligence. Before Vena Energy can determine whether a solar or wind energy project is economically, technologically or otherwise feasible, it may be required to incur significant capital expenditure for land and interconnection rights, regulatory approvals, preliminary engineering, equipment procurement and legal and other work.

Success in developing a project depends on many factors, including:

- securing appropriate land, with necessary rights to land access and use, on reasonable terms or litigation or regulatory proceedings challenging Vena Energy obtaining such rights;
- accurately assessing resource availability at levels deemed acceptable for project development and operations;
- receiving critical components and equipment (that meet Vena Energy's design specifications) on schedule and on acceptable commercial terms;
- obtaining the support of the local community;
- securing necessary environmental and project approvals, licences and permits in a timely manner;
- availability of adequate grid infrastructure and obtaining rights to interconnect the project to the grid or to transmit energy;
- receiving quality and timely performance of third party services;
- obtaining financing on competitive terms;
- completing construction on schedule, and a number of factors which may cause delays, including changing engineering and design requirements, performance of contractors and labour disruptions; and
- entering into offtake arrangements on acceptable terms.

There may be delays or unexpected difficulties in completing projects as a result of issues in these or other factors. Vena Energy may also need to abandon or reduce the size of some of its projects if it experiences problems or difficulties in relation to any of these factors. If it experiences such problems, Vena Energy may lose its investment in development expenditures and may be required to write off project development assets, and its business, financial condition, results of operations and prospects could be materially and adversely affected.

In addition, the development of wind and solar projects involves risks, hazards and industrial accidents which can cause or result in personal injury or death, severe damage to and destruction of property, plant and equipment and suspension of operations, which could adversely affect Vena Energy's reputation, business and results of operations.

The growth of Vena Energy's business depends on developing and securing rights to sites suitable for the development of its projects, and the use and enjoyment of land on which Vena Energy's assets are located may be adversely affected.

Vena Energy's ability to realise its business and growth plans is dependent on its ability to develop and secure rights to sites suitable for the development of viable projects.

Wind and solar energy project sites require certain geological conditions that are not available in all areas. Suitable sites are determined on the basis of cost, wind and solar resource levels, topography, contiguity, grid connection infrastructure and other relevant factors. Further, wind and utility-scale solar energy projects must be interconnected to the power grid in order to deliver electricity, which requires Vena Energy to find suitable sites with adequate evacuation and transmission infrastructure. Utility-scale solar energy projects also require sufficient contiguous land for development. There is no assurance that Vena Energy will be able to procure contiguous parcels of land for its utility-scale solar energy projects on terms that are acceptable to it, or at all.

Any failure by Vena Energy to secure suitable sites may materially impact the development of a project and may also result in non-compliance with related conditions under project agreements. If this occurs across a number of its projects, its business and prospects could be materially and adversely affected.

In relation to Vena Energy's assets located in India, there is no assurance of clean title to land in India as there is no central title registry for real property in India, and it is not possible to establish title to land in India with full certainty. Property records in India are typically not available online for inspection or updated on a regular basis or in a timely manner, and are often inaccurate or in poor condition, and are at times untraceable on account of being destroyed or lost and, accordingly, unavailable for physical inspection, which materially impedes the title investigation process. Additionally, there is no comprehensive mechanism available to verify existing litigation in respect of real property in India. Further, other factors including improperly executed, unregistered or insufficiently stamped title documents in a property's chain of title and unregistered encumbrances in favour of third parties and other defects that an owner or purchaser may not be aware of can affect the title to a property. As a result, Vena Energy may not have been able to assess or identify all the risks associated with the land in India, and there may be competing claims to or other deficiencies that Vena Energy has not been able to identify in title to the land underlying its assets in India, and new claims or other deficiencies may arise in the future.

In addition, Vena Energy does not own a portion of the land on which some of its assets are located, and such land is occupied under long-term leases and usage rights. The use and enjoyment of such land may be adversely affected to the extent that there are any lienholders or leaseholders that have rights which are superior to rights of Vena Energy. The leases and usage rights are subject to local laws and could be subject to mortgages securing loans or other liens and may have been created prior to Vena Energy's assets' leases and usage rights. As a result, some of Vena Energy's assets' rights under such leases or usage rights may be subject to the rights of these third parties. While Vena Energy takes certain measures to protect its interests in these assets, including performing title searches and other diligence, such measures may be inadequate to protect against all risk that Vena Energy's rights to use the land on which its assets are located and Vena Energy's assets' rights to such leases and usage rights could be lost or curtailed. Any such loss or curtailment of its rights to use the land on which its assets are located could have a material adverse effect on its business, financial condition, results of operations.

Further, some locations used for evacuation and transmission facilities are not owned by Vena Energy and are located on land owned by third parties. In such cases, Vena Energy enters into arrangements for rights of way to construct the facilities. It may face interruptions on account of such third party land owners who obstruct construction or operation of such facilities.

Growing its wind and solar energy project portfolio through acquisitions and disposals of assets or mergers and acquisitions may subject Vena Energy to additional risks that may adversely affect its business, financial condition, results of operations and prospects.

Vena Energy's strategy is to continue to expand by focusing on growing its wind and solar energy portfolio, through the development of new projects and selective acquisitions of existing or under development projects as well as strategic disposals of assets to fund its acquisitions. Successful integration of acquired projects into or separation of disposed assets from existing operations will depend on Vena Energy's ability to effect any required changes in operations or personnel, and may require capital expenditure. Vena Energy may encounter difficulties in integrating the acquired projects in a timely and cost-effective manner, difficulties in establishing effective management information and financial control systems, and unforeseen legal, regulatory, contractual or other issues. Acquisitions also involve risks that could materially and adversely affect Vena Energy's business, including the failure of the new acquisitions or projects to achieve the expected investment results, risks related to the integration or retention of personnel relating to the acquired assets or companies, adverse impact of purchase price adjustments, and the inability to achieve potential synergies in a profitable manner, risks associated with the diversion of its management's attention from its existing business and risks associated with entering into any new markets. Any failure to successfully integrate the portfolio of wind and solar energy projects may limit Vena Energy's ability to grow its business.

In the event that Vena Energy disposes of certain existing assets or portfolios, while it would do so in accordance with its investment and diversification policies, such disposals could result in a reduction of Vena Energy's cash flows and a change to its concentration risk in a particular jurisdiction or offtaker. In addition, Vena Energy could continue to be subject to liabilities over assets which it has sold pursuant to the sale and purchase agreements entered into with purchasers which may materially and adversely affect the financial condition, results of operations and prospects of Vena Energy.

There are inherent risks in the operation and maintenance of energy assets which could result in unplanned energy outages or reduced output.

There are risks associated with the operation of Vena Energy's assets that could result in unplanned energy outages or reduced output. These risks include:

- breakdown or failure of turbines, blades, solar panels, substations, meters and other equipment;
- inability to replace critical spare parts or equipment which are damaged;
- insolvency or financial distress on the part of Vena Energy's service providers, contractors or suppliers, a default by such counterparties for any other reason under their warranties and other obligations to Vena Energy and a subsequent inability to find suitable replacements for such service providers, contractors or suppliers;
- technical performance below expected levels, including the failure of wind turbines, solar panels and other equipment to produce energy as expected due to incorrect measures of performance provided by equipment suppliers;
- increases in the cost of operating the assets, including costs relating to labour, equipment, insurance and real estate taxes;
- errors, breaches, failures or other forms of unauthorised conduct or malfeasance on the part of O&M providers, operators or other persons performing services related to Vena Energy's assets, including persons employed by or otherwise related to Vena Energy;
- design or manufacturing defects or failures, including defects or failures which may not be covered by warranties, guarantees, indemnities or insurance;
- failure to obtain or comply with permits and the inability to renew or replace permits that have expired or terminated;
- the inability to operate within limitations that may be imposed by current or future governmental permits;
- replacements for failed equipment, which may need to meet new interconnection standards or require system impact studies and compliance that may be difficult or expensive to achieve;
- land use, environmental or other regulatory requirements;
- curtailment (and associated marginal loss factors) or forced shutdown of generation due to system operator requirements, failures of interconnection and distribution facilities, or environmental or other laws or regulations;
- government or utility exercise of eminent domain power, nationalisation, expropriation or similar events;
- existence of liens, encumbrance, or other imperfections in title affecting real estate interests;
- failure to obtain or maintain insurance; and
- failure of Vena Energy's insurance to fully compensate it for repairs and other actual losses.

These and other factors could require Vena Energy to shut down or reduce the output of Vena Energy's assets, degrade equipment, reduce the useful life of interconnection and transmission facilities, and materially increase O&M and other costs. Unanticipated capital expenditures associated with maintaining or repairing Vena Energy's assets may reduce profitability. In addition, if these factors result in Vena Energy not being able to meet performance requirements under the terms of its operation and maintenance agreements and offtake arrangements, it may be required to pay liquidated damages to the relevant counterparties under such agreements.

Spare parts for wind turbines and key pieces of electrical equipment may be hard to acquire or may have significant sourcing lead time or may be unavailable. Sources for some significant spare parts and other equipment are located outside of the markets in which Vena Energy operates. Replacements and spare parts for key pieces of equipment that Vena Energy has not contracted for may be difficult or costly to acquire or may be unavailable, including where the supplier has ceased to manufacture and/or supply the relevant equipment. Moreover, each wind and solar asset requires a specific transformer design and, if an acceptable spare is not available, Vena Energy may need to order a replacement. If Vena Energy were to experience a shortage of, or inability to acquire, critical spare parts or replacement equipment, it could incur significant delays in returning facilities to full operation.

Any of the operational risks described above could significantly decrease or eliminate the revenues of an asset, significantly increase its operating costs, cause Vena Energy to default under its project financing agreements and the Facilities Agreement or give rise to damages or penalties owed by Vena Energy to a customer under an offtake arrangement, another contractual counterparty, a governmental authority or other third parties, or cause defaults under related contracts or permits. Any of these events could have a material adverse effect on Vena Energy's business, financial condition, results of operations and prospects.

Vena Energy does not own a controlling equity interest in some of its assets due to local regulatory restrictions on foreign ownership. As a result, its ability to control management decisions and other significant matters at these assets may be limited, even when such decisions or matters could have a material adverse effect on Vena Energy, and its interests in such assets may be subject to transfer or other related restrictions.

Vena Energy does not own a controlling equity interest in some of its assets and may not own a controlling equity interest in its assets acquired in the future in certain of the markets in which it operates due to factors including local regulatory restrictions on foreign ownership. Vena Energy has also structured some of its operations as joint ventures due to commercial considerations in the local market. In the future, Vena Energy may acquire additional assets in which it will own less than a majority of the equity. Such ownership structures generally provide for a reduced level of control over an acquired company as governance rights are shared with others. For example, where foreign ownership requirements apply, foreign participation in the boards of directors of Vena Energy's asset holding companies in jurisdictions where it holds a minority equity interest in such companies would also be limited to the extent of the allowable foreign participation or share in the capital of such entities. Consequently, Vena Energy's ability to control management decisions and other significant matters at these assets may be limited, even when the management of the asset companies seeks to implement changes that could have a material adverse effect on Vena Energy.

As a result, Vena Energy may be dependent on its co-venturers to operate such assets, and would be exposed to risks that would not otherwise be present if a third party were not involved. Partners or co-venturers might become bankrupt or otherwise fail to fund their share of required capital contributions, and co-venturers may not have the level of experience, technical expertise, human resources management and other attributes necessary to operate these assets optimally. In addition, conflicts of interest may arise in the future between Vena Energy and its co-venturers. Further, disagreements or disputes between Vena Energy and its co-venturers could result in litigation, which could increase Vena Energy's expenses and potentially limit the time and effort Vena Energy's officers and directors are able to devote to Vena Energy's business.

The approval of co-venturers may also be required for Vena Energy's assets to make distributions of funds from assets to Vena Energy, or to sell, pledge, transfer, assign or otherwise convey Vena Energy's interest in such assets. Alternatively, such co-venturers may have pre-emptive rights, rights of first offer and tag-along rights in the event of a proposed sale or transfer of Vena Energy's interests in such assets. These restrictions may limit the price or interest level for Vena Energy's interests in such assets in the event Vena Energy wants to sell such interests. This may in turn impact Vena Energy's abilities to fulfil its growth strategies and have a material adverse effect on Vena Energy's business, financial condition, results of operations and prospects.

In addition, while Vena Energy believes that it has made its investments in these markets in compliance with foreign ownership requirements under local laws, rules and regulations, such laws, rules and regulations and the interpretation thereof are subject to change from time to time (see "*Vena Energy is subject to various laws and regulations in the jurisdictions in which it operates. Any non-compliance with such relevant laws and regulations, introduction of new laws, regulations, foreign exchange policies or political instability in jurisdictions in which it operates could have an adverse effect on Vena Energy's financial condition and results of operations or make it more difficult for it to operate successfully*").

Vena Energy relies on a limited number of offtakers and is exposed to the risk that such offtakers are unwilling or unable to fulfil their contractual obligations to Vena Energy or that they otherwise terminate their agreements with Vena Energy, and Vena Energy may not be able to replace terminated agreements at favourable rates or on a long-term basis, or at all.

Vena Energy sells the energy generated by each its assets to a specific offtaker under an offtake arrangement. Therefore, the actions of any offtaker may cause fluctuations in Vena Energy's overall revenue, profitability and cash flows that are difficult to predict. Similarly, significant portions of Vena Energy's credit risk may be concentrated among a limited number of offtakers, and the failure of any of these offtakers to fulfil its obligations to Vena Energy could significantly affected Vena Energy's business and financial results. As at 30 June 2019, Vena Energy's largest five offtakers account for 55% of Vena Energy's total gross capacity for which offtake agreements have been secured. Any or all of Vena Energy's offtakers may fail to fulfil their obligations under their respective offtake arrangements with Vena Energy, whether as a result of the occurrence of any of the following factors or otherwise:

- specified events beyond Vena Energy's control or the control of an offtaker may temporarily or permanently excuse the offtaker from its obligation to accept and pay for delivery of energy generated by an asset. These events could include a system emergency, transmission failure or curtailment, adverse weather conditions, labour disputes, changes in governmental policies, excessive supply of electricity or scheduled and unscheduled maintenance;

- the ability of Vena Energy's offtakers to fulfil their contractual obligations to Vena Energy depends on their creditworthiness. Although Vena Energy monitors the creditworthiness of its offtakers from time to time, Vena Energy is nonetheless exposed to the credit risk of its offtakers over an extended period of time due to the long-term nature of the Offtake Arrangements and there is no assurance that Vena Energy's offtakers will be able to fulfil their contractual obligations to Vena Energy. These counterparties could become subject to insolvency or liquidation proceedings or otherwise suffer a deterioration of their creditworthiness when they have not yet paid for energy delivered, any of which could result in underpayment, delayed payment or non-payment under such agreements; or
- the ability of Vena Energy's offtakers to fulfil their contractual obligations to Vena Energy depends on the effectiveness and administration of the payment mechanics under the applicable agreements and the various regulatory regimes.

If Vena Energy's offtakers are unwilling or unable to fulfil their contractual obligations to Vena Energy due to a dispute or having different interpretations of provisions under the offtake arrangements or if they otherwise terminate the offtake arrangements prior to their expiration, Vena Energy may not be able to recover contractual payments and commitments due to it. Since the number of customers that purchase wholesale bulk energy is limited, Vena Energy may be unable to find a new offtaker on similar or favourable terms, in a timely manner, or at all. In addition, certain offtake arrangements include restrictions on the entities or type of entities to whom the asset company is permitted to sell power, even when the defaulting party is the offtaker. The loss of or a reduction in sales to any of Vena Energy's offtakers could have a material adverse effect on its business, financial condition and results of operations.

In addition, since the transmission and distribution of electricity is either monopolised or highly concentrated in most jurisdictions, there are a limited number of possible offtakers available to purchase utility-scale quantities of electricity in a given geographic location. As a result, this may restrict Vena Energy's ability to negotiate favourable terms under new offtake arrangements and could impact Vena Energy's ability to find new customers for the electricity generated by Vena Energy's renewable energy generation assets should this become necessary. Accordingly, Vena Energy may be forced to sell the energy produced by its assets on an uncontracted basis at prevailing market prices, which could be materially higher or lower than the prices under an offtake arrangement. Distribution utilities may be required to undertake competitive bidding processes for their energy procurement, and there is no guarantee that Vena Energy's assets will be awarded contracts or qualify under applicable regulatory regimes to provide electricity to government organisations or state utility agencies. If there is no market for an asset's uncontracted energy, Vena Energy may decommission the asset before the end of its useful life. Any failure to replace a significant portion of Vena Energy's offtake arrangements, or replacing them at lower prices or on other unfavourable terms, could have a material adverse effect on Vena Energy's business, financial condition and results of operations.

Certain offtake arrangements for Vena Energy's assets contain provisions that allow the offtaker to terminate the offtake arrangement, requires Vena Energy to pay liquidated damages or enables the offtaker to purchase Vena Energy's assets upon the occurrence of certain events. Vena Energy's customers may also seek to revise the terms of such offtake arrangements, including by revision of tariffs under such arrangements.

Certain of the offtake arrangements associated with Vena Energy's assets allow the offtaker to terminate the offtake arrangement or receive liquidated damages in the event that certain operating thresholds, performance measures or any other material terms of the offtake arrangement are breached or are not achieved within specified time periods. Vena Energy is therefore subject to the risk of termination by an offtaker or payment of damages based on such criteria for such assets. Vena Energy cannot provide any assurance that offtake arrangements containing such provisions will not be terminated or that it will not be required to pay liquidated damages with respect to assets governed by offtake arrangements containing such provisions. If any such offtake arrangement is terminated, Vena Energy may not be able to obtain a replacement offtake arrangement in a timely manner or at all. Any replacement offtake arrangement may be on terms less favourable to Vena Energy than those that were terminated. In addition, certain offtake arrangements may also permit the offtaker to acquire the plant in question on terms that are not favourable to Vena Energy. In the event an offtake arrangement is terminated, or Vena Energy is required to pay liquidated damages under such provisions, or if an offtaker exercises its option to purchase the applicable power plant in the event of a non-remediable default by Vena Energy under the relevant offtake arrangements, it could materially and adversely affect the business, financial condition, results of operations and cash flows of Vena Energy until it is able to obtain a replacement offtake arrangement on similar terms, or the payment of such liquidated damages ceases.

Vena Energy's customers may seek to revise the terms of the offtake arrangements that Vena Energy has entered into, including the revision of tariffs. Certain states in India, such as Andhra Pradesh, have sought to revise the tariff with solar and wind developers unilaterally. Andhra Pradesh distribution utilities have filed a petition before the Andhra Pradesh Electricity Regulation Commission ("**APERC**") seeking revision of the regulations and tariff orders applicable to certain PPAs executed with various wind developers (including some of the asset holding companies held by Vena Energy) in the state of Andhra Pradesh. As of the date of this Offering Circular, no orders have been passed in such petition. In addition, some of Vena Energy's companies have also received notices and may receive notices seeking a revision of tariff from the date of commissioning. While the Indian Supreme Court and the Appellate Tribunal for Electricity have held that PPAs entered into with distribution utilities can be modified only in limited circumstances such as for consumer interest (while balancing the recovery of the cost of power) or by mutual agreement of the parties, and the Appellate Tribunal for Electricity has also held in another case that tariff fixed under a PPA cannot be revised, and Vena Energy may consider the various types of legal recourse available to it in this regard, a legal or regulatory dispute in this regard could result in a deterioration of Vena Energy's receivables position and it may not receive payment under the offtake arrangements in full, and Vena Energy may not have sufficient cash flows to meet its obligations under the Notes. Further, there is no assurance that there will be a favourable judgement at all or in a timely manner. In addition, any negative revision in the tariffs could have a material adverse effect on Vena Energy's business, cash flows, financial condition and results of operation.

Technical problems may reduce energy production below Vena Energy's expectations.

Vena Energy's generation assets, including transmission lines and facilities that it constructs or owns to connect to the electricity grid, may not continue to perform as they have in the past or as expected and there is a risk of equipment failure due to wear and tear, latent defects, design error or operator error, early obsolescence or force majeure events, among other things, which may lead to unexpected maintenance needs, unplanned outages or other operational issues and have a material adverse effect on Vena Energy's projects, business, financial condition and results of operations.

Further, any mechanical failure, failure from installation or shutdown of equipment sourced from third parties could result in undamaged equipment that is dependent on or interacts with damaged sections of Vena Energy's facilities, including any transmission facilities, also having to be shut down. Such events could materially and adversely impact its generating capacity. If any shutdowns continue for extended periods, this may give rise to contractual penalties or liabilities, loss of customers and damage to its reputation. Although Vena Energy is entitled to be compensated by manufacturers for certain equipment failures and defects in certain cases, these arrangements may not fully compensate it for the damage and loss suffered as a result thereof.

Implementing Vena Energy's growth strategy requires significant capital expenditure and will depend on its ability to maintain access to multiple funding sources on acceptable terms.

Vena Energy requires significant capital for the installation and development of its projects and to grow its business. It might not be able to continue financing or refinancing its projects as it has done in the past and the interest rates and the other terms of available financing might not remain attractive. Any changes to its strategy could impair its ability to grow its portfolio of wind and solar energy projects. In addition, rising interest rates could adversely affect its ability to secure financing on favourable terms and increase its cost of capital.

Vena Energy's ability to obtain external financing on favourable terms is subject to a number of uncertainties, including:

- its financial condition, results of operations and cash flows;
- interest rates;
- its credit rating;
- its ability to comply with financial covenants under its debt financing;
- the general condition of global equity and debt capital and project finance markets;
- regulatory and government support in the form of tax credit incentives and other incentives;
- the continued confidence of equity investors, banks, other financial institutions and specialised infrastructure lenders in Vena Energy and the renewable energy industry; and
- economic, political and other conditions.

If Vena Energy is unable to obtain financing on attractive terms or sustain the funding flexibility it has enjoyed in the past, its business, financial condition, results of operations and prospects may be materially and adversely affected.

Delays in obtaining, or a failure to maintain, governmental approvals and permits required to construct and operate Vena Energy's projects may adversely affect the development, construction and operation of its projects.

The design, construction and operation of Vena Energy's projects are highly regulated, require various governmental approvals and permits, and may be subject to conditions that may be stipulated by relevant government authorities which vary across the jurisdictions in which Vena Energy operates. There can be no assurance that all permits required for a given project will be granted in a timely manner or at all. If Vena Energy fails to obtain or renew such licences, approvals, registrations and permits in a timely manner, it may not be able to commence or continue operating its projects in accordance with its contracted schedules or at all, which could adversely affect its business and results of operations.

There may also be delays on the part of governmental authorities in reviewing applications and granting approvals. Any delay or failure in the issuance of a permit essential to a project or the imposition of onerous conditions may impair Vena Energy's ability to develop the project.

Vena Energy is subject to various laws and regulations in the jurisdictions in which it operates. Any non-compliance with such relevant laws and regulations, introduction of new laws, regulations, foreign exchange policies or political instability in jurisdictions in which it operates could have an adverse effect on Vena Energy's financial condition and results of operations or make it more difficult for it to operate successfully.

Vena Energy's operations and businesses are subject to laws, rules and regulations in all of the jurisdictions in which it operates. These laws, rules and regulations, the interpretation thereof and enforcement measures, are subject to change from time to time. Compliance with the requirements under these various laws and regulatory regimes may cause Vena Energy to incur significant cost.

For example, under the laws of the Philippines, renewable energy developers must be either Philippine citizens, or corporations or associations organised under the laws of the Philippines, with at least 60% of the capital of such corporations or associations being owned by citizens of the Philippines, or owned by a trustee of an employee retirement or pension fund, where the trustee is a Philippine national and at least 60% of the fund accrues to the benefit of Philippine citizens. While each of Vena Energy's asset holding companies in the Philippines is in compliance with such requirements based on the current interpretations of these laws, there is no assurance that there will not be a change to the existing guidelines, laws or interpretation of such laws, and, in such event, Vena Energy may be required to restructure its existing ownership arrangements in order to comply, and this could adversely affect its operating and financial performance, require management attention or resources, require it to incur costs of compliance or have other adverse effects.

Zenith Japan Trust has entered into numerous *tokumei kumiai* ("**TK**") arrangements in relation to Vena Energy's assets in Japan. TK arrangements are special Japanese silent partnerships, through which investors fund their commitments. Such arrangements allow each project company to deduct profit distributions from its taxable income. Under such arrangements, the TK investor remains a passive investor and does not influence or have the ability to influence the project companies. Vena Energy has put in place a number of measures with respect to corporate governance and operational guidelines designed to ensure that Zenith Japan Trust, as the TK investor, remains a passive investor. While these arrangements are not uncommon, there is a possibility that the Japanese tax authorities may seek to challenge them and if that is successful, the relevant project company in Japan will not be able to deduct profit distributions from its taxable income. This will result in a greater tax liability for that project company in Japan and, consequently, a negative impact on the amount of profits distributed to Vena Energy from that project.

Vena Energy is also subject to certain risks inherent in doing business in these jurisdictions, including regulatory limitations imposed by governments, military and terrorist risks, disruptions or delays in shipments caused by customs brokers or government agencies, unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers, difficulties in staffing and managing foreign operations and potentially adverse tax consequences resulting from changes in tax laws.

Vena Energy believes that it is in compliance with all applicable laws, rules and regulations in jurisdictions in which it operates that would materially affect its business operations. However, there is no assurance that Vena Energy has identified all instances of non-compliance, or that it can rectify past non-compliance, with relevant laws, rules and regulations, if any exists. Consequently, it is possible that the relevant authorities may assert that Vena Energy failed to comply with the relevant laws, rules and regulations in respect of Vena Energy's past activities. In the event that Vena Energy is found to have not been in compliance with any such laws, rules, regulations, restrictions or licensing requirements, the potential consequences of such non-compliance could have an adverse effect on Vena Energy's financial condition and results of operations.

Laws, governmental regulations and policies supporting renewable energy are subject to change, including as a result of new political leadership, and such change may materially and adversely affect Vena Energy's business, results of operations and growth strategy.

Renewable energy generation assets currently benefit from various national, provincial, state and local governmental incentives. The local laws, rules and regulations applicable to renewable energy assets in some of the markets in which Vena Energy operates could be in the process of being developed or newly implemented. Governmental regulations, policies and the administration of such regulations and policies could be changed to provide for new feed-in-tariff programmes that reduce the economic returns for both new and existing assets by charging additional, non-negotiable fixed or demand charges or other fees or reductions in the number of assets allowed under net metering policies. For example, in the Philippines, inflation adjustments for tariffs paid for Vena Energy's assets in the Philippines can only be made pursuant to regulatory tariff regimes for solar and wind assets, and the relevant government agency, the Energy Regulatory Commission of the Philippines, has not implemented the regime. Consequently, Vena Energy may not be able to make adjustments to its tariffs applicable to its assets in the Philippines to take into account inflation, which may negatively impact Vena Energy's revenue and profits from its assets in the Philippines.

Changes in the administration of government programmes, such as those regarding the collection and distribution of energy tariffs, may also adversely affect the cash flow and financial condition of Vena Energy's assets. In addition, Vena Energy faces risks related to potential changes in tax laws that may limit the benefits that solar and wind renewable energy industries currently receive.

Government incentives provide significant support for renewable energy generation sources, including wind and solar energy, and a decrease in these tax benefits could increase the costs of investment in wind and solar energy. Without these tax benefits the cost of operating renewable energy generation assets would significantly increase, which would materially and adversely affect Vena Energy's business, financial condition, results of operations and prospects.

Further, if any of the laws or governmental regulations or policies that support the renewable energy industry change or are terminated, or if Vena Energy is subject to new and more onerous laws or regulations or interpretations thereof, or greater costs of compliance with such changes in laws or regulations or interpretations thereof, or if such changes have retrospective effect, such changes could have a material adverse effect on Vena Energy's business, financial condition and results of operations, whether as a result of Vena Energy being required to make improvements or other modifications to one or more of its assets, to make changes to existing arrangements and structures, or as a result of any allegations of non-compliance or other unanticipated consequences.

If Vena Energy incurs an uninsured loss or a loss that significantly exceeds the limits of its insurance policies, the resulting costs may adversely affect its financial condition.

Operating Vena Energy's assets involves risks and hazards that may adversely affect its operations, including equipment failures, natural disasters, environmental hazards and industrial accidents. These and other hazards can cause or result in personal injury or death, severe damage to and destruction of property, plant and equipment and suspension of operations. It may also face contractual or civil liabilities or fines in the ordinary course of business as a result of damages suffered by offtake arrangement counterparties or third parties, which may require Vena Energy to make indemnification or other damage payments under contract or otherwise in accordance with law, and its contracts may not have adequate limitations of liability for direct or indirect damage.

Vena Energy maintains an amount of insurance protection that it considers adequate, but it cannot provide any assurance that its insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which it may be subject. Certain types of insurance it carries (for example for loss of income on account of equipment unavailability) only covers it if the business interruption arising as a result of such unavailability lasts for a certain minimum period. Frequent ordinary course unavailability is not typically covered, and as a consequence Vena Energy may not receive compensation for short term generation losses. Furthermore, Vena Energy's insurance coverage is subject to deductibles, caps, exclusions and other limitations. For example, although its insurance coverage is very comprehensive, it excludes risks such as gross negligence, fraud, nuclear incidents and war. Accordingly, any claims made under such insurance policies might not be successful or compensate Vena Energy fully against all risks and losses that may arise, and the insurance coverage itself might not be sufficient to cover incurred losses.

Legal disputes or proceedings could expose Vena Energy to liability and negatively impact its reputation.

Vena Energy may, at times, be involved in legal disputes or proceedings that could have a material and adverse effect on Vena Energy's reputation, business, financial condition, results of operations and prospects. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular dispute or legal proceeding will not have a material adverse effect on Vena Energy's future cash flow, results of operations or financial condition. For example, Vena Energy's assets in Andhra Pradesh may be adversely affected if a petition currently filed before APERC were to result in the passing of orders to revise the regulations and tariff orders (see " – *Vena Energy's customers may seek to revise the terms of its offtake arrangements, including by revision of the tariff*").

Warranties provided by Vena Energy's counterparties may be subject to various limitations or may be insufficient to compensate for its losses.

Vena Energy expects to benefit from rights under various warranties and guarantees, including construction, product quality and performance warranties, provided by its counterparties in connection with the construction of its assets, the purchase of equipment necessary to operate its assets and certain other matters. Vena Energy's counterparties under these warranties may default on their warranty obligations, and such counterparties may become insolvent and/or cease operations. In addition, there are limitations in most warranties, and therefore even if a counterparty fulfils its obligations, the warranty may not be sufficient to compensate Vena Energy for all its losses, and the warranty claim could be delayed, which may have a material adverse effect on its business, financial condition and results of operations. Further, Vena Energy may disagree with a counterparty about whether a particular product defect, performance shortfall, or other similar matter is covered by a warranty, in whole or in part, as well as the manner in which any such matter should be resolved. As a result, enforcing any such warranty may be costly or impossible. If Vena Energy seeks warranty protection and a counterparty is unable or unwilling to perform its warranty obligations or if Vena Energy faces difficulties in collecting payments (including in respect of liquidated damages to which it is contractually entitled) it is entitled to for any reason, or if any limitations on warranties apply, there may be a reduction or loss of warranty protection for the affected equipment, which could have a material adverse effect on its business, financial condition and results of operations.

Vena Energy's in-house asset management, O&M and EPC operations expose it to certain risks.

Vena Energy undertakes asset management ("**AM**"), O&M and EPC-related services for certain solar and wind energy projects in-house, which exposes it to certain risks that would ordinarily be borne by third parties if it outsourced these services. For example, entering into third party AM, O&M and EPC contracts on the basis of fixed price contracts would have insulated it from adverse price fluctuations for services, the equipment and materials used for managing, operating, maintaining or constructing solar power projects. As a result, Vena Energy is exposed to management, operation and construction cost risks that could be caused by various factors, including:

- increases in the price and availability of labour, equipment and materials;
- inaccuracies of drawings and technical information;
- delays in the delivery of equipment and materials to project sites;
- unanticipated increases in equipment costs;
- delays caused by local and seasonal weather conditions;
- any other unforeseen design and engineering issues, or physical, site and geological conditions that may result in delays; and
- contractual liability for liquidated damages under AM, O&M and EPC or similar agreements Vena Energy has entered into with joint venture partners or other counterparties.

In addition, Vena Energy is primarily responsible for all equipment and construction defects, potentially adding to the cost of construction of its solar and wind power projects. Although it generally obtains warranties from its equipment suppliers, there is no assurance that it will be successful with any warranty claims against its suppliers.

Vena Energy relies on a limited number of offtakers and requires availability and access to interconnection and transmission facilities of third parties to deliver energy from its assets to these off-takers. If the off-takers resort to curtailment or the interconnection and transmission facilities become unavailable, Vena Energy's assets may not be able to operate or deliver energy, which could adversely affect its results of operations and financial condition.

Vena Energy's ability to sell electricity is impacted by the availability of, and access to, the various transmission systems to deliver power to its contractual delivery point and the arrangements and facilities for interconnecting its generation projects to the transmission systems, which are owned and operated by third parties. Under certain of Vena Energy's offtake arrangements, if the relevant distribution companies, transmission companies or load dispatch centre (or other companies, agencies or authorities carrying out similar or related functions) determine that Vena Energy's project endangers personal safety or the integrity of the grid system or electrical service, the project may be disconnected from the grid system (without compensation in the case of an emergency). Congestion, emergencies, maintenance, outages, overloads, requests by other parties for transmission service, actions or omissions by other assets with which Vena Energy's assets share facilities and other events beyond Vena Energy's control could partially or completely curtail energy generation by its assets and increase asset costs. In addition, any termination of an asset's interconnection or transmission arrangements or non-compliance by an interconnection provider, the owner of shared facilities or another third party with its obligations under an interconnection or transmission arrangement may delay or prevent Vena Energy's assets from delivering energy to its offtakers. Further, where Vena Energy enters a bid for projects, it evaluates the availability of evacuation infrastructure under development, which may sometimes get delayed or may not be available at all. The absence of this availability and access, Vena Energy's inability to obtain reasonable terms and conditions for interconnection and transmission agreements, the operational failure of existing interconnection facilities or transmission facilities, or the lack of adequate capacity of such interconnection or transmission facilities or evacuation infrastructure, may have a material adverse effect on its ability to deliver electricity to its various counterparties or the requirement of counterparties to accept and pay for energy delivery, which could materially and adversely affect its assets, liabilities, business, financial condition, results of operations and cash flow.

In certain circumstances, Vena Energy has developed and in the future may develop its own interconnection facilities from its projects to available electricity transmission systems where such facilities do not already exist. In some cases, these facilities may cover significant distances. To construct such facilities, Vena Energy will require necessary approvals, permits and land rights, which may be difficult or impossible to acquire or the acquisition of which may require significant expenditures. Vena Energy may not be successful in these activities, and its projects that rely on such interconnection facility development may be delayed, have increased costs or may not be feasible. A failure in operating these interconnection facilities could result in loss of revenues because it could limit the amount of electricity Vena Energy is able to deliver.

Transmission and dispatch limitations resulting from capacity constraints on distribution networks may also impair Vena Energy's ability to fully exploit a particular wind or solar energy project's potential, particularly in terms of expansion, in particular regions. Power grid congestion and other capacity constraints might also arise. Any such failure or limitations could have a material adverse effect on Vena Energy's business, prospects, cash flows, financial condition and results of operations.

Further, if construction of power projects in the jurisdictions that Vena Energy operates in outpaces the transmission capacity of power grids, Vena Energy may not be in a position to transmit, or have dispatched, all of its potential electricity to the power grid and therefore may be dependent on the construction and upgrading of grid infrastructure by government or public entities for increased capacity. Further, the variability of wind power can create problems for the power grids in maintaining a balance between electricity supply and demand. In some jurisdictions, Vena Energy may be required to undertake planned generation and drawing of power in order to maintain the safety of the power grid. In some cases, this may result in a curtailment of Vena Energy's ability to transmit electricity into the power grid. The curtailment of Vena Energy's electricity sales would have an adverse effect on its business, prospects, cash flows, financial condition and results of operations, and Vena Energy may curtail its expansion plans in particular jurisdictions experiencing grid congestion and restrictions on transmission capacity.

Changes in technology may render Vena Energy's technologies obsolete or require it to make substantial capital investments. Failure to respond to technological changes effectively and in a timely manner may adversely affect its business and results of operations.

Although Vena Energy attempts to maintain the latest international technology standards, the technology requirements for businesses in the wind and solar energy sectors are subject to continuing change and development. Some of its existing technologies and processes in the wind and solar energy business may become obsolete or perform less efficiently compared to newer and better technologies and processes.

The cost of upgrading or implementing new technologies, upgrading its existing equipment or expanding capacity could be significant and may adversely affect Vena Energy's results of operations if it is unable to pass on such costs to its customers. Failure to respond to technological changes effectively and in a timely manner may adversely affect its business and results of operations. See " – *Warranties provided by Vena Energy's counterparties may be subject to various limitations or may be insufficient to compensate for its losses.*"

Inflation in some of the countries in which Vena Energy's assets operate may erode the value of the revenue accruing to its assets.

In the past, high levels of inflation have adversely affected the economies and financial markets of some of the countries in which Vena Energy's assets operate and the ability of their governments to create conditions that would stimulate or maintain economic growth. In an inflationary environment, the value of uncollected accounts receivable also declines. Vena Energy's assets in some markets operate under regulatory tariff regimes which provide for fixed tariffs. If the countries in which Vena Energy operates experience high levels of inflation in the future, Vena Energy may not be able to adjust the rates it charges its customers to fully offset the impact of inflation on its cost structures, which could have a material adverse effect on its business, financial condition and results of operations.

A number of contracts to which Vena Energy is a party provide for automatic escalation.

Many of the supply and service contracts entered into by Vena Energy contain automatic escalators for the payments owed to counterparties, such as O&M contractors, according to which fees increase by a fixed percentage on a set timeframe. If expenses escalate annually while revenues do not, Vena Energy's business, financial condition and results of operations may be adversely affected.

Terrorist or similar attacks could affect Vena Energy's assets or surrounding areas and adversely affect Vena Energy's business.

Terrorists have attacked energy assets such as substations and related infrastructure in the past and may attack them in the future. Any attacks on Vena Energy's assets or the facilities of third parties on which Vena Energy's assets rely could severely damage such assets, disrupt business operations, result in loss of service to customers and require significant time and expense to repair. Additionally, not only are energy-related facilities, such as substations and related infrastructure, protected by limited security measures, cyber-attacks, including those targeting information systems or electronic control systems used to operate or monitor Vena Energy's energy assets and the facilities of third parties on which Vena Energy's assets rely could severely disrupt business operations, result in loss of service to customers and require significant expense to repair security breaches or system damage. Vena Energy's assets, and the facilities of third parties on which its assets rely, may be targets of terrorist acts and affected by responses to terrorist acts, each of which could fully or partially disrupt Vena Energy's assets' abilities to produce, transmit, transport and distribute energy. In addition, there may be labour disruptions such as strikes and lock-outs which affect such facilities. To the extent such acts equate to a force majeure event under Vena Energy's offtake arrangements, the applicable offtaker may terminate such offtake arrangement, payment agreement or other applicable agreement if such force majeure event persists. A terrorist act or similar attack or labour disruptions could significantly decrease revenues or result in significant reconstruction or remediation costs, any of which could have a material adverse effect on Vena Energy's business, financial condition and results of operations.

Vena Energy is subject to restrictive and other covenants under its debt financing arrangements.

Each of the Guarantors is party to a facilities agreement dated 12 January 2018 as amended on 13 February 2018 and amended and restated on 16 October 2018 and 17 September 2019 with, amongst others, BNP Paribas, Credit Agricole Corporate and Investment Bank and ING Bank N.V., Singapore Branch (the "**Facilities Agreement**"). Their ability to meet their respective payment obligations under the Facilities Agreement depends on Vena Energy's ability to generate sufficient cash flow. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond its control.

In addition, the Facilities Agreement contains restrictive covenants that restrict the Guarantors from carrying out certain actions, which, subject to some exclusions, include but are not limited to the following:

- any amalgamation, demerger, merger, consolidation or corporate reconstruction;
- sale, lease, transfer or disposal of any assets;
- changing its business;
- undertaking non-permitted acquisitions of companies, shares or businesses;

- creation of security over assets in breach of the negative pledge;
- incurring or being a creditor in respect of any non-permitted financial indebtedness;
- undertaking guarantee or indemnity obligations (which, for the avoidance of doubt, does not include the Guarantee of the Notes);
- declaration of any dividend, charge, fee or other distribution; and
- issuance of shares.

Any failure to comply with any condition or covenant under the Facilities Agreement or any new financing agreements Vena Energy may enter into from time to time (including technical defaults) may lead to enforcement of events of default which may result in actions including termination of any of its credit facilities, acceleration of amounts due under such facilities, imposition of penalty interest, exercise of step-in rights, invocation of security under such financial arrangements and exercise of rights to convert loans into equity shares, as well as cross-defaults (either triggered automatically or at the lenders' option) under certain of its other financing agreements. Any of these factors and other consequences that may result from Vena Energy's indebtedness could adversely affect its financial condition, cash flows and prospects as well as its ability to meet its payment obligations under its debt financing agreements.

The countries in which Vena Energy operates may suffer from governmental or business corruption.

Vena Energy is subject to laws such as the U.S. Foreign Corrupt Practices Act of 1977 (the "**FCPA**") and other federal statutes, sanctions and regulations, including those established by the Office of Foreign Assets Control ("**OFAC**") and similar non-U.S. laws and regulations, including the U.K. Bribery Act 2010, as well as relevant anti-money laundering laws and regulations in the jurisdictions in which it operates.

The U.S. Departments of Justice, Commerce and Treasury and other agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against companies for violations of export controls, the FCPA and other federal statutes, sanctions and regulations, including those established by OFAC and, increasingly, similar or more restrictive foreign laws, rules and regulations. By virtue of these laws and regulations, and under laws and regulations in other jurisdictions, Vena Energy may be obliged to limit its business activities, may incur costs for compliance programmes and may be subject to enforcement actions or penalties for non-compliance. In recent years, U.S. and other governments have increased their oversight and enforcement activities with respect to these laws and Vena Energy expects the relevant agencies to continue to increase these activities. A violation of these laws, sanctions or regulations could materially adversely affect its business, financial condition or results of operations.

Vena Energy operates and conducts business in some countries which may be perceived as having potentially a higher risk of corruption in their governmental and business environments. Vena Energy has compliance policies in place for its employees with respect to the FCPA, OFAC sanctions and regulations and similar laws, but there can be no assurance that Vena Energy and its employees, consultants or agents will not engage in conduct for which Vena Energy may be held responsible. Although Vena Energy has established an internal control system and policies and procedures designed to ensure Vena Energy's compliance with applicable anti-bribery and anti-money laundering laws in the various jurisdictions in which it operates, these measures may not always be effective or completely effective in preventing the breach of anti-bribery and anti-money laundering laws or other legal requirements. In spite of Vena Energy's best efforts, it may not be possible to detect or prevent every instance of misconduct in every jurisdiction in which Vena Energy and its employees, consultants or agents are located. Violations of any such laws or regulations may result in severe criminal or civil penalties, and Vena Energy may be subject to other liabilities, which could have a material adverse effect on its reputation, business, financial condition and results of operations.

The loss of any of Vena Energy's senior management or key employees may adversely affect its ability to conduct its business and implement its strategy.

Vena Energy depends on its management team and the loss of any key executives could negatively impact its business. It also depends on its ability to retain and motivate key employees and attract qualified new employees. There may be a scarcity of skilled personnel with experience in the renewable energy industry in some countries. If Vena Energy loses a member of the management team or a key employee, it may not be able to replace such member or employee. Integrating new executives into the management team and training new employees with no prior experience in the renewable energy industry could prove disruptive to its operations, require a disproportionate amount of resources and management attention and may ultimately prove unsuccessful. An inability to attract and retain sufficient technical and managerial personnel could limit Vena Energy's ability to effectively manage its operational projects and complete its projects under development on schedule and within budget, which may adversely affect its business and strategy implementation.

Vena Energy faces competition from conventional and other renewable energy producers.

Vena Energy's primary competitors include domestic and foreign conventional and renewable energy project developers, IPPs and utilities. In addition, it competes with both conventional and renewable energy companies for the financing needed to develop and construct projects. Its operational projects may compete on price if it sells electricity into power markets at wholesale market prices or compete with other conventional energy (whose tariffs may be more competitive) and renewable energy generators when it bids on, negotiates or renegotiates a long-term offtake arrangement. Additionally, some state utilities may have a preference for entering into offtake arrangements with conventional energy suppliers.

Some of Vena Energy's competitors may have greater financial, marketing, personnel and other resources than it does and may be in a position to acquire renewable energy projects by paying a significant premium or otherwise seek to grow their business more aggressively. A reduction in demand for energy from renewable energy sources or failure by Vena Energy to successfully acquire new renewable energy projects may adversely affect its business and financial condition. Furthermore, technological progress in conventional forms of electricity generation or the discovery of large new deposits of conventional fuels could reduce the cost of electricity generated from those sources or make them more environmentally friendly, and as a consequence reduce the demand for electricity from renewable energy sources or render Vena Energy's projects uncompetitive, which may affect Vena Energy's business, financial condition and prospects. Demand for renewable energy may also be adversely impacted by public perceptions of the direct and indirect benefits of adopting renewable energy technologies as compared to using conventional forms of electricity generation.

Further, certain of Vena Energy's competitors may also grow through corporate reorganisations or alliances with other competitors. Any growth in the scale of its competitors may result in the establishment of advanced in-house engineering, EPC and O&M capabilities, which may offset any current advantage Vena Energy may have over them. Moreover, any merger of its suppliers or contractors with any of its competitors may limit its choices of suppliers or contractors and reduce its overall project execution capabilities. In addition, Vena Energy's competitors may have greater financial resources and more localised business presence. Increased competition may result in price reductions, reduced margins and a loss of Vena Energy's market share, any of which may adversely affect its business, financial condition and prospects.

Recent global economic conditions have been challenging and continue to affect the markets in which Vena Energy operates.

The global economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may adversely affect the market price of securities of companies located in other countries, including the markets in which Vena Energy operates. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in securities markets and indirectly affect the global economy in general. Any worldwide financial instability could also have a negative impact on the economies in the markets in which Vena Energy operates, including the movement of exchange rates and interest rates which could then adversely affect Vena Energy's business and financial performance.

Any other global economic developments or the perception that any of them could occur may adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict Vena Energy's access to capital, which could have an adverse effect on its business, financial condition and results of operations.

Risks Relating to the Notes Issued under the Programme

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

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

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to this Offering Circular or any Pricing Supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) 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.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are 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 (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Substantial leverage and debt service obligations could adversely affect Vena Energy's businesses and prevent the Issuer and the Guarantors from fulfilling their obligations under the Notes and the Guarantee of the Notes.

Subject to limitations under the Facilities Agreement, Vena Energy will be permitted to incur additional indebtedness in the future. For a summary of Vena Energy's existing indebtedness as of the date of this offering, see "*Pro Forma Capitalisation and Indebtedness*". The degree to which Vena Energy will be leveraged in the future, on a consolidated basis, could have important consequences for the Noteholders, including, but not limited to:

- making it more difficult for the Issuer and the Guarantors to satisfy their respective obligations with respect to the Notes and the Guarantee of the Notes;
- increasing vulnerability to, and reducing Vena Energy's flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of cash flow from operations to the payment of principal of, and interest on, Vena Energy's consolidated indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures or other general corporate purposes;
- limiting flexibility in planning for, or reacting to, changes in Vena Energy businesses, the competitive environment and the industry in which Vena Energy operates;
- placing Noteholders at a competitive disadvantage compared to Vena Energy's competitors that are not as highly leveraged; and
- limiting Vena Energy's ability to borrow additional funds and increasing the cost of any such borrowing.

Any of these or other consequences or events could materially and adversely affect the Issuer's or the Guarantors' ability to satisfy debt obligations, including the Notes and the Guarantee of the Notes.

The Guarantors are holding companies and payments with respect to the Notes are structurally subordinated to liabilities, contingent liabilities and obligations of their subsidiaries.

The Guarantors are holding companies with no material operations of their own, and operations of Vena Energy are primarily conducted through the subsidiaries of the Guarantors. The Guarantee of the Notes are unsecured obligations of the Guarantors, and the Notes will not be guaranteed by any current or future subsidiaries of the Guarantors. Accordingly, the ability of the Guarantors to make payment to the Issuer under the relevant intercompany loans, or to the Noteholders under the Guarantee of the Notes, will depend upon the distributions of dividends from their respective subsidiaries. The subsidiaries of the Guarantors are separate and distinct legal entities and have no obligation to pay any amounts due on the Notes or to provide the Guarantors with funds in respect of their payment obligations, whether by dividends, distributions, loans or other consideration. Payments to the Guarantors by the respective subsidiaries are contingent upon such subsidiaries' earnings and cash flows.

Unless a Guarantor made an intercompany loan to a subsidiary, each only has a shareholder's claim on the assets of its subsidiaries. This shareholder's claim is junior to the claims that creditors of any such subsidiary have against it. As a result, the Guarantors' payment obligations under the Guarantee of the Notes are structurally subordinated to all existing and future obligations of their respective subsidiaries, including the obligations of any such subsidiary under guarantees it has issued or will issue in connection with its business operations. The Noteholders will only be creditors of the Guarantors, and not a creditor of their subsidiaries. In addition, the Noteholders will not have the benefit of any security interest over the shares of the subsidiaries of any Guarantor or any security interest over the assets of such subsidiaries. As a result, liabilities of any of the subsidiaries of the Guarantors, including any claims of trade creditors and preferred stockholders, will be effectively senior to the Guarantee of the Notes. Any of these subsidiaries may in the future have other liabilities, including contingent liabilities, which may be significant.

Vena Energy will require a significant amount of cash to meet its obligations under its indebtedness and to sustain its operations, which Vena Energy may not be able to generate or raise.

The ability of the Issuer or, failing which, the Guarantors, to make scheduled principal or interest payments on the Notes and Vena Energy's ability to make payments on its indebtedness and its contractual obligations, including the Facilities Agreement, and to fund Vena Energy's ongoing operations, will depend on Vena Energy's future performance and Vena Energy's ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this "*Risk Factors*" section, many of which are beyond Vena Energy's control. If Vena Energy's future cash flows from operations and other capital resources are insufficient to pay its debt obligations, its contractual obligations, or to fund its other liquidity needs, it may be forced to sell assets or attempt to restructure or refinance its existing indebtedness. No assurance can be given that Vena Energy would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

The Pro Forma Financial Information included in this Offering Circular is not necessarily indicative of Vena Energy's actual results of operations, financial position and cash flow.

The purpose of the Pro Forma Financial Information included in this Offering Circular is to show the financial position, financial performance, changes in equity and cash flows of Vena Energy as a single performing unit as at and for the year ended 31 December 2018 and as at and for the six-month period ended 30 June 2019. The Pro Forma Financial Information reflects certain estimates, assumptions and judgements made by Vena Energy. These estimates, assumptions and judgements affect the reported amounts of assets and liabilities as of the dates presented as well as revenue and expenses reported for the periods presented. As a result, the Pro Forma Financial Information is not necessarily indicative of what Vena Energy's actual results of operations, financial position and cash flow would have been on or as of such dates, nor does it purport to project Vena Energy's results of operations, financial position or cash flows for any future period or date. Accordingly, potential investors should exercise caution and not place undue reliance when evaluating the Pro Forma Financial Information, and the Pro Forma Financial Information should be read in conjunction with the notes related thereto.

The Guarantee of the Notes provided by the Guarantors will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability.

The Guarantee of the Notes given by the Guarantors provides holders of Notes with a direct claim against the Guarantors in respect of the Issuer's obligations under the Notes. Enforcement of the Guarantee of the Notes would be subject to certain generally available defences. Local laws and defences may vary and may include those that relate to corporate benefit (*ultra vires*), fraudulent conveyance or transfer (*action pauliana*), voidable preference, financial assistance, corporate purpose, liability in tort, subordination and capital maintenance or similar laws and concepts. They may also include regulations or defences which affect the rights of creditors generally.

If a court were to find the Guarantee of the Notes given by the Guarantors, or a portion thereof, void or unenforceable as a result of such local laws or defence, or to the extent that agreed limitations on guarantees apply, holders would cease to have any claim in respect of the Guarantors and would be creditors solely of the Issuer and, if payment had already been made under the Guarantee of the Notes, the court could require that the recipient return the payment to the Guarantors.

The Notes may not be a suitable investment for all investors seeking exposure to green assets.

In connection with the offering of Notes which are specified to be "Green Bonds" in the applicable Pricing Supplement (any such Notes, "**Green Bonds**"), Vena Energy has received a second opinion from Vigeo Eiris and the Japan Credit Rating Agency on the alignment of the Vena Energy Green Financing Framework to the Green Bond Principles, 2018 issued by the International Capital Markets Association ("**ICMA**") and the Green Loan Principles, 2018 issued by the Loan Market Association (the "**Opinion**"). The examples of Eligible Green Projects in the "*Use of Proceeds*" section are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by Vena Energy during the terms of any Green Bonds.

The Opinion is not incorporated into and does not form part of this Offering Circular. None of Vena Energy or the Dealers makes any representation as to the suitability of the Opinion or the Notes to fulfil such environmental and sustainability criteria. Prospective investors should have regard to the factors described in this Offering Circular regarding the use of proceeds. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds, and its purchase of Notes should be based upon such investigation as it deems necessary.

The Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. The Opinion is not a recommendation to buy, sell or hold securities and is only current as of the date that the Opinion was initially issued. A withdrawal of the Opinion or any failure by Vena Energy to use the net proceeds from the Notes on Eligible Green Projects or to meet or continue to meet the investment requirements of certain environmentally focused investors with respect to such Notes may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

There is no current market consensus on what constitutes a "green" or "sustainable" project.

There is no current market consensus on what precise attributes are required for a particular project to be defined as "green" or "sustainable" and therefore the Eligible Green Projects may not meet the criteria and expectations of all investors regarding environmental impact and sustainability performance. Although the underlying projects have been selected in accordance with the categories recognised by the Green Bond Principles, 2018 and will be developed in accordance with relevant legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and operation of the projects. In addition, where negative impacts are insufficiently mitigated, the projects may become controversial, and/or may be criticised by activist groups or other stakeholders. Vena Energy may not meet or continue to meet the investment requirements of certain environmentally focused investors with respect to the Notes, which may also have consequences for certain investors with portfolio mandates to invest in green assets. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds of the Notes.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by Vena Energy or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any green projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by Vena Energy or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes. While it is the intention of Vena Energy to apply the proceeds of any Notes so specified for Eligible Green Projects in the manner described in this Offering Circular, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in, or substantially in, such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by Vena Energy.

Modification and waivers.

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

The Conditions also provide that the Trustee may (but is not obliged to) agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed, the Agency Agreement and/or the Conditions which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with any mandatory provision of law or is required by Euroclear and/or Clearstream, Luxembourg, CDP and/or any other clearing system in or through which the Notes may be held, and (ii) any other modification (except as mentioned in the Trust Deed) which is, in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders, and (iii) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or the Conditions which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, waiver or authorisation shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Noteholders as soon as practicable.

A change in the law which governs the Notes may adversely affect Noteholders.

The Conditions will be governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law, or administrative practice after the date of issue of the relevant Tranche of Notes.

Performance of contractual obligations.

The ability of the Issuer and/or the Guarantors to make payments in respect of the Notes may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder, including the performance by the Issuing and Paying Agent, the CDP Paying Agent, any other Paying Agent, each Transfer Agent, the relevant Registrar and/or the relevant Calculation Agent(s) of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer and/or the Guarantors of their respective obligations to make payments in respect of the Notes, the Issuer and/or the Guarantors may not, in such circumstances, be able to fulfil their respective obligations to the Noteholders and the Couponholders.

The Notes may be represented by Global Notes or Global Note Certificates, and holders of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes or Global Note Certificates. Such Global Notes or Global Note Certificates will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or CDP (each of Euroclear, Clearstream, Luxembourg and CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note or Global Note Certificate, investors will not be entitled to receive Definitive Notes or Individual Note Certificates. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Note Certificates. While the Notes are represented by one or more Global Notes or Global Note Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Note Certificates, the Issuer or, as the case may be, the Guarantors will discharge their payment obligations under the Notes by making payments to or to the order of the relevant Clearing System(s) for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. Neither the Issuer nor the Guarantors have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Note Certificates (as the case may be).

Holders of beneficial interests in the Global Notes or Global Note Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Note Certificates will not have a direct right under the respective Global Notes or Global Note Certificates to take enforcement action against the Issuer or the Guarantors in the event of a default under the relevant Notes, but will have to rely upon their rights under the Trust Deed.

Noteholders should be aware that Definitive Notes and Individual Note Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade.

In relation to any issue of Notes which have a denomination consisting of a minimum Denomination Amount (as defined in the relevant Pricing Supplement) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Note or Individual Note Certificate in respect of such holding (should Definitive Notes or Individual Note Certificates be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Denomination Amounts. If Definitive Notes or Individual Note Certificates are issued, holders should be aware that Definitive Notes or Individual Note Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination, and such Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote or attend meetings of Noteholders) in respect of such Notes.

The Issuer may be unable to pay interest or redeem the Notes.

On certain dates, including the occurrence of any early redemption event specified in the relevant Pricing Supplement or otherwise and at maturity of the Notes, the Issuer or (failing which) the Guarantors may, and at maturity, will, be required to pay interest on, or redeem, all of the Notes. If such an event were to occur, the Issuer or (failing which) the Guarantors may not have sufficient cash on hand (whether due to a serious decline in net operating cash flows or otherwise) and may not be able to arrange financing to make such payment or redeem the Notes in time, or on acceptable terms, or at all. The ability to make interest payments or redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to pay interest on the Notes or to repay, repurchase or redeem tendered Notes by the Issuer or (failing which) the Guarantors would constitute an event of default under the relevant Notes, which may also constitute a default under the terms of other indebtedness of Vena Energy.

The Trustee may request that the Noteholders provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances (including without limitation the taking of actions and/or enforcement steps or proceedings pursuant to Condition 18 (*Enforcement*)), the Trustee may (at its sole discretion) request the Noteholders to provide an indemnity and/or security, and/or prefunding to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not first indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to any 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 constituting the Notes and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

A change in Singapore tax laws may adversely affect the Noteholders.

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2023 are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"), subject to the fulfilment of certain conditions more particularly described in the section entitled "*Taxation — Singapore Taxation*" herein.

However, there is no assurance that the conditions for "qualifying debt securities" will be met or that such Notes will continue to enjoy the tax concessions for "qualifying debt securities" should the relevant tax laws be amended or revoked at any time or should the required conditions cease to be fulfilled.

Risks Relating to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Risks related to Notes which are linked to "benchmarks".

Interest rates and indices such as the London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed to be or used as "benchmarks", are the subject of recent national, international regulatory and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and came into effect from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the European Union. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuers) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international, national, or other proposals, for reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the sustainability of the LIBOR benchmark has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the United Kingdom Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. It is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. At this time, no consensus exists as to what rate or rates may become accepted alternatives to LIBOR and it is impossible to predict the effect of any such alternatives on the value of LIBOR-based securities such as the notes. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR may adversely affect LIBOR rates during the term of the notes and investors' return on the Notes and the trading market for LIBOR-based securities. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Conditions or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The value of and return on Floating Rate Notes linked to or referencing LIBOR or other similar indices may be adversely affected in the event of a permanent discontinuation of LIBOR or other similar indices.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, and LIBOR (or other similar indices) has been selected as the Reference Rate, the Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where LIBOR (or other similar indices) is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent. In the event of a Benchmark Event (such as, for example, the cessation of the publication of LIBOR) the Company shall appoint an Independent Adviser ("**IA**") to determine a Successor Rate or Alternative Rate. If the Company fails to appoint an IA, or the IA fails to determine a Successor Rate or Alternative Rate, the Reference Rate will revert to the Reference Rate applicable as at the last preceding Interest Determination Date, or as at the first Interest Period. Such adjustment will only apply to the immediately following Interest Period, and the Rate of Interest for any subsequent Interest Period may be subject to the operation of such procedures. If LIBOR (or other similar indices) is discontinued permanently and a Successor Rate or Alternative Rate fails to be determined for any of the foregoing reasons, the Floating Rate Notes will, in effect, become fixed rate notes utilising the Reference Rate applicable as at the last preceding Interest Determination Date or the First Interest Period until a different Rate of Interest is determined for any subsequent

Interest Period pursuant to the Conditions. Uncertainty as to the continuation of LIBOR (or other similar indices), the availability of quotes from reference banks, and the rate that would be applicable if LIBOR (or other similar indices) is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is a LIBOR (or other similar indices) Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If LIBOR (or other similar indices) is permanently discontinued and the relevant screen rate or, failing that, quotations from banks are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

In relation to Bearer Notes, Zenith Japan Holdings Ltd may be required to satisfy certain anti-money laundering requirements under Guernsey law prior to making any payments under the Guarantee of the Notes.

Prior to making any payments under the Guarantee of the Notes in relation any Bearer Notes, Zenith Japan Holdings Ltd may be required to satisfy certain requirements under applicable anti-money laundering laws in Guernsey, including completing certain "know-your-customer" procedures. Any delays or difficulties in completing the relevant procedures may affect the ability of Zenith Japan Holdings Ltd to make payments under the Guarantee of the Notes in relation to such Bearer Notes.

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed.

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Issuer or the Guarantors would be obliged to increase the amounts payable in respect of any Notes due to any 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 the jurisdiction of incorporation of the Issuer or the Guarantors or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

The market values of Notes issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Risks Related to the Market Generally

Set out below is a brief description of the material market risks, including liquidity risk, exchange rate risk, interest-rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest, distribution or principal than expected, or no interest, distribution or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rates paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Fluctuation of the market value of the Notes under the Programme.

Trading prices of the Notes may be influenced by numerous factors, including the operating results and/or financial condition of Vena Energy, political, economic, financial and any other factors that can affect the capital markets, the industry and/or Vena Energy generally. Adverse economic developments, in Singapore as well as countries in which Vena Energy operates or has business dealings, could have a material adverse effect on the operating results, business, financial performance and/or the financial condition of Vena Energy.

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of any Series or Tranche of the Notes.

Inflation risk.

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons ("**Coupons**") attached, or registered form, without Coupons attached. Bearer Notes and Registered Notes will be issued outside the United States in reliance on Regulation S.

Notes to be listed on the SGX-ST may be accepted for clearance through Euroclear and Clearstream, Luxembourg and may also be accepted for clearance through the CDP and/or any other clearing system as specified in the applicable Pricing Supplement.

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or the Central Depository (Pte) Limited ("**CDP**").

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being "**Temporary Global Note exchangeable for a Permanent Global Note**", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

So long as Notes are represented by the Temporary Global Note and the Temporary Global Note is held by the CDP, transfers of beneficial interests in the Temporary Global Note will be effected only through records maintained by the CDP.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Issuing and Paying Agent or CDP Issuing and Paying Agent, as the case may be; and

(ii) receipt by the Issuing and Paying Agent or the CDP Issuing and Paying Agent, as the case may be, of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "**Temporary Global Note exchangeable for Definitive Notes**" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Bearer Notes in definitive form ("**Definitive Notes**") not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons (as defined in the Conditions) attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Issuing and Paying Agent within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "**Permanent Global Note exchangeable for Definitive Notes**", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(ii) at any time, if so specified in the relevant Pricing Supplement; or

(iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

(a) if the Permanent Global Note is held by or on behalf of Euroclear or Clearstream, Luxembourg, and (i) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, or (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs; or

(b) if this Global Note is held by or on behalf of the CDP and (i) an Event of Default or analogous event entitling an Accountholder (as defined below) or the Trustee to declare the Notes to be due and payable as provided in Condition 13 (*Events of Default*) occurs, (ii) the CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (iii) the CDP has announced an intention to permanently cease business and no alternative clearing system is available or (iv) the CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the Depository Agreement (as defined in the Conditions) and no alternative clearing system is available.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

*"THIS PERMANENT GLOBAL NOTE AND THE GUARANTEE OF THE NOTES IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND NEITHER THIS PERMANENT GLOBAL NOTE NOR ANY PORTION HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.*

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE."

Registered Notes

Each Tranche of Notes in registered form ("**Registered Notes**") will be represented by one or more unrestricted global note certificates ("**Global Note Certificate(s)**") as specified in the relevant Pricing Supplement.

Each Note represented by a Global Note Certificate will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or the CDP and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary and/or the CDP.

Global Note Certificate exchangeable for Individual Note Certificates

If the relevant Pricing Supplement specifies the form of Notes as being "Global Note Certificate exchangeable for Individual Note Certificates", then the Notes will initially be represented by one or more Global Note Certificates each of which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(ii) at any time, if so specified in the relevant Pricing Supplement; or

(iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Note Certificate", then:

   (a) in the case of any Global Note Certificate held by or on behalf of Euroclear, Clearstream, Luxembourg or any other relevant clearing system, (i) if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; and (ii) in any case, if any of the circumstances described in Condition 13 (*Events of Default*) occurs; or

   (b) if the Notes represented by the Global Note Certificate are held by or on behalf of the CDP and (i) an Event of Default or analogous event entitling an Accountholder (as defined below) or the Trustee to declare the Notes to be due and payable as provided in the Conditions has occurred and is continuing, (ii) the CDP is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (iii) the CDP has announced an intention to permanently cease business and no alternative clearing system is available or (iv) the CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the Depository Agreement and no alternative clearing system is available.

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, each person having an interest in a Global Note Certificate must provide the Registrar (through the relevant clearing system) with such information as the Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person's holding).

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Note Certificate at the Specified Office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement (both as defined in the Conditions) and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The terms and conditions applicable to any Global Note Certificate will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions relating to the Notes while in Global Form*" below.

Summary of Provisions relating to the Notes while in Global Form

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and/or the CDP, will be that depositary or common depositary or, as the case may be, the CDP.

In relation to any Tranche of Notes represented by one or more Global Note Certificates, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the person in whose name the relevant Global Note Certificate is for the time being registered in the Register which in the case of any Global Note Certificate which is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and/or the CDP, will be that depositary or common depositary or a nominee for that depositary or common depositary, or the CDP.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg and/or the CDP and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Note Certificate (each an "**Accountholder**") must look solely to Euroclear, Clearstream, Luxembourg and/or the CDP and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantors to the holder of such Global Note or Global Note Certificate and in relation to all other rights arising under such Global Note or Global Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg, the CDP and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Note Certificate, Accountholders shall have no claim directly against the Issuer or the Guarantors in respect of payments due under the Notes and such obligations of the Issuer and the Guarantors will be discharged by payment to the holder of such Global Note or Global Note Certificate.

Transfers of Interests in Global Notes and Global Note Certificates

Transfers of interests in Global Notes and Global Note Certificates within Euroclear, Clearstream, Luxembourg, the CDP or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Issuer, the Guarantor, the Trustee, the Registrar, the Dealers or the Agents will have any responsibility or liability for any aspect of the records of any Euroclear, Clearstream, Luxembourg, the CDP or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Note or Global Note Certificate or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream, Luxembourg, the CDP or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Global Note Certificate to such persons will be limited. Because clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Note Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing systems, or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Note Certificate representing such interest.

On or after the issue date for any Series, transfers of Notes of such Series between accountholders in Euroclear and/or Clearstream, Luxembourg and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Although Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Note Certificates among participants and accountholders of Euroclear and Clearstream, Luxembourg, they are 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 Registrar, the Dealers or the Agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their respective operations.

While a Global Note Certificate is lodged with Euroclear, Clearstream, Luxembourg, the CDP or any relevant clearing system, Individual Note Certificates for the relevant Series of Notes will not be eligible for clearing and settlement through such clearing systems.

Conditions applicable to Global Notes

Each Global Note and Global Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Note Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Note Certificate which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day: in the case of a Global Note or a Global Note Certificate, shall be: if the currency of payment is euro, any day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and in the case of payment by transfer to an account, any day which is a TARGET Settlement Day (as defined in the Conditions) and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and in the case of payment by transfer to an account, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre (as defined in the Conditions) of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

Exercise of put option: In order to exercise the option contained in Condition 9(f) (*Redemption at the option of Noteholders*) or Condition 9(g) (*Change of Control*) the bearer of a Permanent Global Note or the holder of a Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Issuing and Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) or Condition 9(g) (*Change of Control*) in relation to some only of the Notes, the Permanent Global Note or Global Note Certificate may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg and/or the CDP (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg and/or the CDP as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held (i) on behalf of Euroclear or Clearstream, or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Note Certificate; or (ii) by CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in the list of Noteholders provided by CDP. Any such notice will be deemed to have been given at 5:00 pm on the day the relevant clearing system receives such notice.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. To the extent permitted by applicable law and/or regulation, the Pricing Supplement in respect of any Tranche of Notes may supplement, amend or replace any information in this Offering Circular.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Form of the Notes — Summary of Provisions Relating to the Notes while in Global Form" above.

1. **Introduction**

(a) *Programme*: Vena Energy Capital Pte. Ltd. (the "**Issuer**") has established a Guaranteed Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.$1,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed by Vena Energy Holdings Ltd ("**Vena Energy Holdings**"), Vena Energy (Taiwan) Holdings Ltd ("**Vena Energy Holdings Taiwan**") and Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) (together with Vena Energy Holdings and Vena Energy Holdings Taiwan, the "**Guarantors**", and each a "**Guarantor**").

(b) *Pricing Supplement*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

(c) *Trust Deed*: The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 26 November 2019 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer, the Guarantors and The Bank of New York Mellon, London Branch as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).

(d) *Agency Agreement*: The Notes have the benefit of an agency agreement dated 26 November 2019 (as amended or supplemental from time to time, the "**Agency Agreement**") between the Issuer, the Guarantors, The Bank of New York Mellon, London Branch, as issuing and paying agent and calculation agent (the "**Issuing and Paying Agent**", which expression includes any successor issuing and paying agent appointed from time to time in connection with the Notes), The Bank of New York Mellon, Singapore Branch as CDP issuing and paying agent and CDP calculation agent (the "**CDP Issuing and Paying Agent**", which expression includes any successor CDP issuing and paying agent appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), The Bank of New York Mellon, Singapore Branch as CDP registrar (the "**CDP Registrar**", which expression includes any successor CDP registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Issuing and Paying Agent and the CDP Issuing and Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agents named therein (the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) and the Trustee. In these Conditions, all references (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the "**Issuing and Paying Agent**" shall, with respect to a Series of Notes to be cleared through CDP (as defined below), be deemed to be references to the CDP Issuing and Paying Agent and all such references shall be construed accordingly; all references to the "**Registrar**" shall, with respect to a Series of Notes to be cleared through CDP, be deemed to be references to the CDP Registrar and all references shall be construed accordingly; all references to the "**Transfer Agent**" shall, with respect to a Series of Notes to be cleared through CDP, be deemed to be references to the CDP Transfer Agent and all references shall be construed accordingly; all references to the "**Calculation Agent**" shall, with respect to a Series of Notes to be cleared through CDP, be deemed to be references to the CDP Calculation Agent and all references shall be construed accordingly; and references to the "**Agents**" are to the Paying Agents, the Registrars, the Transfer Agents and the Calculation Agents and any reference to an "**Agent**" is to any one of them.

(e) *The Notes*: The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for viewing during normal business hours at the Specified Office of the Issuing and Paying Agents, the initial Specified Offices of which are set out below. In the case of Notes cleared through CDP, the Noteholders are entitled to the benefit of a deed of covenant entered into with CDP dated 25 November 2019.

(f) *Summaries*: Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders (as defined below) and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available (upon prior written notice to be given to the Trustee) for inspection by Noteholders during normal business hours at the Specified Offices of the Issuing and Paying Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

(a) ***Definitions***: In these Conditions the following expressions have the following meanings:

"**Accounting Principles**" means IFRS;

"**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the calculation agent appointed by the Issuer in respect of a Series of Notes pursuant to the terms of the Agency Agreement or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Pricing Supplement;

"**CDP**" means The Central Depository (Pte) Limited;

"**Change of Control**" means GIP ceasing to own (directly or indirectly) more than 30 per cent. of the issued share capital of any of Vena Energy Holdings or Vena Energy Holdings Taiwan or ceasing to be the largest indirect shareholder in any of Vena Energy Holdings or Vena Energy Holdings Taiwan **provided, however, that** where the Notes are rated by any Rating Agency on the Rating Date, it shall not constitute a Change of Control unless and until a Rating Downgrade in connection with such Change of Control (evidenced by a statement or public confirmation by the relevant Rating Agencies that such Rating Downgrade is attributable in whole to the applicable Change of Control) shall also have occurred (unless, in connection with the Change of Control, a Designated Person owns (directly or indirectly) more than 30 per cent. of the issued share capital of any of Vena Energy Holdings or Vena Energy Holdings Taiwan or becomes the largest indirect shareholder in any of Vena Energy Holdings or Vena Energy Holdings Taiwan);

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2\text{-}Y_1)] + [30x(M_2\text{-}M_1)] + (D_2\text{-}D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30";

(f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2\text{-}Y_1)] + [30x(M_2\text{-}M_1)] + (D_2\text{-}D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2\text{-}Y_1)] + [30x(M_2\text{-}M_1)] + (D_2\text{-}D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default;

"**Depository Agreement**" means the application form dated 25 November 2019 signed by the Issuer and accepted by CDP together with the terms and conditions for the provision of depository services by CDP referred to therein as may be supplemented, amended or modified from time to time pursuant to any applicable notification form;

"**Designated Person**" means a person or entity:

(a) listed in the annex to, or otherwise subject to the provisions of, an Executive Order of the US;

(b) named as a "Specially Designated National and Blocked Person" on the list published by OFAC at its official website, as amended, supplemented or substituted from time to time;

(c) listed on the Consolidated List of Financial Sanctions Targets and the List of Persons Subject to Restrictive Measures in View of Russia's Actions Destabilising the Situation in Ukraine maintained by Her Majesty's Treasury;

(d) owned or controlled by, or acting for or on behalf of, any person referred to in paragraph (a) or (c) above, or otherwise subject to the terms of Section 1 of Executive Order 13244;

(e) designated by the US Secretary of State to have committed, or to pose a significant risk of committing, acts of "terrorism" as defined in Executive Order 13244 that threaten the security of US nationals or the national security, foreign policy, or economy of the US; or

(f) which otherwise is, by public designation of, or by way of being listed on any other Sanctions related list maintained by, the United Nations Security Council, US, French Republic, European Union, or Her Majesty's Treasury of the United Kingdom, the subject or target of any Sanctions.

"**Early Redemption Amount (Change of Control)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Pricing Supplement;

"**Electronic Consent**" has the meaning given in Condition 17(b) (*Written Resolutions and Electronic Consent*);

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

"**Exceptional Items**" means any exceptional, one off, non-recurring or extraordinary items;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Facilities**" means the term loan facility A-1, term loan facility A-2 and multicurrency revolving credit facility C made available under the Facilities Agreement;

"**Facilities Agreement**" means the amended and restated facilities agreement dated on or about 17 September 2019 between, amongst others, the Guarantors, the lenders and agent named therein, as may be further amended and restated or supplemented from time to time;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Financial Half-Year**" means:

(a) each period commencing on the day after the Financial Year Date and ending on the next subsequent Half-Year Date; and

(b) each period commencing on the day after the Half-Year Date and ending on the next subsequent Financial Year Date;

"**Financial Indebtedness**" means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of any indebtedness for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any acceptances under any acceptance credit or bill discount facility (or dematerialised equivalent);

(c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) any lease or hire purchase contract which, in accordance with the Accounting Principles as at the date of the Facilities Agreement, be treated as a finance or capital lease, but only to the extent of the capital element;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirements for de-recognition under the Accounting Principles);

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

(g) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Principles;

(h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question; or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;

(i) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles;

(j) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or other instrument issued by a bank or financial institution in respect of any underlying liability which liability would fall within one of the above paragraphs of this definition;

(k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above; and

(l) any amounts that have been called in respect of any counter-indemnity or guarantee referred to in paragraphs (j) and (k) above,

but in each case without double counting;

"**Financial Year**" means the annual accounting period of the Guarantors ending on or about 31 December in each year;

"**Financial Year Date**" means 31 December in each year;

"**First Interest Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fitch**" means, Fitch Ratings Ltd and its affiliates;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Further Notes**" has the meaning given in Condition 19 (*Further Issues*);

"**GIP**" means:

(a) Global Infrastructure Management LLC and its affiliates;

(b) any other entity, investment vehicle or fund managed or advised by, a company controlled, directly or indirectly by any entity referred to in paragraph (a) above; and/or

(c) any entity controlled directly or indirectly by the entities, investment vehicles or funds referred to under (a) or (b) above;

"**guarantee**" means (other than in Condition 4(b) (*Guarantee of the Notes*)), in relation to any indebtedness of any Person, means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

"**Guarantee of the Notes**" has the meaning given in Condition 4(b) (*Guarantee of the Notes*);

"**Half-Year Date**" means 30 June in each year;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer — Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer — Title to Registered Notes*);

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the relevant Pricing Supplement;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

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

"**Intragroup Loan**" means any loan by one member of Vena Energy to another member of Vena Energy;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.);

"**Issue Date**" means the date on which the relevant Tranche of Notes (other than, Further Notes) are originally issued under the Trust Deed;

"**LIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate);

"**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Maturity Date**" has the meaning given in the relevant Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Minimum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Moody's**" means Moody's Investors Service, Inc. and its affiliates;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**Officer's Certificate**" means a certificate signed by two directors or one authorised officer of the Issuer or the relevant Guarantor (as the case may be);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Pricing Supplement;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Pricing Supplement;

"**Participating Member State**" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

   (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in euro; and

   (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

   (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

   (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Permitted Reorganisation**" means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganisation, winding-up or corporate reconstruction involving the Issuer, the Guarantors or any of their respective Subsidiaries that is made on a solvent basis;

"**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 Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Communities; and

(b) in relation to New Zealand dollars, it means Auckland;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"**Rating Agencies**" means (i) S&P, (ii) Moody's and (iii) Fitch, and (iv) any "nationally recognized statistical rating organizations" within the meaning of Rule 15c3-I(c) (2) (iv) (F) under the Securities Exchange Act of 1934 and selected by the Issuer and/or the Guarantors to rate the relevant Series of Notes on or before the first date of issuance of the relevant Series of Notes under the Programme;

"**Rating Date**" means, in connection with a Change of Control, the date which is 30 days prior to the earlier of (i) a Change of Control, (ii) the initial public notice of the occurrence of a Change of Control by the Issuer or any of the Guarantors, and (iii) the date that the acquirer or prospective acquirer (a) has entered into one or more binding agreements with any Guarantor or Guarantors and/or shareholders of any Guarantor or Guarantors that would give rise to a Change of Control or (b) has commenced an offer to acquire outstanding capital stock of any one or more of the Guarantors;

"**Rating Downgrade**" means in connection with a Change of Control, the occurrence on, or within 60 days after, the earlier of (i) the date a Change of Control occurs, or (ii) public notice of the occurrence of (a) a Change of Control or (b) the intention by any of the Guarantors or any other person or persons to effect a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible change by any of the Rating Agencies due to such Change of Control), of any of the events listed below:

(1) in the event the Notes are rated by three Rating Agencies on the Rating Date as having a rating at or above the Rating Threshold, the rating of the Notes by any two Rating Agencies shall be withdrawn or downgraded to below the Rating Threshold;

(2) in the event the Notes are rated by one or two Rating Agencies on the Rating Date as having a rating at or above the Rating Threshold, the rating of the Notes by any such Rating Agency shall be withdrawn or downgraded to below the Rating Threshold; or

(3) in the event the Notes are not rated at or above the Rating Threshold by any Rating Agencies on the Rating Date, the rating of the Notes by any Rating Agency shall be withdrawn or decreased by one or more gradations (including gradations within rating categories as well as between rating categories);

"**Rating Threshold**" means a rating of (i) Baa3 or better by Moody's; and/or (ii) BBB- or better by Fitch and/or (iii) BBB- or better by S&P and/or (iv) in relation to any "nationally recognized statistical rating organizations" within the meaning of Rule 15c3-I(c) (2) (iv) (F) under the Securities Exchange Act of 1934 and selected by the Issuer and/or the Guarantors to rate the relevant Series of Notes on or before the first date of issuance of the relevant Series of Notes under the Programme, the equivalent of any such category of Moody's, Fitch or S&P used by such rating agency;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Pricing Supplement;

"**Reference Banks**" has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

"**Reference Price**" has the meaning given in the relevant Pricing Supplement;

"**Reference Rate**" means EURIBOR or LIBOR as specified in the relevant Pricing Supplement in respect of the currency and period specified in the relevant Pricing Supplement;

"**Regular Period**" means:

(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Issuing and 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 Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Indebtedness**" means any present or future 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 Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Pricing Supplement;

"**Reserved Matter**" means any proposal:

(a) to modify the due date for any payment in respect of the Notes;

(b) to reduce or cancel the amount of principal or premium payable in respect of the Notes or to reduce or cancel the interest (including default interest, if applicable) on the Notes or to vary the method of calculating the Rate of Interest or to reduce the initial Rate of Interest;

(c) to change the currency of payment of the Notes;

(d) to modify the provisions concerning the quorum required at any meeting of the Holders or the majority required to pass an Extraordinary Resolution, sign a Written Resolution or provide Electronic Consents;

(e) to modify or cancel the Guarantee of the Notes; or

(f) amend, change or modify any provision of the Trust Deed or the Notes or any related definition which would affect the ranking of any Notes, or the ranking of the Guarantee of the Notes;

"**S&P**" means Standard & Poor's Ratings Services and its affiliates;

"**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;

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited;

"**Shareholder Loan**" means any loan which is provided to Vena Energy Holdings, Zenith Japan Ltd or Vena Energy Holdings Taiwan by their respective direct or indirect shareholders and subordinated to the Facilities;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Subsidiary**" means any person (referred to as the "**first person**") in respect of which another person (referred to as the "**second person**"):

(a) holds a majority of the voting rights in that first person or has the right under the constitution of the first person to direct the overall policy of the first person or alter the terms of its constitution; or

(b) is a member or unit holder of that first person and has the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body (or in respect of a trust, its trustee); or

(c) has the right to exercise a dominant influence (which must include the right to give directions with respect to operating and financial policies of the first person which its directors are obliged to comply with whether or not for its benefit) over the first person by virtue of provisions contained in the articles (or equivalent) of the first person or by virtue of a control contract which is in writing and is authorised by the articles (or equivalent) of the first person and is permitted by the law under which such first person is established; or

(d) is a member of that first person and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first person or the rights under its constitution to direct the overall policy of the first person or alter the terms of its constitution; or

(e) has the power to exercise, or actually exercises dominant influence or control over the first person; or

(f) together with the first person are managed on a unified basis,

and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's Subsidiaries is a member of that other person or, if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treasury Transactions**" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended;

"**Vena Energy**" means the Guarantors and their respective Subsidiaries from time to time;

"**Written Resolution**" has the meaning given in Condition 17(b) (*Written Resolutions and Electronic Consent*); and

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

(b) *Interpretation*: In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;

(vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

(a) *Bearer Notes*: Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) *Title to Bearer Notes*: Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) *Registered Notes*: Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.

(d) *Title to Registered Notes*: The Registrar will maintain the register outside the United Kingdom in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) *Ownership*: The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) *Transfers of Registered Notes*: Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably 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 Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) *Registration and delivery of Note Certificates*: Within seven business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. 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.

(h) *No charge*: The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such 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.

(i) *Closed periods*: Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) *Regulations concerning transfers and registration*: All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be provided by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status of the Notes and Guarantee of the Notes**

(a) *Status of the Notes*: The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 5(a) (*Negative Pledge*) unsecured obligations of the Issuer which will at all times rank *pari* *passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Guarantee of the Notes*: The Guarantors have in the Trust Deed unconditionally and irrevocably guaranteed on a joint and several basis the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes (the "**Guarantee of the Notes**"). This Guarantee of the Notes constitutes direct, unconditional, unsubordinated and (subject to Condition 5(a) (*Negative Pledge*) unsecured obligations of each of the Guarantors which will at all times rank at least *pari passu* with all other present and future unsecured obligations of each of the Guarantors, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Noteholders should note that Zenith Japan Holdings Ltd will be required to satisfy certain requirements under anti-money laundering laws in Guernsey prior to making payments under the Guarantee of the Notes relating to any Bearer Notes.

(c) *Release of the relevant Guarantee of the Notes*:

(i) If, as a result of a Permitted Reorganisation, a Guarantor sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its properties and assets to any other Person or Persons or merges with any other Person or Persons, the Guarantees of the Notes shall be automatically and unconditionally released with respect to such Guarantor, **provided that:**

(A) no Default shall have occurred and be continuing or would occur as a result of such Permitted Reorganisation; and

(B) where the Person or Persons to which such sale, assignment, conveyance, transfer, lease or other disposal of all or substantially all of the properties and assets of the relevant Guarantor or the Person or Persons with which the relevant Guarantor merges is not any of the other Guarantors or any Subsidiary of any of the other Guarantors, no release of the Guarantee of the Notes shall be effective against the Trustee or the Noteholders until such Person or Persons (or the surviving entity of such merger) have become additional guarantors in relation to the Notes in accordance with Condition 4(d) (*New Guarantors*) below.

(ii) No release of a Guarantor from its Guarantee of the Notes shall be effective against the Trustee or the Noteholders until the relevant Guarantor has delivered to the Trustee an Officer's Certificate stating that all requirements relating to such release have been complied with and that such release is authorised and permitted by these Conditions and the Trust Deed.

(d) *New Guarantors*:

(i) *Procedure*: Following any Permitted Reorganisation, where any consideration received, distributions, payments, business, property, undertakings or assets distributed in connection with such Permitted Reorganisation are transferred to or vested in any Person or Persons other than a Guarantor or a Subsidiary of a Guarantor (for the purposes of this Condition 4(d), the "**New Guarantor**") from or by any of the Guarantors for the purposes of this Condition 4(d), the "**Existing Guarantors**"):

(A) the relevant Existing Guarantor shall procure that the New Guarantor shall, at or prior to such transfer or vesting, become a guarantor and principal debtor under the Trust Deed by executing a supplemental trust deed, or giving some other written form of undertaking to the Trustee, in form and manner satisfactory to the Trustee, by which the New Guarantor expressly agrees to be bound by the terms of the Trust Deed, the Notes and the Coupons with any consequential amendments which the Trustee may deem appropriate as fully as if the New Guarantor had been named in the Trust Deed and on the Notes and the Coupons as a guarantor and principal debtor;

(B) the Issuer, the Existing Guarantors and the New Guarantor shall execute such other deeds, documents and instruments (if any) as the Trustee may require in order that the Guarantee of the Notes is fully effective in relation to the obligations of the New Guarantor and comply with such other requirements as the Trustee may direct in the interests of the Noteholders and the Couponholders; and

(C) (without prejudice to the generality of the preceding sub-clauses of this Condition 4(d)) where the New Guarantor is incorporated, domiciled or resident in or is otherwise subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority of or in such territory having power to tax (the "**New Guarantor's Territory**") other than or in addition to the territory, the taxing jurisdiction of which (or to any such authority of or in which) the Existing Guarantors are subject to generally (the "**Existing Guarantors' Territories**"), the New Guarantor shall (unless the Trustee otherwise agrees) give to the Trustee an undertaking in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 12 (*Taxation*) with the inclusion in the reference in that Condition to the Existing Guarantors' Territories of references to the New Guarantor's Territory, and in such event the Conditions, the Trust Deed, the Notes and Coupons will be interpreted accordingly;

(ii) *Completion of addition of New Guarantor*: Upon the execution of such documents and compliance with the said requirements, the New Guarantor shall be deemed to be named in the Trust Deed, the Notes (including these Conditions) and Coupons as a Guarantor, and the Trust Deed, the Notes (including these Conditions) and the Coupons shall thereupon be deemed to be amended in such manner as shall be necessary to give effect to the addition of the New Guarantor and, without prejudice to the generality of the foregoing, any references in the Trust Deed, the Notes (including these Conditions) and the Coupons to the Guarantors shall be deemed to include the New Guarantor.

(e) *Notice of changes to Guarantors*:

Notice of any release of Guarantor or addition of a Guarantor pursuant to this Condition 4 will be given to Noteholders by the Issuer in accordance with Condition 20 (*Notices*) as soon as practicable after such release or addition has been effected.

5. **Covenants**

(a) *Negative Pledge*:

(i) So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer shall not create or permit to subsist any Security Interest upon the whole or any part of its present or future property, undertaking, 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 Notes equally and rateably therewith or (B) providing such other security for the Notes (x) that is not materially less beneficial to the interests of the Noteholders or (y) as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.

(ii) So long as any Note remains outstanding (as defined in the Trust Deed), none of the Guarantors 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 Notes equally and rateably therewith or (B) providing such other security for the Notes (x) that is not materially less beneficial to the interests of the Noteholders or (y) as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.

Nothing in this Condition 5(a):

(1) shall prohibit or restrict the creation by the Issuer or any of the Guarantors of any Security Interest upon any property or assets acquired, purchased or owned or to be acquired, purchased or owned by the Issuer or any of the Guarantors for the purpose of securing the payment of any sum due in respect of any Relevant Indebtedness or any payment under any guarantee of, or indemnity or other like obligation relating to any Relevant Indebtedness, the proceeds of which are to be applied towards financing or refinancing the cost of the acquisition, purchase, development, construction, redevelopment and ownership of such property or assets (including, without limitation, the equipping, alteration, repair or improvement of such property or assets) provided that Security Interest in respect of any refinancing undertaken by the Issuer or the Guarantors is limited to the property or assets acquired, purchased, developed, constructed or redeveloped; or

(2) shall prohibit or restrict Security Interests securing indebtedness refunding or refinancing indebtedness secured by any Security Interest referred to in sub-paragraph (a) above; provided that the principal amount of such indebtedness is not increased and the Security Interest is limited to the property or asset originally subject thereto and any improvements thereon.

(b) *Provision of Financial Statements and Reports*: So long as any of the Notes remains outstanding, the Guarantors shall deliver to the Trustee:

(i) as soon as they are available, but in any event within 180 days after the end of each Guarantor's Financial Year, audited annual financial statements for the relevant Guarantor for that Financial Year;

(ii) as soon as they are available, but in any event within 180 days after the end of each of its Financial Year, *pro forma* combined consolidated financial statements for the Guarantors derived from the financial statements described in paragraph (i) above;

(iii) as soon as they are available, but in any event within 180 days after each Guarantor's first Half-Year Date and 90 days after each Half-Year Date thereafter, unaudited consolidated financial statements for the Guarantors for the Financial Half-Year ending on the Half-Year Date; and

(iv) as soon as they are available, but in any event within 180 days after each Guarantor's first Half-Year Date and 90 days after each Half-Year Date thereafter, *pro forma* combined consolidated financial statements for the relevant Guarantor derived from the financial statements described in paragraph (iii); and

(v) as soon as reasonably practicable and in any event within thirty (30) days after any of the Guarantors becomes aware of the occurrence thereof, provide to the Trustee written notice of the occurrence of any event or condition which constitutes an Event of Default or Default and an Officer's Certificate of the relevant Guarantor setting forth the details thereof and the action the relevant Guarantor or Guarantors (as applicable) are taking or proposes to take with respect thereto.

6. **Fixed Rate Note Provisions**

(a) *Application*: This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Accrual of interest*: The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments — Bearer Notes*) and Condition 11 (*Payments — Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount*: The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Calculation of interest amount*: The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(e) *Notes accruing interest otherwise than a Fixed Coupon Amount*: This Condition 6(e) shall apply to Notes which are Fixed Rate Notes only where the Pricing Supplement for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The relevant amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest and the Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). The Calculation Agent shall cause the relevant amount of interest and the relevant Interest

Payment Date to be notified to the Issuer, the Paying Agents, the Registrar (in the case of Registered Notes) and the Noteholders in accordance with Condition 20 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, the Issuer shall cause the same to be notified to such exchange as soon as possible after their determination or calculation but in no event later than the fourth Business day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.

7. **Floating Rate Note Provisions**

(a) *Application*: This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Accrual of interest*: The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments — Bearer Notes*) and Condition 11 (*Payments — Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination*: If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable:

(A) the Issuer (or an agent appointed by it) will request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date offered to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time and notify the quotations to the Calculation Agent; and

(B) the Calculation Agent will determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates notified to it by the Issuer (or an agent appointed by it) (being the nearest to the Reference Rate) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer (or an agent appointed by it), at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if no rates or (as the case may be) no arithmetic mean can be determined in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) *ISDA Determination*: If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement.

(e) *Maximum or Minimum Rate of Interest*: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Calculation of Interest Amount*: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(g) *Publication*: The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Paying Agents or the Trustee and if required, the Issuer will notify each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Issuer shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(h) *Notifications etc*: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Paying Agents, the Noteholders and the Couponholders and (in the absence of wilful misconduct, gross negligence or fraud) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(i) *Benchmark Discontinuation*: If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine (acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**"), a Successor Rate, failing which an Alternative Rate (in accordance with this Condition 7(i)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(i)(cc)) and any Benchmark Amendments (in accordance with Condition 7(i)(dd)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, Agents or the Noteholders for any determination made by it pursuant to this Condition 7(i) and the Trustee will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

(aa) If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(i) prior to the relevant IA Determination Cut-off Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this Condition 7(i)(aa) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(i).

(bb) If the Independent Adviser determines in its discretion that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(i)(cc)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(i); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(i)(cc)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(i).

(cc) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

(dd) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(i) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 7(i)(ee), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Trustee, the Calculation Agent and/or the Agents shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(i)).

(ee) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(i) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(ff) No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer:

(A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(i); and

(B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

(gg) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Trustee and Issuing and Paying Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(ii) As used in this Condition 7(i):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

(C) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 7(i) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"**Benchmark Event**" means:

(A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(B) a public statement by the administrator of the relevant Reference Rate that it has ceased, or will, by a specified date within the following six months, cease, publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or

(C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified date within the following six months, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or

(F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

"**Benchmark Amendments**" has the meaning given to it in Condition 7(i)(dd).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 7(i).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

8. Zero Coupon Note Provisions

(a) *Application*: This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Late payment on Zero Coupon Notes*: If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. Redemption and Purchase

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments — Bearer Notes*) and Condition 11 (*Payments — Registered Notes*).

(b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (unless the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Singapore 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 the date of issue of the first Tranche of the Notes, and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(B) (1) one or more of the Guarantors has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) or has or will become obliged to make any such withholding or deduction as is referred to in Condition 12 (*Taxation*) from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Notes, in either case as a result of any change in, or amendment to, the laws or regulations of Guernsey and/or the Cayman Islands (as the case may be) 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 the date of issue of the first Tranche of the Notes, and (2) such obligation cannot be avoided by the relevant Guarantor(s) taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

(1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the earliest date on which the Issuer or the relevant Guarantor would be obliged to pay such additional amounts or the relevant Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or

(2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the relevant Guarantor(s) would be obliged to pay such additional amounts or the relevant Guarantor(s) would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (1) an Officers' Certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor(s) has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor(s) has or will become obliged to make such withholding or deduction as a result of such change or amendment.

The Trustee shall be entitled to accept and rely upon such certificate and opinion (without further investigation or enquiry) as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

(c) *Redemption at the option of the Issuer*: If Issuer Call is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) *Issuer Clean-up call*: If Clean-up Call is specified in the relevant Pricing Supplement as being applicable, in the event that 10 per cent. or less of the initial aggregate principal amount of the Notes remains outstanding, the outstanding Notes may be redeemed at the option of the Issuer in whole, but not in part, on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, the Trustee and the Paying Agent (which notice shall be irrevocable) at a price equal to 100 per cent. of their principal amount plus accrued interest to (but excluding) the date fixed for redemption.

(e) *Partial redemption*: If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Issuer determines and in such manner as the Issuer approves, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Redemption at the option of Noteholders*: If Investor Put is specified as applicable in the relevant Pricing Supplement, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(f), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Pricing Supplement), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto, in the case of Bearer Notes, or deposit with the Registrar the relevant Note Certificate relating to such Note, in the case of Registered Notes, and, in each case, a duly completed Put Option Notice in the form obtainable from any Paying Agent or the Registrar, as the case may be. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(f), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note or Notes evidenced by any Note Certificate becomes immediately due and payable or, upon due presentation of any such Note or Note Certificate on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent or Registrar shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note or Note Certificate at its Specified Office for collection by the depositing Noteholder. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(f), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(g) *Change of Control*:

(i) If Change of Control Put is specified as applicable in the relevant Pricing Supplement, then if at any time while any Note remains outstanding, there occurs a Change of Control (such Change of Control not having been cured within seven days of such occurrence, a "**Change of Control Put Event**"), each Noteholder will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the Issuer gives notice to redeem the Notes under Condition 9(b) or 9(c)) to require the Issuer to redeem all or part of its Notes on the Optional Redemption Date (as defined below) at their Early Redemption Amount (Change of Control) together with interest accrued to, but excluding, the Optional Redemption Date.

(ii) Promptly upon the Issuer or the Guarantors, as the case may be, becoming aware that a Change of Control Put Event has occurred, the Issuer or the Guarantors, as the case may be, shall notify the Trustee and give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 20 (*Notices*) specifying the nature of the Change of Control Put Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Condition 9(g).

(iii) To exercise the Change of Control Put Option, a Noteholder must transfer or cause to be transferred its Notes to be so redeemed or purchased to the account of the Issuing and Paying Agent specified in the Change of Control Put Option Notice (as defined below) for the account of the Issuer within the period (the "**Change of Control Put Period**") of 45 days after a Change of Control Put Event Notice is given together with a duly signed and completed notice of exercise in the then current form obtainable from the Issuing and Paying Agent (a "**Change of Control Put Option Notice**") and in which the Noteholder may specify a bank account to which payment is to be made under this Condition 9(g).

(iv) A Change of Control Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer procure the purchase of, the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Issuing and Paying Agent for the account of the Issuer as described above, by the date which is the fifth Business Day following the end of the Change of Control Put Period (the "**Optional Redemption Date (Change of Control Put)**"). Payment in respect of such Notes will be made on the Optional Redemption Date (Change of Control Put) by transfer to the bank account specified in the Change of Control Put Option Notice.

(v) For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, any Change of Control Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

So long as the Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Certificate is held on behalf of the clearing systems, any pro rata reduction in the principal amount of Notes to be redeemed upon automatic redemption in accordance with Condition 9 (Redemption and Purchase) will be effected by way of a reduction in the face value of the Notes within the relevant clearing system(s) in accordance with the rules of the relevant clearing system(s).

(h) *No other redemption*: The Issuer shall not be entitled or be obliged (as the case may be) to redeem the Notes otherwise than as provided in paragraphs (a) to (i) above.

(i) *Early redemption of Zero Coupon Notes*: Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(i) or, if none is so specified, a Day Count Fraction of 30E/360.

(j) *Purchase*: The Issuer, the Guarantors or any of the Guarantors' respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.

(k) *Cancellation*: All Notes so redeemed or purchased by the Issuer, the Guarantors or any of the Guarantors' respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. **Payments — Bearer Notes**

This Condition 10 is only applicable to Bearer Notes.

(a) *Principal*: Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

(b) *Interest*: Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) *Payments in New York City*: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws*: All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto.

(e) No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(f) *Deductions for unmatured Coupons*: If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(g) *Unmatured Coupons void*: If the relevant Pricing Supplement specifies that this Condition 10(g) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(f) (*Redemption at the option of Noteholders*), Condition 9(c) (*Redemption at the option of the Issuer*), Condition 9(g) (*Change of Control Put Option*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(h) *Payments on business days*: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(i) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(j) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(k) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Issuing and Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Payments — Registered Notes**

This Condition 11 is only applicable to Registered Notes.

(a) *Principal*: Payments of principal shall be made by transfer to an account of the Holder appearing in the register of Holders denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) *Interest*: Payments of interest shall be made by transfer to an account of the Holder appearing in the register of Holders denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) *Payments subject to fiscal laws*: All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) *Payments on business days*: Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated. A Holder of a Registered Note 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 Payment Business Day.

(e) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Registered Note, 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 Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

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

(g) So long as the Global Note Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system, each payment in respect of the Global Note Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

12. **Taxation**

(a) *Gross up*: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantors 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 or Guernsey and/or the Cayman Islands (as the case may be) or any political subdivision therein 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 that event, the Issuer or (as the case may be) the Guarantors shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders 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 Note or Coupon:

(i) for any tax, duty, assessment or other governmental charge that would not have been imposed but for any present or former connection between such Noteholder or Couponholder and 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 Note or Coupon); or

(ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

(b) *Taxing jurisdiction*: If the Issuer or any of the Guarantors becomes subject at any time to any taxing jurisdiction other than Singapore and Guernsey and/or the Cayman Islands (as the case may be), references in these Conditions to Singapore, Guernsey and/or the Cayman Islands shall be construed as references to Singapore and/or such other jurisdiction.

13. **Events of Default**

If any of the following events occurs and is continuing (each, an "**Event of Default**"), then the Trustee at its discretion may (but shall not be obliged to) and, if so requested in writing by Holders of at least 25 per cent. of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or pre-funded and/or provided with security to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued and unpaid interest (if any) without further action or formality:

(a) *Non-payment*: if a default is made in the payment of any amount of principal or interest in respect of the Notes on the due date for payment thereof and, in the case of interest, the default continues for a period of three days; or

(b) *Breach of other obligations*: the Issuer or the Guarantors default in the performance or observance of any of their respective obligations under or in respect of the Notes or the Trust Deed and such default (i) is incapable of remedy or (ii) being a default which is capable of remedy, remains unremedied for 30 days after the Trustee has given written notice thereof to the Issuer and the Guarantors of a notice requiring the same to be remedied; or

(c) *Cross-default*:

(i) any Financial Indebtedness of the Issuer or the Guarantors is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any such Financial Indebtedness become due and payable, or any creditor in respect of any such Financial Indebtedness becomes entitled to declare such Financial Indebtedness due and payable, prior to its specified maturity otherwise than at the option of the Issuer, the Guarantors or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Financial Indebtedness; or

(iii) the Issuer or the Guarantors fail to pay when due any amount payable by it under any guarantee of any Financial Indebtedness,

provided that no Event of Default will occur under paragraphs (i), (ii) or (iii) above if:

(X) the aggregate amount of the Financial Indebtedness or guarantee of Financial Indebtedness falling within paragraphs (i), (ii) or (iii) above which have occurred and are continuing, is less than U.S.$15,000,000 (or the equivalent thereof in other currencies);

(Y) the Financial Indebtedness constitutes a Shareholder Loan or an Intragroup Loan; or

(Z) such Financial Indebtedness has been incurred in the ordinary course of business and is being disputed in good faith and such event ceases to apply within 90 days of its occurrence; or

(d) *Insolvency etc*: (A) the Issuer or all of the Guarantors (taken together) becomes insolvent or are unable to pay their debts as they fall due, (B) an administrator, liquidator or judicial manager is appointed (or application for any such appointment is made) in respect of the Issuer or all of the Guarantors (taken together) or the whole or a material part of the undertaking, assets and revenues of the Issuer or all of the Guarantors (taken together), or (C) the Issuer or the Guarantors (acting jointly) take any action for a readjustment or deferment of any of their obligations or makes a general assignment or an arrangement or composition with or for the benefit of their creditors or declares a moratorium in respect of any of their borrowings or any guarantee of any borrowings given by them (otherwise than, in respect of (A) to (C) above, for the purposes of or pursuant to a Permitted Reorganisation); or

(e) *Winding up etc*: an order is made by any competent court (from which no further appeal or judicial review is permissible) or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or all of the Guarantors (taken together) (otherwise than for the purposes of reorganisation on terms previously approved in writing by the Trustee acting pursuant to an Extraordinary Resolution of the Noteholders or pursuant to a Permitted Reorganisation); or

(f) *Unlawfulness*: if any regulation, decree, consent, approval, licence or other authority necessary to enable the Issuer or the Guarantors to perform their respective obligations under the Notes, the Guarantee of the Notes or the Trust Deed or for the validity or enforceability thereof expires or is withheld, revoked or terminated or otherwise ceases to remain in full force and effect or is modified; or

(g) *Nationalisation*: if any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of, in the case of the Issuer or all of Guarantors (taken together), all or a substantial part of their assets; or

(h) *Cessation of business*: if the Guarantors cease to carry on the business of Vena Energy; or

(i) *Guarantees of the Notes not in force*: the Guarantee of the Notes is not (or is claimed by the Guarantors not to be) in full force and effect (other than pursuant to a release of one or more Guarantees of the Notes pursuant to Condition 4(c) (*Release of the relevant Guarantee of the Notes*)); or

(j) *Declared company*: the Issuer or the Guarantors is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; or

(k) *Analogous event*: any event occurs which under the laws of Singapore has an analogous effect to any of the events referred to in paragraphs (d) and (e) above.

14. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Issuing and Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system 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 may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. **Trustee and Agents**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances and to be paid its costs, fees and expenses in priority to the claims of the Noteholders. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security. The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (a) to enter into business transactions with the Issuer, the Guarantors and/or any entity relating to the Issuer, the Guarantors or any other persons and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantors and/or any entity relating to the Issuer or the Guarantors, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions under these Conditions and the Trust Deed (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee will have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 12 and/or any undertaking given in addition to, or in substitution for, Condition 12 pursuant to the Trust Deed.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and the Guarantors 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 Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer and the Guarantors reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principle paying agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that**:

(i) the Issuer and the Guarantors shall at all times maintain a principle paying agent and a registrar; and

(ii) the Issuer and the Guarantors shall at all times maintain a CDP Issuing and Paying Agent in relation to Notes accepted for clearance through CDP; and

(iii) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer and the Guarantors shall at all times maintain a Calculation Agent; and

(iv) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer and the Guarantors shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

The names of the initial Agents and their initial specified offices are set out on the back cover of this Offering Circular.

17. **Meetings of Noteholders; Modification and Waiver; Substitution**

(a) *Meetings of Noteholders*: The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions, 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 and (acting together) the Guarantors or by the Trustee and shall be convened by the Trustee subject to it being first indemnified, provided with security or pre-funded to its satisfaction upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

(b) *Written Resolutions and Electronic Consent*:

(i) The Trust Deed provides that:

(A) a written resolution signed by or on behalf of the Holders of not less than 75 per cent. of the aggregate principal amount of a Series of Notes then outstanding who for the time being are entitled to receive notice of a meeting (such a resolution in writing (a "**Written Resolution**") may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders); or

(B) where the Notes are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the Holders of not less than 75 per cent. of the aggregate principal amount of a Series of Notes then outstanding (an "**Electronic Consent**"),

shall, in each case for all purposes, be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

(ii) A Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

(c) *Modification and waiver*: The Trustee may, without the consent of the Noteholders, agree to any modification of these Conditions, the Trust Deed or the Agency Agreement (in each case, other than in respect of a Reserved Matter) (a) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes, the Trust Deed or the Agency Agreement, (b) which, in the opinion of the Trustee, is of a formal, minor or technical nature or is to correct a manifest error or to comply with any mandatory provision of law or as required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Notes may be held, or (c) any amendment to the Agency Agreement (1) for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or (2) in any manner which the Trustee may deem necessary or desirable (provided that the Issuer, the Issuing and Paying Agent, the CDP Issuing and Paying Agent, the Calculation Agent, the Transfer Agent and the Registrar all also deem such amendment as necessary or desirable) provided that in each case such amendment is not, in the opinion of each of the Issuer, the Guarantors and the Trustee, materially prejudicial to the interests of the Noteholders.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter), the Agency Agreement or these Conditions if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Any such authorisation, waiver or modification shall be binding on the Noteholders and unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 20 (*Notices*).

(d) *Substitution*: The Trust Deed contains provisions under which any of the Guarantors or any other company may, without the consent of the Noteholders, assume the obligations of the Issuer as principal debtor under the Trust Deed and the Notes **provided that** certain conditions specified in the Trust Deed are fulfilled, including, in the case of a substitution of the Issuer by a company other than one of the Guarantors, a requirement that the Guarantee of the Notes is fully effective in relation to the obligations of the new principal debtor under the Trust Deed and the Notes.

(e) *Direction from Noteholders*: Notwithstanding anything to the contrary in these Conditions, the Trust Deed or the Agency Agreement, whenever the Trustee is required or entitled by the terms of these Conditions, the Trust Deed 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 Noteholders by way of an Extraordinary Resolution and shall have been indemnified, provided with security 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.

18. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed or the Agency Agreement in respect of the Notes, but it shall not be bound to do so unless:

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

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

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

19. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes ("**Further Notes**") having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

20. **Notices**

(a) *Bearer Notes*: Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in a daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*), or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Asia (which is expected to be *The Wall Street Journal, Asian Edition*). Any such notice shall be deemed to have been given on the date of first publication (or if published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) *Registered Notes*: Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

So long as the Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held (i) on behalf of Euroclear or Clearstream, or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Note Certificate; (ii) by CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in the list of Noteholders provided by CDP. Any such notice will be deemed to have been given at 5:00 pm on the day the relevant clearing system receives such notice.

21. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons 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 these Conditions 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 Notes, the Issuer shall indemnify the Trustee and each Noteholder, on the written demand of the Trustee or such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Issuing and Paying 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 such Noteholder 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.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

(a) *Governing law*: The Notes and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.

(b) *Jurisdiction*: Each of the Issuer and the Guarantors have in the Trust Deed agreed that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with them) or the consequences of their nullity.

(c) *Appropriate forum*: Each of the Issuer and the Guarantors agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) *Rights of the Noteholders to take proceedings outside England*: Condition 23(b) (*Jurisdiction*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 23 prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Process agent*: Each of the Issuer and the Guarantors agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth floor, 100 Wood Street, London EC2V 7EX, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer or the Guarantors, as the case may be, the Issuer or the Guarantors, as the case may be, shall, on the written demand of any Noteholder addressed and delivered to the Issuer or the Guarantors, as the case may be, or to the Specified Office of the Trustee appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer or the Guarantors, as the case may be, and delivered to the Issuer or the Guarantors, as the case may be, or to the Specified Office of the Trustee. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

24. **Trustee Liability**

(a) Notwithstanding any other provisions of these Conditions and without prejudice to the provisions of Section 42 of the Trusts (Guernsey) Law, 2007 (as amended) (the "**Guernsey Trusts Law**"), Zenith Japan Holdings Ltd informs the Noteholders that it acts as trustee of Zenith Japan Holdings Trust ("**Zenith Trust**").

(b) It is acknowledged that Zenith Trust is a "Guernsey trust" for the purpose of the Guernsey Trusts Law and that in respect of Zenith Japan Holdings Ltd and Zenith Trust:

   (i) the aggregate of all liabilities of Zenith Japan Holdings Ltd acting in its capacity as trustee of Zenith Trust under these Conditions shall at all times and for all purposes be limited to the trust property of Zenith Trust from time to time;

   (ii) in no circumstances shall any liability under these Conditions attach to or be enforced or enforceable against Zenith Japan Holdings Ltd acting in any other capacity whatsoever other than its capacity as trustee of Zenith Trust or any property of Zenith Japan Holdings Ltd (held in its capacity as trustee of any other trust or fund or in its personal capacity or in any other capacity whatsoever) other than the trust property of Zenith Trust from time to time;

   (iii) all representations, warranties, obligations and covenants in these Conditions made, given or agreed by or in relation to Zenith Japan Holdings Ltd or Zenith Trust are made, given or agreed by or in relation to the trust property of Zenith Trust from time to time and in Zenith Japan Holdings Ltd's capacity as trustee of Zenith Trust and shall not be construed as made, given or agreed by or in relation to Zenith Japan Holdings Ltd's capacity as trustee of any other trust or in its personal capacity or in any other capacity whatsoever.

(c) No recourse under any obligation, covenant or agreement of Zenith Japan Holdings Ltd acting in its capacity as a trustee of Zenith Trust may be had to any officer, agent or director of such trustee.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of the Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.

[**MIFID II PRODUCT GOVERNANCE/TARGET MARKET –** [*appropriate target market legend to be included*]]

[**PRIIPS REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS** — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

Pricing Supplement dated [●]

Vena Energy Capital Pte. Ltd.
Legal Entity Identifier: 254900WSETM7TQMYGS40

Issue of [Aggregate Nominal Amount of Series] [Title of Notes]
under the U.S.$1,000,000,000 Medium Term Note Programme
Guaranteed by

Vena Energy Holdings Ltd
Vena Energy (Taiwan) Holdings Ltd
Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust)

The document constitutes the Pricing Supplement relating to the issue of the Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated 26 November 2019. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [and the supplemental Offering Circular dated [*date*]].

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date:*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [●]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [●] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

The Notes have not been, and will not be, registered under the United States Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States except in certain transactions exempt from the registration requirements of the Securities Act).

[Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes 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 (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.*]

1.	(i)	Issuer:	Vena Energy Capital Pte. Ltd.
	(ii)	Guarantors:	Vena Energy Holdings Ltd Vena Energy (Taiwan) Holdings Ltd Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust)
2.	[(i)	Series Number:]	[●]
	[(ii)	Tranche Number:]	[●]
	[(iii)	Date on which the Notes become fungible:]	[Not Applicable]/[The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*identify earlier tranches of Notes*] on [[●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below [which is expected to occur on or about [●]].]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		[●]
	[(i)	Series:	[●]]
	[(ii)	Tranche:	[●]]
5.	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
	(ii)	Net Proceeds:	[●] [(*Required only for listed issues*)]
6.	(i)	Specified Denominations:	[●] [*Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).*] [*If the specified denomination is expressed to be EUR100,000 or its equivalent and multiples of a lower principal amount (for example EUR1,000), insert the additional wording as follows: EUR100,000 and integral multiples of [EUR1,000] in excess thereof up to and including [EUR199,000]. No Notes in definitive form will be issued with a denomination above [EUR199,000]. In relation to any issue of the Notes which are a "Global Note exchangeable for Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Notes", such Notes may only be issued in denominations equal to, or greater than, EUR100,000 (or equivalent) and multiples thereof.*]
	(ii)	Calculation Amount:	[●]

7.	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8.	Maturity Date:	[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*] [*If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "**professional investors**" or (ii) another applicable exemption from section 19 of the FSMA must be available.*]
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[*Specify reference rate*] +/- [●] per cent. Floating Rate] [Zero Coupon] [Other (*Specify*)] (further particulars specified below)
10.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[●]/[100]] per cent. of their nominal amount. [Other (*Specify*)]
11.	Change of Interest or Redemption/Payment Basis:	[*Specify details of any provision for convertibility of the Notes into another interest or redemption/ payment basis*][Not Applicable]
12.	Put/Call Options:	[Issuer Call] [Clean-Up Call] [Investor Put] [Change of Control Put] [(further particulars specified below)] [Not Applicable]
13.	(i) [Date [Board] approval for issuance of Notes [and Guarantees of the Notes] [respectively]] obtained:	[●] [and [●], respectively] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee of the Notes)*
	(ii) [Date regulatory approval(s) for issuance of Notes obtained]:	[●] [Other (*Specify*)]
14.	Listing:	[Singapore Exchange Securities Trading Limited/ Other (*specify*)/None]
15.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly/other (*specify*)] in arrears]
(ii)	Interest Payment Date(s):	[●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "**Business Day**"*]/not adjusted]
(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
(v)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/other]
(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
17.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Interest Period(s):	[●]
(ii)	Specified Period:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention (as defined in the Conditions). Otherwise, insert "Not Applicable"*)
(iii)	Specified Interest Payment Dates:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"*)
(iv)	First Interest Payment Date:	[●]
(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Floating Rate Convention/Euroclear Convention/other (give details)][Not Applicable]
(vi)	Additional Business Centre(s):	[Not Applicable/*give details*]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/ other (*give details*)]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issuing and Paying Agent):	[[*Name*] shall be the Calculation Agent (*no need to specify if the Issuing and Paying Agent is to perform this function*)]

(ix)	Screen Rate Determination:	
	• Reference Rate:	[*For example, LIBOR, EURIBOR or CNH HIBOR*]
	• Interest Determination Date(s):	[0]
	• Relevant Screen Page:	[*For example, Reuters LIBOR 01/EURIBOR 01*]
	• Relevant Time:	[*For example, 11.00 a.m. London time/Brussels time*]
	• Relevant Financial Centre:	[*For example, London/Eurozone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)*]
(x)	ISDA Determination:	
	• Floating Rate Option:	[●]
	• Designated Maturity:	[●]
	• Reset Date:	[●]
	• [ISDA Definitions]:	[2006]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	[●]
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
18.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	[Amortisation/Accrual] Yield:	[●] per cent. per annum
(ii)	Reference Price:	[●]
(iii)	Day Count Fraction in relation to Early Redemption Amount:	[30/360/Actual/Actual (ICMA/ISDA)/other]
(iv)	Any other formula/basis of determining amount payable:	[*Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 9(i)*]

PROVISIONS RELATING TO REDEMPTION

19.	**Issuer Call**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount (Call) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
(iv)	Notice period:	[●]

20.	**Investor Put**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount (Put) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) Notice period:	[●]
21.	**Change of Control Put**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	[(i) Early Redemption Amount (Change of Control Put) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount]
	[(ii) Put Period:	[●]]
	[(iii) Put Date:	[●]]
22.	**Final Redemption Amount**	[●] per Calculation Amount
23.	**Early Redemption Amount**	[Not Applicable
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, [on Change of Control Put Event,] or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	(*If each of the Early Redemption Amount (Tax), Early Redemption Amount (Change of Control) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax), Early Redemption Amount (Change of Control) and/or the Early Termination Amount if different from the principal amount of the Notes*)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of the Notes:	**Bearer Notes:**[12] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice /in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/in the limited circumstances specified in the Permanent Global Note] **Registered Notes:** [Global Note Certificate exchangeable for Individual Note Certificates on [●] days' notice /in the limited circumstances described in the Global Note Certificate]
25.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details*.] [*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraph 17(vi) relates*]

12 Bearer Notes issued in compliance with the D Rules must initially be represented by a Temporary Global Note.

26.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]
27.	Consolidation provisions:	The provisions in Condition 19 (*Further Issues*)] [annexed to this Pricing Supplement] apply]
28.	Any applicable currency disruption/fallback provisions:	[Not Applicable/*give details*]
29.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

30.	(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii) Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
31.	If non-syndicated, name and address of Dealer:	[Not Applicable/*give name and address*]
32.	Total commission and concession:	[●] per cent. of the Aggregate Nominal Amount
33.	U.S. Selling Restrictions:	Reg. S Category 1 (*In the case of Bearer Notes*) — [C RULES / D RULES / TEFRA not applicable]
34.	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
35.	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

36.	ISIN Code:	[●]
37.	Common Code:	[●]
38.	Any clearing system(s) other than Euroclear/ Clearstream/Luxembourg and CDP and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
39.	Delivery:	Delivery [against/free of] payment
40.	Additional Paying Agent(s) (if any):	[●]

GENERAL

41.	Green Bonds:	[Applicable/Not Applicable] [*If applicable, the following language to be included*]: [*The net proceeds from the issue of the Green Bonds will be applied exclusively to finance or refinance, in whole or in part, Eligible Green Projects (as defined below) which fall within the Eligible Project Categories (as defined below). "Vena Energy Green Financing Framework" means the green financing framework prepared by Vena Energy which is published on the website of Vena Energy and summarised in the "Vena Energy Green Financing Framework" section of the Offering Circular. "Eligible Green Projects" are*

		described in the Vena Energy Green Financing Framework. "Eligibility Project Categories" means the eligible project categories applicable to Eligible Green Projects as set out in the Vena Energy Green Financing Framework. Details of the external review[s] conducted (and/or to be conducted) in connection with the Notes are set out in the Vena Energy Green Financing Framework.]
42.	Private Bank Rebate/Commission:	[Applicable/Not Applicable] [(*To be included if a PB rebate is paid*) In addition, the Issuer has agreed with the Joint Lead Managers that it will pay a commission to certain private banks in connection with the distribution of the Notes to their clients. This commission will be based on the principal amount of the Notes so distributed, and may be deducted from the purchase price for the Notes payable by such private banks upon settlement.]
43.	The aggregate principal amount of the Notes issued has been translated into United States dollars at the rate of [●], producing a sum of (for Notes not denominated in United States dollars):	[Not Applicable/U.S.$[●]]
44.	[Ratings:	The Notes to be issued [have been/are expected to be] rated: [[●]: [●]]; [[●]: [●]]; [and] (each a "**Rating Agency**"). If any Rating Agency shall not make a rating of the Notes publicly available, the Issuer shall select and substitute them with [●] or [●] and its successors.]

[USE OF PROCEEDS

Give details if different from the "*Use of Proceeds*" section in the Offering Circular.]

[STABILISATION

In connection with this issue, [*insert name of Stabilising Manager*] (or persons acting on behalf of any Stabilising Manager) (the "**Stabilising Manager**") may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on each Stabilising Manager to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance.]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") of the Notes described herein pursuant to the U.S.$1,000,000,000 Guaranteed Medium Term Note Programme of the Issuer.

RESPONSIBILITY

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantors or the U.S.$1,000,000,000 Guaranteed Medium Term Note Programme of the Issuer or the Notes.

The Issuer and the Guarantors each accept responsibility for the information contained in this Pricing Supplement.

SIGNED on behalf of **VENA ENERGY CAPITAL PTE. LTD.**:

By:____

Duly authorised

Name:_______________________________________

Title:____

SIGNED on behalf of **VENA ENERGY HOLDINGS LTD**:

By:____

Duly authorised

Name:_______________________________________

Title:____

SIGNED on behalf of **VENA ENERGY (TAIWAN) HOLDINGS LTD**:

By:____

Duly authorised

Name:_______________________________________

Title:____

SIGNED on behalf of **ZENITH JAPAN HOLDINGS LTD (AS TRUSTEE OF ZENITH JAPAN HOLDINGS TRUST)**:

By:____

Duly authorised

Name:_______________________________________

Title:____

USE OF PROCEEDS

The net proceeds from each issue of the Notes under the Programme are presently intended to be used:

(a) for the general corporate purposes (including the refinancing of borrowings) and working capital and capital expenditure requirements of Vena Energy;

(b) in the case of Notes which are specified to be "Green Bonds" in the applicable Pricing Supplement ("**Green Bonds**"), for the development, construction and operation of Eligible Green Projects (as defined herein) from any of the Eligible Project Categories (as defined herein) as defined below; and

(c) if, in respect of any particular issue, there is a particular identified use of proceeds, for the purposes stated in the applicable Pricing Supplement.

Use of proceeds of issue of Green Bonds

In the case of Green Bonds, the net proceeds from the issue of the Green Bonds will be deposited into specially designated escrow accounts or green finance accounts. Subject to compliance with applicable laws and regulations, upon release of the escrow proceeds from the applicable escrow accounts, the proceeds of the Green Bonds will be used as described below to finance and refinance the development, construction and operation of Eligible Green Projects from any of the Eligible Project Categories. Such Eligible Green Projects will exclusively comprise solar, wind and hydropower projects in one or more of the following activities:

1. solar projects relating to photovoltaic solar electricity, concentrated solar power, infrastructure and the manufacturing and transmission of solar power; and

2. wind energy projects including offshore and onshore wind farms, infrastructure, manufacturing and transmission of wind power,

3. hydropower projects relating to the run of the river and small hydropower projects of less than 15 MW capacity, existing large hydropower projects of greater than 20 MW in temperate zones, and re-powering of existing large hydropower systems;

(collectively, the "**Eligible Green Projects**")

The Eligible Green Projects shall meet a set of environmental, social and governance criteria ("**ESG Criteria**") based on the International Finance Corporation's Performance Standards (the "**IFC Performance Standards**") and national Environmental and Social Environmental Impact Assessment regulations. Vena Energy will make a reasonable effort to engage an external expert with international experiences with environmental, social and governance matters to review and confirm ESG compliance along with stakeholder engagement.

The Eligible Green Projects will be selected by the Sustainability Committee in accordance with eligibility criteria that the Vena Energy Green Financing Framework defines.

Within one year of the date of issuance of the Green Bonds and thereafter once a year until the proceeds from the Green Bonds have been fully allocated, Vena Energy will make disclosure on its website (https://www.venaenergy.com/) on allocation of the proceeds and its impact through allocation ratio per asset type (e.g. solar, wind and hydro), geographic split per country, weighted average age of the project being refinanced by the Green Bond issuance with information related to the project phase, total project size per asset category, total annual operating hours, examples of projects financed by the proceeds including their description and impact metrics such as installed capacity, annual GHG emissions avoided in tons of CO_2 equivalent, annual renewable energy production and number of households powered.

The allocation of proceeds will be audited on an annual basis by an independent third party until the full allocation of proceeds into Eligible Green Projects.

VENA ENERGY GREEN FINANCING FRAMEWORK

OVERVIEW

The Vena Energy Green Financing Framework was established to enhance transparency, disclosure and alignment of Vena Energy's green and social financing activities in line with the Green Bond Principles 2018 issued by the International Capital Market Association and the Green Loan Principles 2018 issued by the Loan Market Association, and their four key pillars:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting

Use of Proceeds

Any Green Bond or Loan issued by Vena Energy (or any of its subsidiaries) will be used to finance and/or re-finance, in whole or in part, new or existing projects under development, construction and/or operation ("**Eligible Green Project**") from any of the eligible project categories ("**Eligible Project Categories**" as defined below).

Eligible Green Categories	**Use of Proceeds**
Renewable Energy	Solar energy: photovoltaic solar electricity, concentrated solar power, infrastructure and manufacturing, transmission Wind energy: offshore and onshore wind farms, infrastructure and manufacturing, transmission Hydropower: run of river and small hydro <15 MW (CDM defined), existing large hydro >20 MW in temperate zones, re-powering of existing large hydro system.

The Eligible Project Categories and Use of Proceeds associated are defined in accordance with the Taxonomy set by the Climate Bond Initiative in 2017. Solar and Wind Energy Use of Proceeds are moreover set in the Climate Bonds Initiative Standards (standards for hydropower assets are still under development).

In line with Vena Energy sustainability strategy, the Eligible Green Projects shall meet ESG Criteria based on IFC's Performance Standards, as defined below:

1. Risk management;
2. Labour;
3. Resource Efficiency
4. Community;
5. Land Resettlement;
6. Biodiversity;
7. Indigenous People; and
8. Cultural Heritage.

Process for project selection and evaluation

Vena Energy has established a Sustainability Committee as the highest corporate body governing the responsibilities of sustainable investment matters, including the promotion, monitoring, implementation and improvement of cross functional sustainability strategies, chaired by Vena Energy's Chief Executive Officer.

The eligibility of projects will need to be unanimously agreed by all members of the Sustainability Committee.

The Investment Committee will pre-approve the selected projects, based on a series of analysis and feasibility studies including but not limited to the environmental impact analysis, financial modelling and due diligence of the projects. They will notably be responsible for assessing the compliance of pre-selected projects with ESG Criteria of the Vena Energy Green Financing Framework. Alongside this pre-screening, the Investment Department will support the financing decision based on Vena Energy's normal financial and technical criteria (project scale, financial return, risk assessment, etc.), as part of Vena Energy's routine funding process.

Once the project is approved by the Investment Committee, the Sustainability Committee will verify the compliance of the projects with the Vena Energy Green Financing Framework and its eligibility criteria and classify them into eligible projects. The Sustainability Committee will also validate the final selection of the projects.

Apart from allocating or raising funds according to annual budget, projects that will be financed by green bond or loan proceeds will be overseen by the Sustainability Committee to comply with the "Use of Proceeds" provision. The Sustainability Committee will oversee the reporting.

Management of proceeds

Vena Energy will dedicate a Green Finance Account to the Green Bonds or Green Loans. Each Green Bond or Loan issued will be deposited until full allocation and earmarked for allocation in accordance with this Vena Energy Green Financing Framework.

Pending the full allocation of the proceeds, the balance of unallocated proceeds shall be earmarked and held in the form of temporary sustainable cash or cash equivalent investment instruments in line with Vena Energy treasury management. Vena Energy excludes the following activities in its investment policy:

1. Projects or activities involving forced labour or child labour;
2. Projects involving or producing or trading in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements;
3. Projects involving any business relating to pornography or prostitution;
4. Projects trading in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
5. Projects involving the production or use or trade in hazardous materials such as radioactive materials, unbounded asbestos fibres and products containing Polychlorinated Biphenyls (PCBs);
6. Projects having cross-border trade in waste and waste products unless compliant to the Basel Convention and the underlying regulations;
7. Projects using drift net fishing in the marine environment using nets in excess of 2.5 km in length;
8. Projects producing, using or trading in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances and other hazardous substances subject to international phase-outs or bans;
9. Projects involving destruction of critical habitats;
10. Projects producing and distributing any racist, anti-democratic and/or neo-Nazi media; or
11. Projects producing or trading in weapons and ammunition, tobacco or hard liquor.

Until full allocation of the proceeds to Eligible Green Projects, Vena Energy intends to maintain an aggregate amount of assets in the Green Finance Account and allocated Eligible Green Projects that is at least equal to the aggregate net proceeds of all outstanding Vena Energy Green Bonds and Green Loans.

The net proceeds of the green bonds/loans shall be allocated for the financing and / or refinancing of existing Eligible Green Projects. For new projects or assets, the Green Bond or Loan can finance assets during the construction and/or operational phase.

Under an extraordinary scenario where an Eligible Green Project is divested, Vena Energy intends to maintain the balance between the Eligible Green Project base and outstanding amount of net Green Bond/Loans. This can be achieved through new green investments or through the reduction of the net Green Bond/Loan respectively (e.g. via cash retention for future green investments).

Reporting

Allocation report

Allocation reporting will be available to investors within approximately one year from the date of the bond issuance or loan agreement, and thereafter once a year until the bond/loan proceeds have been fully allocated. In case of sale or disposal of an Eligible Green Project, Vena Energy will reallocate the amount dedicated to this particular project to another Eligible Green Project and/or maintain the cash in line with the Management of Proceeds as defined above. The allocation report will disclose information per asset type, comprising detailed examples, such as:

1. Allocated amount per asset category (renewable energy type) vs. total amount (in %);
2. Geographic split per country;

3. Weighted average age of the project being financed or refinanced by the Green Bond/Loan issuance with information related to the phase (construction vs operation);
4. Total projects size (MW) per asset category;
5. Total annual operating hours; and
6. Example of projects financed by the proceeds, including their description (date, location, category, progress).

The allocation of proceeds will be audited on an annual basis by an independent third party until the full allocation of proceeds into Eligible Green Projects.

Impact report

On an annual basis, until full allocation, Vena Energy will provide an impact reporting, whereby, for each category of Eligible Green Projects, and where feasible, Vena Energy will report on relevant impact metrics.

Examples of relevant metrics that Vena Energy could include:

Eligible Green Categories	Reporting indicators	Reporting indicators
Renewable Energy	1. Solar energy: photovoltaic solar electricity, concentrated solar power, infrastructure and manufacturing, transmission 2. Wind energy: offshore and onshore wind farms, infrastructure and manufacturing, transmission 3. Hydropower: run of river and small hydro <15 MW (CDM defined), existing large hydro >20 MW in temperate zones, re-powering of existing large hydro system	1. Installed capacity in MW; 2. Annual GHG emissions avoided in tons of CO2 equivalent; and 3. Annual renewable energy production in MWh 4. Number of Households powered

External Review – Second Party Opinion

Vena Energy has asked Vigeo Eiris and the Japan Credit Rating Agency to provide an independent assessment / second party opinion on the alignment of the Vena Energy Green Financing Framework to the Green Bond Principles 2018 and the Green Loan Principles 2018.

This second party opinion and third party review document will be made publicly available on Vena Energy's website at www.venaenergy.com. The information found on Vena Energy's website is not incorporated in, and does not form part of this Offering Circular.

Annual Assurance Report

An independent auditor will be appointed by Vena Energy to provide an annual assurance report until all the proceeds are allocated on whether the amount of the Green Bond proceeds allocated to Eligible Green Projects is consistent with data underlying the accounting records.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following diagram shows a simplified summary of Vena Energy's corporate and financing structure as of the date of this Offering Circular. The following is provided for illustration purposes only and should be read in conjunction with the information contained in this Offering Circular as a whole. The diagram does not include a description or depiction of each Guarantor's subsidiaries, nor all of the debt obligations of each of the Guarantors.

For a summary of the debt obligations of Vena Energy, see the section titled "Pro Forma Capitalisation and Indebtedness".

Overview of Vena Energy Corporate Structure

Vena Energy comprises three businesses with different legal ownership, economic and control structures, corresponding to each of the Guarantors, as reflected in the diagram below.

Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust)

Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) is the beneficiary of Zenith Japan Trust. Zenith Japan Ltd is the trustee of Zenith Japan Trust, which has entered into numerous *tokumei kumiai* ("**TK**") arrangements that gives Zenith Japan Trust an economic interest in Vena Energy's assets in Japan (the "**Japanese Assets**"). TK arrangements are special Japanese silent partnerships through which investors fund their commitments through TK agreements which, for Japanese tax purposes, are classified as neither debt nor equity. As the TK investor, Zenith Japan Trust has entered into certain TK agreements with the Japanese project companies and is therefore a passive investor in the Japanese Assets. The Japanese Assets are operated by limited liability companies incorporated in Japan (*godo kaisha* ("**GK**")). The GKs have entered into asset management agreements with certain Japanese companies owned by Vena Energy Holdings Ltd. The TK agreements do not allow Zenith Japan Trust to participate in the ongoing operations of the GKs or the Japanese Assets more generally, but include certain provisions containing negative covenants regarding the actions of the GKs and Japanese Assets. 99% of the economic interests in the Japanese Assets are held by Zenith Japan Ltd through the TK agreements. The remaining 1% is retained within the GKs and therefore available to GKs shareholders.

Zenith Japan Trust is therefore a passive investor and is not involved in the operation and management of the Japanese Assets, and does not influence or have the ability to influence the project companies owned by Vena Energy Holdings Ltd. Zenith Japan Trust's role in the Vena Energy structure is therefore limited to the provision of funding for the Japanese Assets in consideration for the passive economic interest described above.

Vena Energy has put in place a number of measures with respect to corporate governance and operational guidelines designed to ensure that Zenith Japan Ltd remains a passive investor. Such arrangements allow each project company to deduct profit distributions from its taxable income. While these arrangements are not uncommon, there is a possibility that the Japanese tax authorities may seek to challenge them, and if successful, the relevant project companies in Japan will not be able to deduct profit distributions from its taxable income. See "*Risk Factors – Risks Relating to Vena Energy's business—Vena Energy is subject to various laws and regulations in the jurisdictions in which it operates. Any non-compliance with such relevant laws and regulations, introduction of new laws, regulations, foreign exchange policies or political instability in jurisdictions in which it operates could have an adverse effect on Vena Energy's financial condition and results of operations or make it more difficult for it to operate successfully.*"

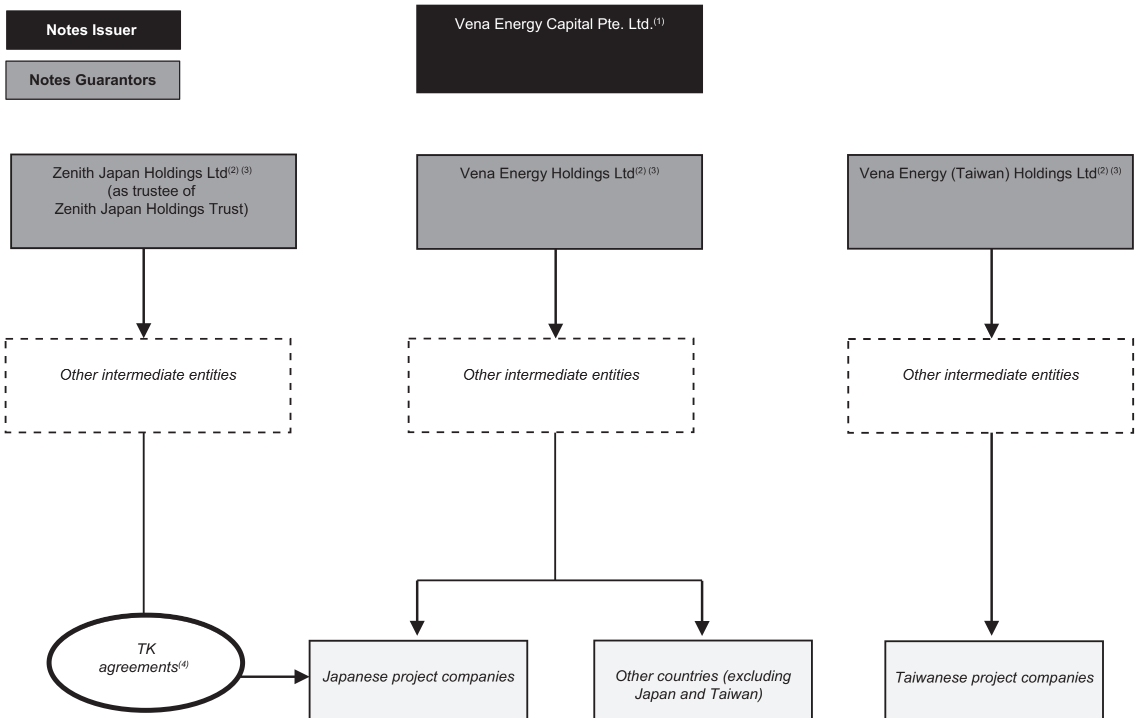
For the foregoing reasons, any change in ownership in Zenith Japan Holdings Trust will not constitute a Change of Control (as defined in the Terms and Conditions). See *"Terms and Conditions – Redemption and Purchase – Change of Control."*

Vena Energy Holdings and Vena Energy Holdings Taiwan

Vena Energy Holdings Ltd ("**Vena Energy Holdings**") holds all of Vena Energy's assets except for its assets in Taiwan (held by Vena Energy (Taiwan) Holdings Ltd ("**Vena Energy Holdings Taiwan**")), and the TK interests in the Japanese Assets, described above.

The boards of directors that oversee Vena Energy Holdings and Vena Energy Holdings Taiwan are identical, save that the board of directors of Vena Energy Holdings Taiwan excludes Mr Mi Tao (a director of CIC Capital). The operation and management of Vena Energy's assets are the responsibility of Vena Energy Holdings, save for its Taiwanese assets, which are the responsibility of Vena Energy Taiwan. See "*Directors and Management of Vena Energy*".

As of the date of this Offering Circular, funds managed by Global Infrastructure Management LLC and/or its affiliates hold 75.36 per cent. and 86.18 per cent. in the issued share capital of each of Vena Energy Holdings and Vena Energy Holdings Taiwan, respectively. See *"Terms and Conditions – Redemption and Purchase – Change of Control."*



(1) Vena Energy Capital Pte. Ltd. is an orphan special purpose vehicle incorporated as a private company limited by shares in Singapore under the Companies Act, Chapter 50 of Singapore, and is not a subsidiary of any company or trust of Vena Energy. See "*The Issuer*" and "*Risk Factors – Risks Relating to the Issuer and Vena Energy's corporate structure – The Issuer has no operating history and no material assets and will depend on receipt of payments from the Guarantors to make payments to the Noteholders.*"

(2) The Guarantors are borrowers under the Facilities Agreement.

(3) The Guarantors have entered into a deed of indemnity and reimbursement dated 26 November 2019, providing, among other things, the basis on which amounts paid by a non-defaulting Guarantor under the Trust Deed are to be reimbursed and indemnified by a defaulting Guarantor.

(4) See "*- Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust)*" above for a summary description of the TK agreements.

THE ISSUER

GENERAL

Vena Energy Capital Pte. Ltd. was incorporated as a private limited liability company under the laws of Singapore on 13 September 2019 with company registration number 201930617G. The Issuer has been established for the sole purpose of issuing the Notes and entering into the transactions contemplated by the Programme, the Conditions, the Guarantee of the Notes, the Trust Deed and the Agency Agreement. The registered office of the Issuer is at 80 Robinson Road, #02-00, Singapore 068898.

The issued share capital of the Issuer is U.S.$1 consisting of 1 ordinary share (the "**Share**"), which is held by Madison Pacific Pte. Limited as share trustee (the "**Share Trustee**") under the terms of a declaration of trust (the "**Share Declaration of Trust**") under which the Share Trustee holds the Share in trust until the earlier of: a) the dissolution of the Issuer where the Trust Fund has been distributed in full; or (b) 100 years less one day from the date of the Share Declaration of Trust (the "**Trust Period**"). Prior to the end of the Trust Period, the trust is an accumulation trust. The beneficiaries have been defined in the Share Declaration of Trust as the Singapore Red Cross Society and the Salvation Army or any charitable organisation which fulfils the criteria set out in the Share Declaration of Trust. The Share Trustee is obliged to retain the Trust Fund in its entirety until the SPV has discharged in full its obligations under the Notes. The Share Trustee will take steps to wind up the Issuer only once it receives notification that the SPV has discharged fully all of its obligations under the Notes. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from its holding of the Shares.

BUSINESS OF THE ISSUER

The Issuer will not have any substantial liabilities other than in connection with the Notes and any further Notes issued pursuant to the Conditions. The Notes are the obligations of the Issuer alone and not the Share Trustee.

FINANCIAL STATEMENTS

Since the date of incorporation, no financial statements of the Issuer have been prepared.

DIRECTORS AND OFFICERS OF THE ISSUER

The directors of the Issuer (the "**Directors**") are Simone Grasso and Nitin Apte.

The Secretaries of the Issuer are Lee Wei Hsiung and Wang Shin Lin, Adeline.

The business address of the Directors is 1 George Street, #14-07, One George Street, Singapore 049145.

The business address of each Secretary is 80 Robinson Road, #02-00, Singapore 068898.

There are no potential conflicts of interest between the private interests or other duties of the Directors listed above and their duties to the Issuer.

*Unless otherwise indicated, references to "**Vena Energy**" refer to Vena Energy Holdings Ltd, Vena Energy (Taiwan) Holdings Ltd and Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) (collectively, the "**Guarantors**"), their respective subsidiaries and entities in which the Guarantors have an economic interest, taken as a whole from time to time.*

Overview

Vena Energy is a Singapore-based independent power producer ("**IPP**") and leading renewable energy company in the Asia Pacific region, with 18 offices across nine jurisdictions in Japan, Australia, India, Indonesia, the Philippines, Singapore, South Korea, Taiwan and Thailand. Vena Energy is a professionally managed business, and its management has extensive experience across its operational and strategic focus areas, being primarily utility-scale solar and wind generation projects. With 461 permanent staff across functions such as engineering, development, investment and operations, Vena Energy has the ability to develop, design, procure, construct and operate its projects. Vena Energy believes that the centralisation of equipment procurement and construction management functions combined with its deep local knowledge allows it to better manage risks and position itself as one of the most cost-effective developers and operators of renewable energy in the region.

Founded in 2012, Vena Energy made its first investment in the same year into 10 solar projects across Thailand, and has since increased its operational capacity to 1,562 MW as at 30 June 2019.

As at 30 June 2019, Vena Energy's portfolio comprises:

- 47 operational assets with a combined Gross Capacity[13] of 1,562 MW, comprising 1,022 MW of solar and 540 MW of wind projects;
- 13 solar projects under construction with a combined Gross Capacity of 300 MW;
- 16 wind and solar projects which are shovel-ready with a combined Gross Capacity of 374 MW; and
- 90 wind and solar projects which are advanced or under development with a combined Gross Capacity of 9.0 GW.

The table below sets forth the definition of each project phase, i.e. operational, under construction, shovel-ready, advanced development and early development and the respective capacity under each category for Vena Energy's wind and solar projects as at 30 June 2019:

Project Phase	Characteristics	Solar Gross Capacity (MW)	Wind Gross Capacity (MW)
Operational	• Commenced operations	1,022	540
Under Construction	• Having exclusivity[14] • Secured grid connection • Completed feasibility studies • Wind masts placed (for wind assets) and resource studies completed • Secured land and offtake arrangements	300	—
Shovel-Ready	• Having exclusivity • Secured or completing final procedural steps for grid connection • Completed feasibility studies • Wind masts placed (for wind assets) and/or have completed resource studies • In final stages of securing the land and offtake arrangements	220	154

13 "**Gross Capacity**" is defined as the maximum, or rated, generating capacity at standard test conditions of the relevant asset.

14 Definitions for asset exclusivity vary based on the geography in which the assets are located. In Australia and Korea, exclusivity is defined as an asset reaching an advanced PPA discussion status and receiving the relevant development approvals from local government departments overseeing planning and infrastructure. In India, exclusivity is defined as an asset receiving or having applied for a grid allocation or government order from a local authority. In Indonesia, exclusivity is defined as an asset having a heads of agreement signed with the PLN or a permit having been received from local government authorities. In Japan, exclusivity is defined as the asset having secured a PPA, land or grid. In the Philippines, exclusivity is defined by virtue of a service contract issued by the Department of Energy or an application for a service contract. In Taiwan, exclusivity is defined as an asset having secured exclusive rights to the grid. In Thailand, exclusivity is defined as the asset having secured land on which it is to be built.

Project Phase	Characteristics	Solar Gross Capacity (MW)	Wind Gross Capacity (MW)
Advanced Development	• Having exclusivity • Identified and in the process for securing land and grid connection • In the process of securing offtake arrangements • Have completed or in the process of completing feasibility studies • Completed resource studies • Management approved for development financing	978	1,242
Early Development	• Identified by management • Commenced work on a preliminary basis • In the process of securing exclusive entitlement, land, grid connection and capacity availability	4,383	2,388

Vena Energy is geographically diversified, with no single jurisdiction accounting for more than 50% of Vena Energy's total operational capacity as at 30 June 2019. Vena Energy aims to enter into long-term power purchase agreements ("**PPAs**") and/or feed-in-tariff agreements with creditworthy counterparties, and its offtakers comprise mainly government-linked or creditworthy corporate entities. As at 30 June 2019, there was no single offtaker accounting for more than 20% of Vena Energy's total project capacity for which offtake agreements have been secured. The weighted average balance of Vena Energy's PPA tenor for operational and pre-operational assets is 19.7 years and 20.4 years respectively as at 30 June 2019. This excludes the PPAs for the 10 solar projects in Thailand, for which tenors are evergreen in nature as they are automatically renewed every five years, subject to limited rights of termination by the offtaker.

History and Development

The table below lists key milestones and achievements of Vena Energy since its establishment in 2012:

Year	Milestone
2012	• First investment into 10 solar projects with an Economic Capacity of 64 MW[15] across Thailand
2013	• First investment into a wind project in India with Economic Capacity of 54 MW • First investment into four solar assets with Economic Capacity of 48 MW in Japan • Held one operating asset with Economic Capacity of 5 MW and assets under construction with Economic Capacity of 113 MW
2014	• First solar and wind investment in the Philippines, with Economic Capacities of 30 MW and 51 MW[16], respectively • Increased portfolio to 12 operating assets with Economic Capacity of 148 MW and assets under construction with Economic Capacity of 303 MW
2015	• Entry into Taiwan • Entry into Indonesia • First successful bid for a solar project with Economic Capacity of 130 MW in Telangana, India • Increased portfolio to 20 operating assets with Economic Capacity of 457 MW and assets under construction with Economic Capacity of 511 MW
2016	• Entry into Australia • Fully commissioned Project Pollo, a solar facility in Cadiz, the Philippines, with Economic Capacity of 132 MW, the largest single solar facility in Southeast Asia at the time • Signed first wind energy PPA in Indonesia for a capacity of 60 MW • Increased portfolio to 30 operating assets with Economic Capacity of 839 MW and assets under construction with Economic Capacity of 297 MW
2017	• Secured tender to develop Taiwan's largest solar project • Increased portfolio to 39 operating assets with Economic Capacity of 1,103 MW and assets under construction with Economic Capacity of 292 MW
2018	• Started construction on 127 MW Australian solar project in Tailem Bend, South Australia • Opened office in Seoul, South Korea • Increased portfolio to 43 operating assets with Economic Capacity of 1,289 MW and assets under construction with Economic Capacity of 446 MW

15 These projects have a Gross Capacity of 92 MW.
16 This project has a Gross Capacity of 54 MW.

Year	Milestone
2019	• Fully commissioned first Indonesia and Australia projects • Increased planned portfolio to a total of 374 MW in Economic Capacity of shovel-ready assets, of which 269 MW is in Japan, 97 MW is in India, and 8 MW is in Taiwan • Fully commissioned Taiwan's largest ground-mounted solar project in July 2019 • Increased portfolio to 47 operating assets with Economic Capacity of 1,482 MW and assets under construction with Economic Capacity of 300 MW

Strengths

Vena Energy believes that it benefits from the following strengths:

Favourable market environment

Vena Energy believes that the Asia Pacific region will represent the fastest growing solar and wind energy market worldwide. According to BNEF, Asia Pacific will account for almost half of new capital spent globally from 2019 to 2050, with total investment of U.S.$5.8 trillion in new power generating capacity. A majority of this new capital is expected to be committed to solar and wind generation capacity.

Vena Energy's business is focused on mature economies in Asia Pacific such as Japan, Australia, Taiwan and South Korea, and other high-growth renewable energy generation countries in the region, namely Indonesia, India, the Philippines and Thailand. The table below presents the BNEF outlook on the various regions which Vena Energy operates in:

Region	Outlook
Japan	By 2050, renewable energy is expected to account for 78% of total generation, up from 20% in 2018. Utility-scale solar photovoltaic ("**PV**") systems and wind are expected to contribute c.17% and c.32% of generation respectively by 2050.
India	Solar and wind is expected to account for 55% of total electricity demand by 2050, up from 7% in 2018. Solar PV installed capacity is expected to increase from 32GW in 2018 to 1,079GW in 2050 while onshore wind installed capacity is expected to increase from 35GW in 2018 to 379GW in 2050.
Australia	By 2050, nearly all existing large and emissions intensive coal generators will have retired, with renewable energy accounting for 84% of electricity generation. 57GW of utility-scale solar PV and 21GW of onshore wind are expected to be installed by 2050.
South Korea	By 2050, renewable energy is expected to generate 59% of total generation, up from 8% in 2018. Nearly 70% of capacity additions by 2050 is attributed to renewable energy with additional 91GW of new solar PV and 69GW of wind to come online.
Southeast Asia[17]	By 2050, renewable energy is expected to account for 58% of electricity generation. Solar PV is expected to dominate new capacity additions across the region, increasing from 6GW in 2018 to 602GW in 2050. Additionally, solar PV will provide 38% of generation in 2050, up from 1% today.

The table below shows the combined wind and solar forecast capacity for 2030 for the markets Vena Energy operates in:

In MW	Japan	India	Australia	Korea	Thailand	The Philippines	Indonesia
2018	59,923	67,155	17,013	9,168	4,493	1,635	288
2030	131,896	373,830	72,035	52,622	35,317	18,283	28,489

Source: BNEF

Vena Energy believes that most major Asia Pacific governments have committed to ambitious renewable energy targets over the next two decades, as well as favourable renewable policies, which are expected to drive investments in renewable energy infrastructure.

Additionally, according to BNEF, the levelised costs of electricity from solar PV systems and wind have dropped by 85% and 49% respectively since 2010. Vena Energy believes that as technology continues to advance, equipment in both solar and wind will become increasingly more powerful and efficient. BNEF estimates that the

17 Includes Malaysia, Thailand, Indonesia and the Philippines.

cost of an average solar PV plant and an onshore wind farm will fall by 63% and 50% respectively by 2050, on a dollar-per-MWh basis.

Fully integrated capabilities

Vena Energy has expertise across the whole renewable energy project lifecycle, with origination, development, construction and operational capabilities, from project and site assessment, pre-execution, contracting and procurement, installation and commissioning to operations and maintenance. See "*—Development Process*" below. Vena Energy also employs dedicated solar and wind experts focused on centralising its intellectual property with respect to resource assessment, system design, equipment procurement, construction management and operations and maintenance ("**O&M**") services. The capabilities to manage the whole project life cycle allows Vena Energy to minimise the involvement of third parties at each stage, generating significant economies of scale and building unparalleled experience, expertise and intellectual property across its jurisdictions in both solar and wind sectors. This in-house development approach allows Vena Energy to minimise the inheritance of development and construction risks, and ensures that the technology and equipment used for assets are consistent with best-in-class, international standards.

In addition, Vena Energy has placed a strong emphasis on building complete management capabilities in each country. Where economies of scale can be realised or sharing of intellectual property is beneficial to Vena Energy, resources may be centralised or grouped around certain countries. For example, each country employs dedicated land development experts as the issue of land is considered unique to each country. However, the procurement of solar equipment is centralised given the cost advantage of negotiating with suppliers as one of the largest regional customers as opposed to a customer for individual assets. As a result, assets developed by Vena Energy benefit from a system design that is optimised through local knowledge and experience utilising best-in-class equipment, and Vena Energy continues to operate the assets with the benefits of established local key stakeholder relationships.

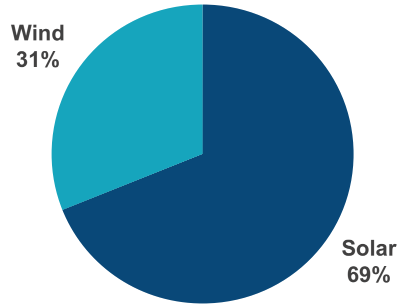
Vena Energy's projects continue to be successfully operated post-construction with no significant delays or disruptions. As at the date of this Offering Circular, operating assets in Japan, Taiwan and the Philippines are managed by Vena Energy's in-house O&M team. The internal O&M expertise enables Vena Energy to reduce maintenance costs, extend the lifetime of assets and increase generation availability. Where O&M services are outsourced, services are primarily contracted to original equipment manufacturers to ensure smooth operation and timely maintenance in the case of equipment failure or disruption.

Vena Energy's ability to efficiently self-develop, build and operate assets in-house has enabled it to successfully commission an average of one asset every six weeks across seven countries since 2013, bringing the total number of operating solar and wind projects to 47 as at 30 June 2019.

Diversified asset portfolio

Vena Energy's asset portfolio is well diversified across the markets of Japan, India, the Philippines, Thailand, Indonesia, Taiwan and Australia, and, as at 30 June 2019, comprised 47 operational, 13 under-construction, 16 shovel-ready, 27 advanced and 63 early development assets. No single location comprises more than 35% of results from Operational Assets for the financial year ended 31 December 2018, and no single asset comprises more than 11% of the results from Operational Assets for the six months ended 30 June 2019.

Furthermore, Vena Energy's asset portfolio is sector-balanced, with utility-scale solar and wind assets comprising 69% and 31% respectively of 31 December 2018 results from Operational Assets.



Long-term favourable offtake contracts with credible and diversified counterparties

Vena Energy's revenues come from utility-scale renewable energy generation assets under offtake arrangements with diversified and creditworthy counterparties. As at 30 June 2019, the entire operating capacity of Vena Energy was 100% contracted. In particular:

- 89% of operating capacity was contracted through long-term PPAs with Japanese regulated regional utilities, central state-owned utilities and provincial state-owned utilities;
- 10% of operating capacity was contracted through long-term PPAs with investment grade corporate offtakers; and
- 1% of operating capacity was contracted with unrated corporate offtakers.

Under Vena Energy's offtake arrangements, each customer has agreed to purchase up to 100.0% of Grid Supplied Power[18] (subject to grid availability, curtailment and force majeure risks), thereby significantly mitigating revenue and cash flow risk. All the energy sold to government or semi-government authorities and utilities is sold pursuant to long-term PPAs, feed-in tariffs or other renewable energy incentive regimes under which customers have agreed to pre-determined energy tariffs over the life of the relevant agreement. In the case of Indonesia and Australia, these tariffs are indexed for changes in the U.S., Indonesian and/or Australian consumer price index (as applicable), thereby mitigating price risk. In the case of Thailand, the assets held by Vena Energy will receive a fixed adder rate on top of the average wholesale electricity price.

The offtake arrangements for Vena Energy's operational asset portfolio have a weighted average remaining life of approximately 19.7 years as at 30 June 2019.

Steady recurring cash flow generation

Each of the assets in Vena Energy's asset portfolio has a stable and predictable cash flow profile driven by low operational risk, as it holds assets that use proven renewable energy technologies, where the risk of obsolescence and the risk associated with thermal energy technologies, including combustion, fuel waste management and fuel supply are low and/or inapplicable. As a result, Vena Energy's operating costs and on-going capital expenditure are expected to be broadly predictable, which will in turn contribute to a stable cost base and cashflow stability.

Strong management team and strong corporate governance

Vena Energy is led by a qualified senior management team with extensive experience and a proven performance track record. The senior management team, led by Vena Energy's CEO, has an average of approximately 21 years of working experience across key functions.

Furthermore, Vena Energy has seasoned local management teams that are experienced in originating, developing, building and operating renewable energy assets. Vena Energy employs 461 professionals, including dedicated solar and wind experts focused on centralising expertise with respect to resource assessments, system design, equipment procurement, construction management and O&M services. See "—*Employees*" below. Each local market also employs land, early stage development, grid assessment, construction management and operations and monitoring experts rather than relying on third parties. Vena Energy's ability to centrally manage key activities and co-ordinate staff across the region provides a material advantage over its competitors, promoting growth and sustainability for Vena Energy.

Vena Energy is also committed to implementing a robust corporate governance framework through clear investment strategies and detailed due diligence and approval procedures. Its corporate governance structure is overseen by its committees. The key committees include:

- an Investment Committee that oversees investment activities in respect of the assets which Vena Energy operates and manages. The Investment Committee meets regularly to oversee Vena Energy's investment activities, including the alignment of investments with corporate strategy and evaluating the effectiveness of investment decisions;
- an Audit and Risk Committee that provides independent oversight and monitors Vena Energy's audit, compliance, risk processes and internal control activities. The Audit and Risk Committee meets regularly to discharge the responsibilities relating to the internal and external audits related to operational and financial risks, regulatory compliance, financial reporting practices and enforcement of business ethics and internal controls;
- a Remuneration Committee that assists the Board in relation to remuneration, succession planning and related matters; and

18 "**Grid Supplied Power**" is defined as the net energy generated by an asset injected to the power grid or offtaker, at the point of grid connection.

- a Sustainability Committee that governs Vena Energy's sustainable investment matters including the oversight of environmental, social and risk management, corporate responsibility and investment initiatives as well as the implementation of Vena Energy's Green Financing Framework (2019) published on its website (www.venaenergy.com)[19] (including as amended, supplemented, restated or otherwise updated on such website from time to time (the "**Vena Energy Green Financing Framework**")), such as the allocation of green financing proceeds towards Eligible Green Projects.

See "*Vena Energy Green Financing Framework*" and "*Directors and Management of Vena Energy*".

Internationally-recognised environmental and social standards and policies

Vena Energy has a comprehensive environmental, social and governance ("ESG") policy (the "**ESG Policy**") implemented in accordance with local environmental, health and safety laws and regulations and international standards, including the International Finance Corporation's Performance Standards, World Bank Group Environmental, Health and Safety Guidelines, International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights. Vena Energy's ESG Policy supports its growth in a disciplined manner by ensuring that it adheres to certain standards. The ESG Policy provides guidelines on key ESG-related areas including the selection of investments in supporting the reduction in greenhouse gas emissions, assessment of environmental, health and safety and community impacts of projects, recruitment, wages, workplace safety and diversity policies and the monitoring and recording of environmental and social issues.

Sustainability commitment and environmental and social practices based on international best practices

Sustainability remains the centerpiece of Vena Energy's corporate strategy, as it operates to deliver benefits and results to all its stakeholders including its employees, suppliers, counterparties, investors, partners and, especially, to the environment and to the host communities that it works with. Vena Energy's line of action encompasses the creation of long-term value for the environment, local economies and people, including their living and health conditions.

As a pure renewable energy player with a reach across the Asia-Pacific region, Vena Energy is keen to play a leading role in directing investments into green sustainable projects and activities that are driving the transition to a low carbon economy while making a positive impact on the environment and its host communities.

As part of its sustainability commitment, Vena Energy has voluntarily established the Vena Energy Green Financing Framework in order to enhance transparency, disclosures and alignment of Vena Energy's green and social financing activities with the Green Bond Principles (ICMA[20], 2018) and the Green Loan Principles (LMA[21], 2018). The Vena Energy Green Financing Framework was independently assessed by Vigeo Eiris and Japan Credit Rating Agency, and has received the highest level of assurance by both agencies.

Strategies

The key elements of Vena Energy's business strategy are the following:

Maintain market leading position through risk-adjusted growth in the Asia Pacific region

Vena Energy intends to strengthen its market leading position in the renewable energy sector through investments in countries within the Asia Pacific region with strong credit and supportive industry fundamentals. Vena Energy actively assesses the risk-reward dynamics in each market and forms its investment decisions taking into consideration transparency in the regulatory regime, tariffs and offtake structures, risk of curtailment and re-regulation.

Invest in proven technologies

Vena Energy seeks to balance portfolio risk by avoiding riskier technologies and limiting exposure to assets with relatively long development and construction timetables. As a result, Vena Energy focuses on tested technologies with a proven track record such as solar PV, wind and their respective extensions (such as floating solar and offshore wind), rather than other technologies with different risk and scalability profiles.

Nonetheless Vena Energy expects technology advancements to continue to drive new asset development, and it intends to critically evaluate new initiatives, such as energy storage, on a case-by-case basis.

19 The information found on Vena Energy's website is not incorporated in, and does not form part of, this Offering Circular.
20 International Capital Market Association.
21 Loan Market Association.

Continue to develop in-house capabilities and target controlling positions in projects

Vena Energy will continue to develop its fully-integrated in-house development, construction and operational capabilities, and target projects which provide economic and decision-making control subject to any legal restrictions. The emphasis on decision-making control has allowed Vena Energy's management to be nimble and efficient when making key decisions around investments or market entry in general, making it one of the most successful entrants in jurisdictions such as Japan and Taiwan.

Once Vena Energy has established a local presence, management will use its local positioning and expertise to originate and develop projects, thereby avoiding the payment of developer premiums and the risks associated with sub-standard development work and asset sale processes. Vena Energy's independence and strong capability to develop its own assets allows it to be selective on project acquisition, unlike many other new market entrants. Due to its operational scale, regional reach and cost-competitiveness, Vena Energy can be competitive amongst its rivals when an attractive acquisition opportunity is identified.

Expansion through disciplined investment approach

Vena Energy intends to continue expanding its asset portfolio through the development and acquisition of utility-scale solar and wind generation projects in accordance with its investment mandate, as guided by its internal investment process and policies. The elements of Vena Energy's investment mandate which determine its asset selection criteria include the following:

- countries in Asia Pacific with strong sovereign credit, underpinned by a legal and regulatory framework and government policies which are supportive of growth in renewable energy generation;
- structures under which Vena Energy can exercise control over management and operations while ensuring compliance with local foreign-ownership laws;
- prime resource locations which are close in proximity to grid connections with sufficient capacity;
- assessment as to optimal risk allocation for projects in terms of debt financing, land ownership, construction and operation risk, and whether there are long-term offtake arrangements in place with creditworthy counterparties;
- projects with risk-adjusted returns and high operating margins and cash yields; and
- adherence to internationally-recognised ESG standards, including detailed counterparty screening, garnering support from local communities and stakeholders, and ensuring minimal impact to indigenous flora and fauna.

Vena Energy will prudently expand its business across the region, where such expansion satisfies its risk profile and capital return requirements and offers a sufficient level of diversification.

Projects

Vena Energy manages the development, design, procurement, construction and operation of its utility scale solar and wind generation assets. The table below lists Vena Energy's operational and under construction capacity by country as at 30 June 2019:

	Operational			Under Construction		
Assets	**Economic Capacity (MW)**	**Remaining term of Offtake (years)[1]**	**Percentage[2] (%)**	**Economic Capacity (MW)**	**Remaining term of Offtake (years)**	**Percentage (%)**
Australia	**127.0**	**21.8**	**100%**	**—**	**—**	**—**
Solar	127.0	21.8	100%	—	—	—
India	**679.0**	**20.3**	**100%**	**—**	**—**	**—**
Solar	265.0	23.3	100%	—	—	—
Wind	414.0	18.4	100%	—	—	—
Indonesia	**72.0**	**29.6**	**100%**	**42.0**	**20.0**	**100%**
Solar	—	—	—	42.0	20.0	100%
Wind	72.0	29.6	100%	—	—	—
Japan	**275.5**	**18.0**	**85%**	**188.1**	**19.9**	**100%**
Solar	275.5	18.0	85%	188.1	19.9	100%
Philippines	**244.8**	**16.4**	**99%**	**—**	**—**	**—**
Solar	193.5	16.5	100%	—	—	—
Wind	51.3	15.9	95%	—	—	—
Taiwan	**20.0**	**19.2**	**100%**	**70.2**	**20.0**	**100%**
Solar	20.0	19.2	100%	70.2	20.0	100%
Thailand	**64.2**	**Evergreen[3]**	**70%**	**—**	**—**	**—**
Solar	64.2	Evergreen	70%	—	—	—
Total	**1,482.5**	**19.7**	**95%**	**300.3**	**20.0**	**100%**

1 Represents weighted average remaining term of offtake arrangement.

2 Average Economic Capacity as a percentage of Gross Capacity.

3 Thailand PPAs with Provincial Electricity Authority, automatically renewed every five years.

Selected Assets

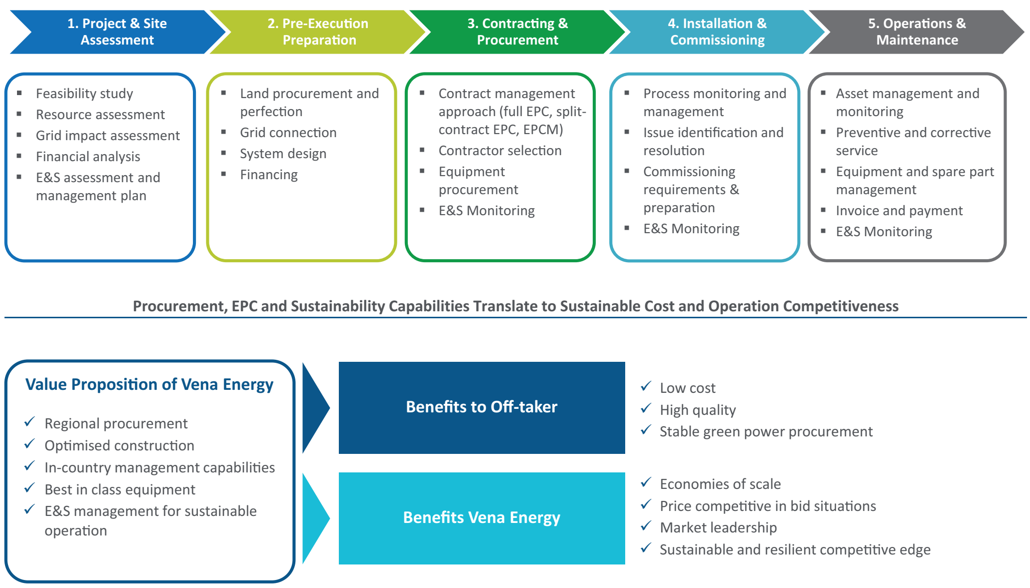
The following table sets out details of a selection of Vena Energy's operating assets across the jurisdictions in which it operates and the related PPAs:

Tolo1	Tolo1 is a 72.0 MW wind project located in South Sulawesi Province, Indonesia, which was fully commissioned in 2019. This project delivers power pursuant to a 30-year PPA with Perusahaan Listrik Negara ("PLN") at a total tariff of 10.9 U.S. cents per kWh. 10% of the tariff is indexed to 50% of the U.S. Consumer Price Index and 50% of the Indonesia Consumer Price Index. PLN is rated BBB- / Baa2 / BBB by S&P, Moody's and Fitch respectively.
Noheji	Noheji is a 13.8 MW solar PV project located in Noheji, Aomori, Japan which was commissioned in October 2017. This project delivers power pursuant to a 20-year PPA with Tohoku Electric Power Co ("Tohoku Electric") at a total tariff of JPY 36.0 per kWh. Tohoku Electric is rated AA- by the Japan Credit Rating Agency. The project has a right to priority dispatch, supported by the Renewable Energy Act of Japan, which prioritises the curtailment of all other sources of energy production before renewable energy.
Pollo	Pollo is a 132.5 MW solar PV project located in Cadiz City, Negros Occidental, Philippines which was commissioned in March 2016. This project delivers power pursuant to a 20-year PPA with the National Transmission Corporation ("TransCo") at a base tariff of PHP 8.69 per kWh. Transco is wholly-owned by the Power Sector Assets Liability Management ("PSALM"), which is in turn owned by the Philippine government. PSALM is rated BBB+ / Baa2 by S&P and Moody's respectively.

Tailem Bend 1	Tailem Bend 1 is a 127.0 MW solar PV project located in Tailem Bend, South Australia which was commissioned in April 2019. This project delivers power pursuant to a 22-year PPA. The offtaker is rated BBB+ by S&P.
BSS	BSS is a 10.2 MW solar PV project located in Prankratai District, Kamphaengphet Province, Thailand which was commissioned in March 2014. This project delivers power pursuant to a PPA with Provincial Electricity Authority ("PEA") at a total tariff of average wholesale electricity price plus a fixed adder component of THB 8.00 per kWh. The adder component is applicable for a period of 10 years from COD. The PPA is automatically renewed every five years as long as the project can still generate power. PEA is rated BBB+ / BBB by S&P and Fitch. The PPA is on a non-firm basis which means that there is no penalty to both parties in the event of grid outage or plant shutdown.
Patan	Patan is a 50.0 MW wind project located in Gujarat, India which was commissioned in November 2015. This project delivers power pursuant to a 25-year PPA with Gujarat Urja Vikas Nigam Ltd ("GUVNL") at a total tariff of INR 4.15 per kWh. GUVNL is rated AA- by ICRA Limited (formerly known as the Investment Information and Credit Rating Agency of India Limited). Additionally, the project benefits from Generation Based Incentive of INR 0.50 per kWh for the first seven years.
Davis	Davis is a 5.0 MW solar PV project located in Yunlin County, Taiwan which was commissioned in December 2017. This project delivers power pursuant to a 20-year PPA with Taiwan Power Company ("Taipower") at a total tariff of NTD 4.55 per kWh. Taipower is rated AA- by S&P and mandated by the Electricity Act to purchase all electricity generated by renewable power plants such as Davis. Upon expiration of the PPA, Vena Energy and Taipower may re-negotiate a new PPA with a term of 5 years of which the tariff would be the lower of the avoided cost or announced tariff at the time of extension.

Development Process

Vena Energy manages the development, design, procurement, construction management and operation of its solar and wind generation assets and has fully integrated capabilities and expertise across the entire renewable energy development spectrum.



Project and Site Assessment

Feasibility studies and resource assessment

Vena Energy conducts wind and solar feasibility studies and resource assessments of identified project sites to estimate the annual energy production of a proposed project. It conducts such studies and assessments at the earliest stage of the development process, using a variety of wind and solar resource assessment tools, including both in-house resources as well as resources available to the wider industry.

An initial assessment of resource potential is conducted for each potential site by reviewing publicly available wind and solar maps. Vena Energy's in-house assessment teams then use wind and solar flow modelling tools to estimate potential wind speeds, irradiation levels and other indicators of energy levels. Its assessment teams seek to correlate the wind and solar data collected on-site with long-term weather patterns using weather prediction models at the proposed project site. Vena Energy also retains independent third party consultants to validate its own wind and solar resource assessments.

Once an attractive site is identified, the in-house development team will verify whether there is a viable connection point for the project to connect to. Vena Energy has a strong track record of securing grid connections which is critical to eventually securing an offtake agreement. Given the importance of transmission infrastructure and access to a power grid or network to a project's feasibility, Vena Energy employs electrical and high voltage engineers in each market with relevant experience with state and country grids to conduct grid impact assessments and understand grid capacity. Grid integration studies are also conducted at this stage by simulating the variable renewable energy output generated from proposed wind and solar projects under different scenarios, identifying reliability constraints and evaluating the cost of measures to alleviate those constraints.

Once the preliminary resource assessment and feasibility around grid connection and capacity is verified, a desktop review of the economic viability of a project will be assessed based on overall cost estimates and financing inputs provided from the business development and investment teams.

Pre-Execution and Preparation

Land Procurement

Vena Energy employs local land experts with in-depth understanding of local geographical layouts and relevant stakeholders. Once a given project site is identified and the assessments and studies described above are complete, the land acquisition process will commence.

Vena Energy generally enters into conveyance deeds with landowners to secure the necessary title to build on the identified site, including meteorological masts, roads, electric lines and substations, turbines or solar PV systems and other associated facilities. Ownership of each project site (apart from government-owned land) allows Vena Energy to facilitate its efforts to optimise power generation. Once land is secured, local teams will continue to obtain necessary approvals such as conversion certificates, forest clearances and environmental approvals from relevant government departments, as applicable.

Transmission and Interconnection

If existing transmission infrastructure is available, Vena Energy or the EPC contractor will look to secure access to such infrastructure when selecting a potential site for development. If there is no pre-existing transmission infrastructure, or if the existing infrastructure is inadequate or otherwise unavailable, the development team will investigate the feasibility of developing and constructing the required systems to establish the grid interconnection point. Infrastructure that Vena Energy develops may subsequently be transferred to the relevant system operator or electric utility depending on the particular interconnection approval granted. Power from Vena Energy's wind and solar farms is typically evacuated to the relevant grids through medium, high and extra-high voltage 33/66/110/132/220/400 kV transmission lines systems from dedicated pooling stations.

Contracting and Procurement

Vena Energy has centralised the procurement of equipment for its solar and wind assets around dedicated solar and wind teams. This ensures that Vena Energy leverages its economies of scale across the region and takes advantage of the pricing information it has by jurisdictions. With in-depth pricing knowledge, Vena Energy is able to secure the lowest and most competitive pricing for the latest equipment. Furthermore, Vena Energy has long, established relationships with its vendors and therefore enjoys preferential access to advanced technologies and is able to obtain favourable product terms, conditions and warranties. At times, over-arching framework agreements are entered into with large suppliers with the commercial intent to:

- secure competitive forward pricing;
- secure warranty options beyond industry standard (up to 25 years);
- establish terms of joint technical development to optimise product offerings rather than an off-the-shelf solutions; and
- secure preferential payment terms.

Installation and Commissioning

Vena Energy employs three different options with respect to construction:

- <u>Full Turn-Key EPC</u>: The entire asset is contracted with a single point provider, who has full responsibility for delivering all aspects of the asset, including procurement.

- Split Contract EPC: The entire asset is contracted with a single provider, who has full responsibility for delivering aspects of the asset with the exception of procurement. Vena Energy can procure solar modules, inverters and mounting structures on a direct basis (and rely on direct warranties from equipment suppliers) instead of via the EPC provider.
- Own EPC or EPCM: In lieu of a single-point EPC provider, Vena Energy serves as the EPC manager coordinating and executing service contracts with multiple sub-contractors for various aspects of the asset construction (including mechanical, electrical, fence) and performs the balance of EPC-related functions in-house. Vena Energy has a full-service in-house team of civil, construction, procurement and engineering specialists, with the ability to develop assets on an EPCM basis.

For solar energy projects, construction consists of design engineering, structure, module and inverter installations, sub-station construction, interconnection work, and construction of the balance of plant. In developed markets such as Japan and Taiwan, where there is an established track record of contract enforceability, Vena Energy usually adopts its own EPC or EPCM models to construct its projects. In other situations, it may opt to employ a combination of split contract EPC or full turn-key EPC.

For wind energy projects, construction consists of turbine installations and the construction of the rest of the facility, which includes transmission lines and the substation.

Once a given project is functional, tests are conducted as part of the commissioning process. For solar energy projects, commissioning involves testing of inverters and power transformers and integration within the project as well as with the transmission system. Similarly, for wind projects, each turbine's functionality and integration within the project and with the transmission system is tested. Once the projects are transmitting electricity to the relevant grid, commissioning certificates are obtained from the required state and central government authorities.

Operations and Maintenance

Vena Energy has an in-house O&M team that allows it to operate and maintain its assets. This provides significant cost savings and enables Vena Energy to provide better quality of services, including faster response times, onsite inverter maintenance expertise and dedicated monitoring services. Vena Energy's O&M capabilities provide it with several competitive advantages relative to third party O&M contractors:

- Vena Energy is able to monitor all asset operations on three levels:
  - locally at the site;
  - at country level with local monitoring systems; and
  - at a central monitoring and diagnostic facility in Bangalore, India, with global monitoring systems.

  This ability to monitor assets on a 24/7 basis allows management to track real-time performance and analyse data, the results of which may be utilised for the benefit of all assets across the portfolio.
- The in-house O&M team is motivated to resolve O&M issues immediately given a potential loss of revenue, and can issue service orders to sites for investigation and issue resolution on a timelier basis.
- The in-house team can create spare part inventories for all its projects within a country, thereby providing the benefits of pooling and scale which would be harder to achieve with an independent service provider operating a single asset.

Where project O&M is contracted to a third party, general maintenance and provision for spare parts are usually provided under O&M agreements with fixed O&M costs with indexation, which are typically supported and covered by warranties on key equipment.

Financing

Debt funding for Vena Energy's projects is generally obtained either during the construction phase or at the start of commercial operation of a project. Debt at each project is financed through non-recourse project finance debt. Vena Energy sources debt financing for its projects from both local and regional banking institutions.

Offtakers and Offtake Arrangements

Vena Energy sells electricity primarily to Japanese regulated regional utilities, central state-owned utilities and provincial state-owned utilities and investment grade corporate offtakers. As at 30 June 2019, the weighted average balance of Vena Energy's PPA tenor for operational projects was approximately 19.7 years, excluding the PPAs in Thailand, for which tenors are evergreen in nature as they are automatically renewed every five years, subject to limited rights of termination by the offtaker.

The table below sets forth the type of Vena Energy's offtakers and the percentage of Vena Energy's operating capacity contracted to such offtakers as at 30 June 2019:

Type of Offtaker	Gross Capacity (MW)	Percentage of Total Capacity (%)
Japanese regulated regional utilities	322.0	20.6%
Central state-owned utilities	616.5	39.5%
Provincial state-owned utilities	444.0	28.4%
Investment grade corporate offtakers	163.0	10.4%
Unrated corporate offtakers	16.0	1.0%
Total	**1,561.6**	**100.0%**

Generally, Vena Energy's offtake arrangements are in local currency. In some jurisdictions such as Japan, Taiwan and India, the offtake arrangements are generally fixed price tariffs, while annual indexation adjustments are available in other jurisdictions. In Thailand, the tariff comprises of a traded wholesale market price and a fixed component.

Vena Energy enjoys priority dispatch for renewable generation assets in Japan, Taiwan, the Philippines and India. In Indonesia where there is an absence of priority dispatch regulation, the offtake arrangements have a deemed dispatch payment right and strict curtailment rights. In Thailand and Australia, full plant generation will be dispatched unless there is grid failure or grid maintenance events.

The below sets forth a summary of Vena Energy's offtake agreements by jurisdiction.

Japan

Vena Energy's assets in Japan sell all generated energy pursuant to offtake arrangements with Japanese regulated regional utilities, namely Tohoku Electric Power, TEPCO, Kansai Electric Power, Kyushu Electric Power, Chugoku Electric Power and Chubu Electric Power. Under these offtake arrangements, the offtakers contract to purchase 100.0% of Grid Supplied Power and Vena Energy is paid a fixed tariff with no price indexation. The tariffs paid to these Japanese assets range from ¥40/kWh to ¥24/kWh for solar assets and ¥22/kWh to ¥20/kWh for wind assets.

The Philippines

Vena Energy's assets in the Philippines sell all generated energy under the feed-in tariff system established in accordance with the Philippine Renewable Energy Act (the "**Act**"). Under the Act, 100.0% of Grid Supplied Power is guaranteed to be purchased by the government of the Philippines. TransCo, as administrator of the FIT-All Fund, pays each generator for the energy it supplies to the grid pursuant to a 20-year offtake agreement. The renewable energy payment agreement is based on a template agreement issued by the Energy Regulatory Commission ("**ERC**") and is part of a set of documents which all renewable energy developers are required to execute in order for their assets to be eligible for the ERC's feed-in-tariff regime. The base tariffs paid to these assets ranges from PhP7.40/kWh to PhP9.68/kWh.

Indonesia

In Indonesia, Vena Energy's assets sell all generated energy pursuant to an offtake arrangement with the Perusahaan Listrik Negara ("**PLN**"). Under this offtake arrangement, PLN contracts to purchase 100.0% of Grid Supplied Power and Vena Energy is paid a fixed tariff which has a price escalator based on US and Indonesian consumer price index. The Indonesian assets charge a tariff of 10.3 U.S. cents/kWh to 10.9 U.S. cents/kWh.

Taiwan

Vena Energy's assets in Taiwan sell all generated energy pursuant to an offtake arrangements with the Taiwan Power Company (or "**Taipower**"). Under these offtake arrangements, the offtakers contract to purchase 100.0% of Grid Supplied Power and Vena Energy is paid a fixed tariff with no price indexation. The tariffs paid on Taiwanese assets range from NTD2.58/kWh to NTD4.55/kWh.

Thailand

All 10 assets held by Vena Energy in Thailand sell their generated energy pursuant to a five-year offtake agreement with the Provincial Electricity Authority ("**PEA**") which is subject to automatic renewal every five years until the offtake arrangement is terminated. Under the agreement, the PEA contracts to purchase 100.0% of

Grid Supplied Power. The offtake arrangement may only terminate upon (i) the relevant asset company holding the asset elects to terminate; or (ii) one party's election to terminate if the other party fails to remedy a breach under the terms of the agreement.

The PEA pays a market price, plus a THB8/kWh adder payment for a 10-year period from the start of operations. The adder payment has no price indexation.

India

Vena Energy's assets in India sell all generated energy pursuant to offtake arrangements with state-owned utilities[22] and corporate offtakers. Under the offtake arrangements with state-owned utilities, the offtakers contract to purchase up to 100.0% of the Grid Supplied Power, and Vena Energy is paid a fixed tariff with no price indexation for the offtake arrangements. The base tariffs paid to these Indian assets range from INR2.80/kWh to INR5.92/kWh.

Australia

Vena Energy's asset in Australia sells all generated energy pursuant to a 22-year offtake arrangement with an investment-grade corporate offtaker. Under this offtake arrangements, the offtaker contracts to purchase 100.0% of the Grid Supplied Power, and Vena Energy is paid a fixed tariff with price indexation to the consumer price index in Australia.

Equipment Suppliers

Across Asia Pacific, Vena Energy is one of the largest customers for tier 1 solar and wind equipment suppliers. Vena Energy's procurement team prefers to "open the book" on each construction contract and individually price major components using its regional buying power to ensure construction costs are optimised.

Vena Energy purchases major components such as solar module panels and inverters directly from multiple manufacturers. There are many suppliers in the market and selection of suppliers is based on expected cost of the equipment, reliability, warranty coverage, ease of installation and other ancillary costs. Solar module suppliers to Vena Energy include BYD, Canadian Solar, Hanwha Solar, JA Solar, Jinko Solar, Trina Solar and REC. Inverters and solar mounting structures are sourced from vendors such as ABB, SMA, Schneider and Sungrow for inverters and Powerway, Schletter and Versol for mounting structures.

Operating equipment for wind energy projects primarily consists of turbines, inverters, transformers with turbine costs representing the majority of the investment. Vena Energy's turbine supply strategy is largely based on developing strong relationships with leading turbine suppliers such as Siemens-Gamesa, Vestas and GE.

Operational Performance and Seasonality

Vena Energy's asset performance relies on solar and wind conditions, and are therefore impacted by seasonality. The amount of electricity that solar assets produce is dependent on the irradiation of a given project location and wind assets are impacted by wind conditions which vary across seasons. See "*Risk Factors - Risks Relating to Vena Energy's Business - The performance of Vena Energy's assets will be affected by wind and solar conditions, and the seasonality of Vena Energy's operations may affect liquidity*".

The forecast amount of energy production from renewable energy assets are measured through exceedance probability. Exceedance probability refers to the probability that a particular measure will be surpassed. For example, the P50 amount of energy produced from a solar array refers to an amount of energy that is expected to be exceeded 50% of the time over a forecast period. P75 refers to that amount of energy expected to be exceeded 75% of the time and therefore will be less than the P50 measure for the same solar array.

The performance of Vena Energy's solar assets is evaluated against P50 energy yield estimates and wind assets are evaluated against its P75 energy yield estimates to account for higher generation volatility observed on wind assets. Statistically, the diversified portfolio of Vena Energy across different technologies and geographies benefits from reduced overall volatility and seasonality.

22 These state-owned utilities are Solar Energy Corporation of India, Andhra Pradesh Southern Power Distribution Company Ltd, MP Power Management Company Ltd, Maharashtra State Electricity Distribution Company Ltd, Gujarat Urja Vikas Nigam and Telangana State Southern Power Distribution Company Ltd.

Environmental and Social Risk Management

Vena Energy and its assets are subject to environmental laws and regulations in the jurisdictions in which they operate. These laws and regulations may require that governmental permits and approvals be obtained for renewable energy assets prior to, during or upon cessation of operations or prior to transfer of ownership or control.

Vena Energy is committed to environmental conservation and to safe work practices. To effectively manage these goals throughout the lifecycle of our projects, Vena Energy has adopted an ESG Policy which is implemented in accordance with local environment, health and safety laws and international standards, including the IFC Performance Standards, World Bank Environment, Health and Safety Guidelines, International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights. The ESG Policy ensures that Vena Energy adheres to best practices, including the selection of investments which support the reduction of greenhouse gas emissions, assessment of environmental, health and safety issues, risk mitigation, recruitment, wage, workplace safety and diversity policies and the monitoring and recording of environmental and social performance.

All of Vena Energy's assets comply with pollution, emission and noise norms currently in force and environment, health and safety management systems at its projects mirror key international standards. Vena Energy will also perform environmental and social impact assessments for projects under development and upon investment decision.

Project Tolo1, a 72 MW wind farm in Indonesia, provides an illustration of Vena Energy's adherence with IFC Performance Standards. Vena Energy executed timely and effective public consultation and stakeholder engagement, in compliance with IFC Performance Standard 1 (*Assessment and Management of Environmental and Social Risks and Impacts*), by hiring a dedicated Community Liaison Officer and conducting numerous consultations and public and stakeholder hearings to obtain insight and anticipate potential issues. IFC Performance Standard 4 (*Community Health, Safety, and Security*) was complied with by Vena Energy's entry into active partnership and collaboration with local non-governmental organisations, including a partnership with *Generasi Pesona Pariwisata Indonesia*, an organisation which assists with eco-tourism initiatives, whose recommendations will be considered by Vena Energy in the implementation of further corporate social responsibility ("**CSR**") programmes. Vena Energy's effective management of land acquisition, which involved land studies and appraisals by accredited consultants, non-contentious land acquisition and highest business practices endorsed by multilateral lenders, complied with IFC Performance Standard 5 (*Land Acquisition and Involuntary Resettlement*). Finally, IFC Performance Standard 6 (*Biodiversity Conservation and Sustainable Management of Living Natural Resources*) was complied with through robust environmental and social impact assessments, involving extensive studies including seasonal surveys, relating to wildlife and biodiversity preservation. These studies concluded that the project was environmentally and socially feasible, with no severe impacts on the population or environment, and with any materially negative impacts managed. Interaction with sensitive receptors, such as conservation areas or protected forests, were also minimised during the site selection process.

Corporate Social Responsibility

Vena Energy contributes to a wide range of social, cultural and environmental activities in the countries in which it operates through the implementation of CSR activities.

In the Philippines, Vena Energy sponsored projects have promoted tourism and the influx of visitors near project sites has created a cottage industry for the local community, providing additional revenue stream to neighbouring families. In Thailand, Vena Energy has focused on education and infrastructure related initiatives including a CSR programme for the Non Yang Primary Care Centre and maintenance of Thawa School in Phrea Province. In India, Vena Energy has provided mobile health services in the Dewas and Ujjain Districts and donated sewing machines to add alternative sources of income for low-income families. In Indonesia, an early childhood education initiative was run in association with Project Tolo1, focused on education and especially on providing accessible and affordable early childhood education to communities residing around the wind farm area. A kindergarten was built and started operation in June 2018, and now employs three teachers, with 43 students from a range of family backgrounds enrolled.

In Japan, Taiwan, Australia and Indonesia, Vena Energy has sponsored a variety of initiatives including the provision of scholarships and training, construction of schools, and sponsorship of donation drives for disaster relief.

Employees

Vena Energy has not experienced any material labour disruptions in the past and do not have any unionised employees. As at 30 June 2019, Vena Energy employed 461 full-time employees in the following functions and jurisdictions:

Functions	Number of full- time employees	Percentage
Business Development	90	19.5%
Technical	218	47.3%
Back-office(1)	153	33.1%
Total	**461**	**100.0%**
Jurisdictions		
Singapore	30	6.5%
Australia	15	3.3%
India	59	12.8%
Indonesia	42	9.1%
Japan	120	26.0%
The Philippines	139	30.2%
Taiwan	35	7.6%
Thailand	16	3.5%
South Korea	5	1.1%
Total	**461**	**100.0%**

(1) Back-office includes administration functions such as legal, finance, environment, health and safety, communication, human resources and admin.

Insurance

Vena Energy has comprehensive insurance policies that cover various aspects of asset and business risks. Vena Energy has been able to leverage on its scale to obtain favourable terms whilst maintaining a diversified and high quality pool of insurers.

A number of asset-related insurance policies have been put in place to cover a broad range of risks during the construction and operational period, including those arising from unexpected incidents or natural disasters. Existing asset-related policies include construction and erection all risks, delay in start-up, third party liability, property damage, and business interruption, and political violence insurance in jurisdictions where relevant. Business related insurances that Vena Energy puts in place will cover directors' and officers' liability, professional indemnity, crime, cyber, employee-related work injuries and employee benefits insurances.

Property

Vena Energy's registered office is located at 1 George Street, #14-07, One George Street, Singapore 049145.

Vena Energy's solar and wind energy projects are located on land which is purchased or leased from landowners, or in respect of which it holds land use (or equivalent) rights.

Compliance policies

As of the date of this Offering Circular, Vena Energy has in place various internal policies to monitor compliance with sanctions, bribery and corruption and anti-money laundering laws as they apply to Vena Energy and the jurisdictions in which it conducts business. Vena Energy operates and conducts business in some countries which may be perceived as having potentially a higher risk of corruption in their governmental and business environments. Vena Energy has compliance policies in place for its employees with respect to the FCPA, OFAC and similar laws, but there can be no assurance that Vena Energy and its employees, consultants or agents will not engage in conduct for which Vena Energy may be held responsible. See "*Risk Factors – Risks Relating to Vena Energy's Business – The countries in which Vena Energy operates may suffer from governmental or business corruption.*"

Legal Proceedings

Members of Vena Energy are occasionally named as parties in various claims and legal proceedings which arise in the normal course of their businesses. As at the date of this Offering Circular, no member of Vena Energy is subject to any regulatory, legal or arbitration proceedings which may have or have had a material impact on the financial position or profitability of Vena Energy as a whole, and no member of Vena Energy is aware of any such proceedings that are pending or threatened.

PRO FORMA CAPITALISATION AND INDEBTEDNESS

The following table sets forth the pro forma consolidated capitalisation and indebtedness of the Guarantors as at 30 June 2019. This table relates only to the Guarantors and does not purport to provide information in respect of the Issuer. The pro forma information below is illustrative only and does not take into account any changes in the Guarantors' short-term borrowings and capitalisation after 30 June 2019. There has been no material change to the liabilities and equity of the Guarantors since 30 June 2019, other than as disclosed in this Offering Circular. The information forming the basis of this table has been extracted from the Pro Forma Financial Information and relevant group reporting package used for the purposes of preparing the Interim Financial Statements and should be read in conjunction with the Pro Forma Financial Information included elsewhere in this Offering Circular.

	As at 30 June 2019
	U.S.$'000
Liabilities	
Project finance debt	1,366,048
Project finance debt of equity-accounted investees	214,462[(a)]
Term loan	630,459
Revolving credit facility	54,986
Total Indebtedness	**2,265,955**
Equity	
Share capital and units in issue	3,232,919
Accumulated losses	(22,388)
Reserves	133,079
Equity attributable to owners of the Guarantors	**3,343,610**
Non-controlling interests	81,651
Total equity	**3,425,261**
Total capitalisation and indebtedness	**5,691,216**

(a) Represents project finance debt in equity-accounted investees on a 100% basis.

DIRECTORS AND MANAGEMENT OF VENA ENERGY

Overview

The members of the senior management of Vena Energy that oversee the operations of all of Vena Energy's assets, save for its assets located in Taiwan, sit within Vena Energy Holdings. Vena Energy's assets in Taiwan are overseen by the senior management of Vena Energy Holdings Taiwan. The boards of directors that oversees Vena Energy Holdings and Vena Energy Holdings Taiwan are identical, save that the board of directors that oversee Vena Energy Holdings Taiwan excludes Mr Mi Tao, a director of CIC Capital. The Japanese Assets are held through a TK arrangement by Zenith Japan Ltd (as trustee of Zenith Japan Trust) as the TK investor, who is a passive investor that does not participate in the ongoing operations of the Japanese Assets. The companies that own the Japanese Assets have entered into asset management agreements with certain Japanese companies that are overseen by the directors and senior management that sit within Vena Energy Holdings. See "*Summary Corporate and Financing Structure*" for further details.

Board of Directors

Information on the business and working experience of each of the directors of Vena Energy is set out below.

Mr Rajaram Rao

Chairman

Mr Rao is a founding member and Partner at Global Infrastructure Partners. Mr Rao leads GIP's global focus on energy, power and water/waste sectors. Prior to joining GIP in 2006, he was a Director with Credit Suisse in the Mergers and Acquisitions Group, specialising in energy and utilities transactions. He has also worked in the Project Finance team in Barclays Capital and in the Asian Equity Sales team of Kotak Securities.

Mr Rao holds a Master's in Finance degree from the London Business School and an MBA from Faculty of Management Studies, Delhi University. He is also a qualified electronics and telecommunications engineer. He is also a member of the Board of Directors of Naturgy.

Mr Deepak Agrawal

Board Member

Mr Agrawal is a Partner at Global Infrastructure Partners. Prior to joining GIP in 2007, he was a senior Financial Advisor in the Project Finance group of Qatar Petroleum, involved in developing and financing several energy projects. He was also previously Vice President at PSEG India, responsible for financing and business development in the Middle East and India.

Mr Agrawal holds an MBA from Faculty of Management Studies, Delhi University and a Bachelor's of Engineering from the Delhi College of Engineering. He is also a member of the Board of Directors of Hornsea 1.

Mr Patrick Charbonneau

Board Member

Mr Charbonneau is a Managing Director, Infrastructure Investments at PSP Investments. He has over 15 years of experience in the infrastructure sector, and was instrumental in building the organisation's infrastructure portfolio and team since the inception of PSP Investments' infrastructure asset class in 2006. Mr Charbonneau leads the organisation's activities in the infrastructure sector in Europe and Asia. His responsibilities include building and managing the portfolio in Europe and Asia, establishing partnerships, and developing a team of top infrastructure investment professionals. Prior to joining PSP Investments, he worked in infrastructure advisory services at PwC.

Mr Charbonneau holds a Bachelor's Degree in Business from Bishop's University and completed the High Potentials Leadership Program at Harvard University and is a CFA charterholder since 2002. He is the Chairman of the Advisory Board of AviAlliance and is a member of the Board of Directors of the following organisation's: Forth Ports Ltd, Roadis, TDF Group and the Canada-UK Chamber of Commerce.

Mr Scott Hatton

Board Member

Mr Hatton is a Partner at Global Infrastructure Partners. He is the Chief Financial Officer of Portfolio Operations overseeing the financial performance of GIP's entire portfolio. Prior to joining GIP in 2008, he worked as Chief

Financial Officer of Sypris Solutions. He has previously held multiple senior leadership roles at Honeywell International and General Electric.

Mr Hatton holds a BBA in Finance from the University of Kentucky and is a certified Six Sigma Master Black Belt.

Mr Mi Tao

Board Member

Mr Mi is a Director at CIC Capital. He is responsible for developing CIC's infrastructure strategy and establishing and managing the portfolio. Prior to joining CIC, he has worked at Ernst & Young, SC Capital Partners and KPMG.

Mr Mi is a CFA Charterholder and licensed CPA. He holds an MBA in Finance from the University of California, Irvine.

Mr Nitin Apte

Board Member

Mr Apte joined Vena Energy as Chief Executive Officer in January 2018. Prior to joining Vena Energy, he was President and CEO of Materia. He has also worked for over 25 years at SABIC and General Electric across a number of senior management roles.

Mr Apte holds a Master of Science and MBA from Ohio State University and a Bachelor's Degree in Aeronautical Engineering from Indian Institute of Technology, Mumbai.

Senior Management

Information on the business and working experience of each of the senior management of Vena Energy is set out below:

Mr Nitin Apte

Chief Executive Officer

See "*—Mr Nitin Apte*" above.

Mr Sam Ong

Chief Financial Officer and Head of Taiwan

Mr Ong joined Vena Energy as Chief Financial Officer in June 2018. Prior to joining Vena Energy, he was the Chief Financial Officer of SMRT Corporation Ltd and Deputy CEO for Hyflux Ltd. He has also worked for 15 years for the Dow Chemical Company, holding regional and global leadership positions with responsibilities ranging investment, treasury, risk, planning, project financing and M&A.

Mr Ong holds an MBA in Finance from Drake University and a Bachelor's Degree in Economics from University of Alberta.

Mr XS Koo

Head, Operational Excellence

Mr Koo joined Vena Energy as Head, Operational Excellence in January 2019. Prior to joining Vena Energy, he was Chief Operating Officer and Management Board for Asia Pacific for Norma Group. He has 30 years of hands-on experience in industrial and commercial business development, operations and leadership in Asia Pacific. He has held business leadership roles in York International, Johnsons Controls, and Terex Corporation. Additionally, he has also held multiple leadership roles, in plant and operations excellence, with Seagate Technology, Broadway Industrial Group and General Electric (Plastics). He is also a certified Six Sigma Master Black Belt.

Mr Koo holds a MBA in International Business from the University of Dubuque and a Bachelor's Degree in Mechanical and Production Engineering from the National University of Singapore. He has also completed the Excellence in General Management course at Frankfurt School of Finance and Management.

Mr Praveen Jain

Chief Risk Officer

Mr Jain joined Vena Energy as Chief Risk Officer in November 2018. Prior to joining Vena Energy, he was running his own investment office for four years. He is an experienced banker with over 25 years' experience in leadership roles covering Corporate Banking, Fixed Income, Debt Capital Markets, Syndications and Treasury. He has worked in many banks in Asia including Fleet National Bank, Commonwealth Bank of Australia, Chinatrust Commercial Bank of Taiwan, ICICI and Axis Bank.

Mr Jain holds an MBA from XLRI, India and a Bachelor of Engineering from Delhi University.

Mr Simone Grasso

Chief Investment Officer

Mr Grasso was seconded from Global Infrastructure Partners to Vena Energy in February 2018, and was appointed as Chief Investment Officer in March 2019. Prior to joining Vena Energy, he was a Vice President at GIP with a focus on energy transactions. He has also worked in the Energy team within the investment banking division of Credit Suisse in London.

Mr Grasso holds a Master's in Management from École Supérieure de Commerce de Paris, a Master's in Industrial Engineering from the Polytechnic University of Turin and a Bachelor's Degree in Bioengineering from the Biomedical University of Rome.

Mr Rupert Hall

General Counsel

Mr Hall joined Vena Energy as General Counsel in October 2018. Prior to joining Vena Energy, he was an Executive Director in the legal team at Goldman Sachs, covering the Investing and Lending business in Asia. He has also worked in private practice at Latham & Watkins in London and Hong Kong.

Mr Hall holds an LLB from the College of Law, London and a BA Joint Honours (Ancient History and History) from the University of Nottingham, and is qualified as a solicitor in England and Wales.

Ms Anna Ho

Chief Human Resources Officer

Ms Ho joined Vena Energy as the Chief Human Resources Officer in October 2018. Prior to joining Vena Energy, she was the Group Head of Human Resources at a subsidiary of Temasek Holdings. She was also previously HR Leader for Asia at Mercer Consulting.

Ms Ho holds a Bachelor of Arts from the National University of Singapore.

Mr Juan Mas Valor

Solar Sector Lead, Head of Japan

Mr Mas Valor joined Vena Energy in October 2015 and is currently the Solar Sector Lead and Head of Japan. Prior to joining Vena Energy, he worked for Juwi Holding AG as a Managing Director in Spain and Chile and as a Co-Managing Director of a Juwi joint venture with Shizen Energy. He has also worked for Gamesa.

Mr Mas Valor holds a Bachelor in Engineering from Universidad Politecnica de Valencia.

Mr Daniel Astbury

Wind Sector Lead

Mr Astbury joined Vena Energy in June 2016 and is currently the Wind Sector Lead. Prior to joining Vena Energy, he was a Principal Engineer and Regional Business Development Manager for the Advisory Business of DNV.GL-Energy in Asia Pacific.

Mr Astbury holds a Bachelor of Mechanical Engineering from Swinburne University of Technology.

Mr Sunil Gupta

Regional Head of South East and South Asia

Mr Gupta joined Vena Energy as Regional Head of South East and South Asia in March 2019. Prior to joining Vena Energy, he was Head of Renewable Energy Business at Sembcorp Industries and prior to that, Global Head of Technology & Cleantech at Standard Chartered Bank. He has also held senior leadership positions at Morgan Stanley, NatWest Markets and Crosby Securities.

Mr Gupta holds a MBA from the Indian Institute of Management, Ahmedabad. He also holds an MBA and Bachelor in Technology from Indian Institute of Technology, Delhi.

Mr Anil Nangia

Head of Australia

Mr Nangia joined Vena Energy in January 2016 and is currently the Head of Australia. Prior to joining Vena Energy, he worked at Ratchaburi Australia, Transfield Services, Origin Energy, Ergon Energy and Queensland Gas. He has also held project director roles for bioenergy, solar and wind projects in Australia.

Mr Nangia holds an MBA from the University of Queensland and a Bachelor of Engineering from the University of Melbourne.

Mr Kwangjin Cheong

Head of Korea

Mr Cheong joined Vena Energy as Head of Korea in October 2018. Prior to joining Vena Energy, he was the Representative Director and Chief Investment Officer of Nippon Renewable Energy. He has also worked at international renewable companies such as SunEdison, Conergy and SCHOTT.

Mr Cheong holds an MBA from Aalto University and a Bachelor of Arts from Chun-Ang University.

Mr Richard Chang

Deputy Head of Taiwan

Mr Chang joined Vena Energy as Deputy Head of Taiwan in June 2018. Prior to joining Vena Energy, he was Vice President at Kuan Hwa Property Development and prior to that, Vice President of Kuoyuan Construction and Engineering. He has also held senior leadership positions at Fu-Fon Development Corp, International Aviation & Finance Corp, SkyGo Leasing Corp and T&T Supermarket Corp Canada.

Mr Chang holds a Masters in Environmental Engineering from SUNY Buffalo, Master of Science in Mechanical Engineering from Louisiana State University and a Bachelor's Degree in Engineering from Feng Chia University.

CLEARING AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or CDP (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Guarantors believe to be reliable, but none of the Issuer, the Guarantors, the Trustee, any Dealer, Arranger or any other party to the Agency Agreement takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Guarantors, the Trustee, any Dealer, Arranger or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

The Clearing Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes 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.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or a Global Note Certificate for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the SFA to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between 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 transfer of interests in the Notes 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 Guarantors, the Trustee, any Dealer, the Arrangers or any other party will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Book-Entry Ownership

Bearer Notes

The Issuer has made applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes, a Temporary Global Note and/or a Permanent Global Note will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg. Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the Euroclear and/or Clearstream, Luxembourg.

Registered Notes

The Issuer has made applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Note Certificate. Each Series of Registered Notes will have an ISIN and a common code. Investors in Notes of such Series may hold their interests in a Global Note Certificate through Euroclear and/or Clearstream, Luxembourg.

Transfers of Notes Represented by Global Note Certificates

Transfers of any interests in Notes represented by a Global Note Certificate within Euroclear and/or Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. Euroclear and Clearstream, Luxembourg have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Note Certificates among accountholders of Euroclear and Clearstream, Luxembourg. However, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or changed at any time. None of the Issuer, the Guarantor, the Trustee, the Paying Agents, the Registrar or any Dealer will be responsible for any performance by Euroclear, Clearstream, Luxembourg or their respective accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Global Note Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

SINGAPORE TAXATION

The following is a general description of certain Singapore tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

*The statements made herein regarding taxation are general in nature and based on certain aspects of the current tax laws of Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore ("**IRAS**") and MAS in force as of the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or in the interpretation of these laws, administrative guidelines or circulars, occurring after such date, which changes could be made on a retrospective basis. These laws, administrative 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 Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein 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 Notes 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 Noteholders are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposition of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject to. It is emphasised that none of the Issuer, the Guarantors, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.*

Interest and Other Payments

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

1. 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
2. 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 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals or a Hindu joint family) is currently 17.0% The applicable rate for non-resident individuals or a Hindu joint family is currently 22.0% 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 15.0% The rate of 15.0% may be reduced by applicable tax treaties.

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; and

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

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

As the Programme as a whole is arranged by (i) Crédit Agricole Corporate and Investment Bank, Singapore Branch, (ii) DBS Bank Ltd., (iii) ING Bank N.V., Singapore Branch and (iv) MUFG Securities Asia (Singapore) Limited, each of which is a Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Notes ("**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2023 would be qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(1) 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 for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits from that person's operations through a permanent establishment in Singapore), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes 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 Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(2) 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 for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require to the MAS), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(3) subject to:

    a. the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; 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 the prescribed format for the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

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

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes is QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer, Qualifying Income derived from such Relevant Notes held by:

    (i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes 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 of 10.0% as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

"**prepayment 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, the amount of which is determined by the terms of the issuance of the securities;

"**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; and

"**break cost**", 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, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes 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 QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore.

Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from such Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes 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 Notes who are adopting the Financial Reporting Standard ("**FRS**") 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 Notes, irrespective of disposal, in accordance with FRS 39 or FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "*Adoption of FRS 39 and 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 ITA 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 ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS (I) 9 (as the case may be) 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 Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

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

GUERNSEY TAXATION

The information below, which relates only to Guernsey taxation, is for general information purposes only. It is not intended to be a comprehensive summary of all technical aspects of the structure, or tax law and practice in Guernsey. It is not intended to constitute legal or tax advice to any prospective Noteholders. The information below is based on current Guernsey tax law and published practice which is, in principle, subject to any change (potentially with retrospective effect). The tax consequences for each Noteholder may depend on the Noteholder's own tax position and upon the relevant laws of any jurisdiction to which the Noteholder is subject.

If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

Payments made in respect of the Notes by Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) may be made without deduction for or on account of withholding tax in Guernsey. Accordingly, such payments made by Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) are not subject to tax in Guernsey, except where and to the extent that the Noteholder is resident in Guernsey for tax purposes, or, being a person who is not so resident, carries on business in Guernsey through a permanent establishment in Guernsey.

CAYMAN ISLANDS TAXATION

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of the law as of the date of this Offering Circular, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under Existing Cayman Islands Laws:

Payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any holder of the Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently has no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Notes. An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands.

THE 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 Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**participating Member States**") and Estonia. However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

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 Notes 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 EU Member States may decide to participate.

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

FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA")

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. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), 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 Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, 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 Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are 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. However, if Further Notes (as defined in the Conditions) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

The Arrangers and the initial Dealers have, in a dealer agreement dated 26 November 2019, as amended and/or supplemented from time to time (the "**Dealer Agreement**"), agreed with the Issuer and the Guarantors a basis on which they or any of them may from time to time agree to subscribe Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". Under the terms of the Dealer Agreement, the Guarantors will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Guarantors have agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment of the Programme and any future update of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer and the Guarantors have agreed to jointly and severally indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealers and certain of their affiliates (which term includes, for these purposes, their respective parent companies) may have performed certain investment banking and advisory services for the Issuer, the Guarantors and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantors and/or their respective affiliates in the ordinary course of their business. In addition, the Arrangers and initial Dealers or certain of their respective affiliates are lenders under financing agreements with the Guarantor, which may be refinanced with proceeds of an issue of Notes under the Programme.

In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the Issuer, the Guarantors or their respective subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Notes).

SELLING RESTRICTIONS

1. **General**

Each Dealer represents, warrants and undertakes, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, that it will has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular or any Pricing Supplement or any related offering material, in all cases at its own expense, and neither the Issuer nor the Guarantors, shall have any responsibility therefor.

None of the Issuer, the Guarantors, the Trustee or any of the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer, the Guarantors and the relevant Dealer and set out in the applicable Pricing Supplement.

2. **United States**

2.1 ***No registration under Securities Act***

The Notes and the Guarantee of the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdictions of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

2.2 ***Dealers' compliance with United States securities laws***

Each Dealer has represented, warranted and undertaken that it, its affiliates and any persons acting on its behalf (a) have not offered or sold and will not offer or sell its allotment of each Tranche of Notes except in accordance with Rule 903 of Regulation S under the Securities Act, (b) have not engaged and will not engage in any directed selling efforts in relation to its allotment of each Tranche of Notes except in accordance with Rule 903 of Regulation S under the Securities Act, and (c) have not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Notes except with the prior written consent of the Issuer and Guarantors.

*Where the relevant Pricing Supplement for Bearer Notes specifies that the TEFRA D Rules are applicable, the Bearer Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**"). Where the relevant Pricing Supplement for Bearer Notes specifies that the TEFRA C Rules are applicable, the Bearer Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**"). Where the relevant Pricing Supplement specifies that TEFRA is not applicable, the Notes will not be issued in accordance with the provisions of either the TEFRA D Rules or the TEFRA C Rules.*

2.3 ***The TEFRA D Rules***

In respect of Bearer Notes where TEFRA D Rules are specified in the applicable Pricing Supplement, each Dealer represents, warrants and undertakes that:

(a) except to the extent permitted under the TEFRA D Rules, it has not offered or sold, and during the restricted period will not offer or sell, any Notes to a person who is within the United States or its possessions or to a United States person, and it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes sold during the restricted period,

(b) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

(c) if it is a United States person, it is acquiring the Notes for the purposes of resale in connection with their original issuance and, if it retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6); and

(d) with respect to each affiliate of such Dealer that acquires Notes from such Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer will obtain from such affiliate the representations, warranties and undertakings contained in sub-paragraphs 0(a), (a)(b) and (b)(c) above.

2.4 ***The TEFRA C Rules***

In respect of Bearer Notes where TEFRA C Rules are specified in the applicable Pricing Supplement, the Notes must, in accordance with their original issuance, be issued and delivered outside the United States and its possessions and, accordingly, each Dealer represents, warrants and undertakes that, in connection with the original issuance of the Notes, it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions; and it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of Notes.

2.5 ***Interpretation***

Terms used in paragraph 2.2 (*Dealers' compliance with United States securities laws*) have the meanings given to them by Regulation S. Terms used in paragraph 2.3 (*The TEFRA D Rules*) and 2.4 (*The TEFRA C Rules*) above have the meanings given to them by the United States Internal Revenue Code and regulations thereunder, including the TEFRA C Rules and the TEFRA D Rules.

3. **Prohibition of Sales to EEA Retail Investors**

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

a) the expression "**retail investor**" means a person who is one (or more) of the following:

   i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

   ii. a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II ; or

b) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

c) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area each Dealer represents, warrants and agrees, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that relevant Member State:

a) *Approved Prospectus:* if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(2) of the Prospectus Regulation in that relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that relevant Member State or, where appropriate, approved in another relevant Member State and notified to the competent authority in that relevant Member State, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

b) *Qualified investors:* at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

c) *Fewer than 150 offerees:* at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

d) *Other exempt offers:* at any time in any other circumstances falling within Article 1(2) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

4. **Selling Restrictions Addressing Additional United Kingdom Securities Law**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

a) *No deposit-taking:* in relation to any Notes which have a maturity of less than one year:

   i. it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

   ii. it has not offered or sold and will not offer or sell any Notes other than to persons:

      A. whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses; or

      B. who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

   where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

b) *Financial promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and

c) *General compliance:* it has complied and will comply with all applicable provisions of the FSMA and sections 89 and 90 of the FSA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

5. **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan ("**resident of Japan**", as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

6. **Hong Kong**

In relation to each Tranche of Notes to be issued by the Issuer under the Programme, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) 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 Notes, 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 Notes 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.

7. **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that the Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, 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 (Chapter 289 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 or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes 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 derivative 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 Notes 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)(i)(B) 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. pursuant to 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.

9. **Italy**

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Prospectus Regulation and any application provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Italian CONSOB regulations; or

b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under a) or b) above must:

i. be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

ii. comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

GENERAL INFORMATION

1. **Listing of Notes**: Approval in-principle has been granted by the SGX-ST for permission to deal in and for the listing of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Programme, the Notes, the Guarantee of the Notes, the Issuer, the Guarantors and/or Vena Energy. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained herein. If the application to the SGX-ST to list a particular Series of Notes is approved, and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 or its equivalent in other specified currencies. So long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that Global Note or Global Note Certificate representing such Notes is exchanged for Definitive Notes or Individual Note Certificates. In addition, an announcement of such exchange will be made through the SGX-ST. Such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.

2. **Legal Entity Identifier**: The Legal Entity Identifier of the Issuer is 254900WSETM7TQMYGS40.

3. **Authorisations**: The Issuer and the Guarantors have obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme, the issue of Notes and the giving of the Guarantee of the Notes. The establishment of the Programme was authorised by resolutions of the board of directors of the Issuer dated 25 November 2019. The giving of the Guarantee of the Notes by Zenith Japan Holdings Ltd acting in its capacity as trustee of Zenith Japan Holdings Trust was authorised by resolutions of the board of directors of Zenith Japan Holdings Ltd (as trustee of Zenith Japan Holdings Trust) on 12 September 2019, and the giving of the Guarantee of the Notes by Vena Energy Holdings Ltd and Vena Energy (Taiwan) Holdings Ltd was authorised by resolutions of the board of directors of Vena Energy Holdings Ltd and Vena Energy (Taiwan) Holdings Ltd on 25 November 2019, respectively.

4. **No Material Adverse Change**: Except as disclosed in this Offering Circular, there has been no material adverse change in Vena Energy's financial position or prospects since 30 June 2019.

5. **Litigation**: Except as disclosed in this Offering Circular, neither the Issuer nor any of the Guarantors is involved in any litigation or arbitration proceedings or any regulatory investigations which may have a material adverse impact on the financial position or prospects of Vena Energy nor, so far as it is aware, is any such litigation or arbitration pending or threatened.

6. **Clearing of the Notes**: The Notes may be accepted for clearance through Euroclear, Clearstream, Luxembourg and CDP. The appropriate ISIN and common code in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. If the Notes are to be cleared through any additional or alternative Clearing System, the appropriate information will be specified in the applicable Pricing Supplement.

7. **Available Documents**: For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, upon prior written notice during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the Issuer's registered office at 80 Robinson Road, #02-00, Singapore 068898 and at the Specified Office of the CDP Issuing and Paying Agent at One Temasek Avenue, #02-01 Millenia Tower, Singapore 039192 :

   (a) the Trust Deed (which includes the form of the Global Notes, the Global Note Certificates, the Notes in definitive form, the Coupons, the Receipts and the Talons);

   (b) the Agency Agreement;

   (c) the constitutional documents of the Issuer (available at the Issuer's registered office only);

   (d) the constitutional documents of each of the Guarantors (available at the Issuer's registered office only);

   (e) the Financial Statements;

   (f) the Pro Forma Financial Information;

   (g) each Pricing Supplement (save that Pricing Supplements will only be available for inspection by a holder of the relevant Notes and such holder must produce evidence satisfactory to the Issuer, the Guarantors or the Trustee as to its holding of Notes and identity); and

   (h) a copy of this Offering Circular together with any supplement to this Offering Circular and any other documents incorporated herein or therein referenced.

8. **Trustee's action**: The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

INDEX OF DEFINED TERMS

INDEX TO UNAUDITED PRO FORMA FINANCIAL INFORMATION

INDEX TO GUARANTORS' FINANCIAL INFORMATION

KPMG

Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd) and its subsidiaries
Vena Energy (Taiwan) Holdings Ltd (f.k.a GIP Zenith Cayco IV, Ltd) and its subsidiaries
Zenith Japan Holdings Trust (f.k.a GIP III Zenith Trust II) and its subsidiaries

Pro Forma Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2019

Pro forma condensed consolidated statement of financial position
As at 30 June 2019

	Note	30 June 2019 US$'000	31 December 2018 US$'000
Assets			
Property, plant and equipment	5	1,696,340	1,652,874
Right-of-use assets	6	157,796	–
Intangible assets	7	2,592,366	2,619,198
Equity-accounted investees	8	460,731	526,464
Other investments		5,876	5,363
Deferred tax assets		13,846	13,734
Loans receivables	9	78,296	78,780
Trade and other receivables	12	2,061	–
Derivative assets	10	39,870	53,844
Prepayment and other assets	11	19,370	21,271
Non-current assets		5,066,552	4,971,528
Loans receivables	9	14,616	23,554
Trade and other receivables	12	142,365	113,063
Prepayment and other assets	11	16,473	17,735
Derivative assets	10	2,865	1,199
Cash and cash equivalents		545,704	486,744
Current assets		722,023	642,295
Total assets		5,788,575	5,613,823
Equity			
Share capital and units in issue		3,232,919	3,232,919
Accumulated losses		(22,388)	(37,025)
Reserves		133,079	70,211
Equity attributable to owners of the Holding Companies		3,343,610	3,266,105
Non-controlling interests		81,651	78,027
Total equity		3,425,261	3,344,132
Liabilities			
Loans and borrowings	13	2,054,051	1,989,840
Employee benefits		46	188
Derivative liabilities	10	31,380	15,457
Asset retirement obligation		24,915	29,307
Deferred tax liabilities		25,177	20,812
Non-current liabilities		2,135,569	2,055,604
Loans and borrowings	13	132,417	134,016
Derivative liabilities	10	4,034	–
Trade and other payables	14	90,526	78,264
Current tax liabilities		768	1,807
Current liabilities		227,745	214,087
Total liabilities		2,363,314	2,269,691
Total equity and liabilities		5,788,575	5,613,823

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

Pro forma condensed consolidated statement of comprehensive income
For the six months ended 30 June 2019

	Note	Six months period ended 30 June 2019 US$'000	30 June 2018 US$'000 (Unaudited)
Sale of energy		142,339	121,855
Service concession income		23,589	69,734
Total revenue	15	165,928	191,589
Other income	16	5,449	2,874
Cost of service concession income		(23,589)	(69,734)
Operating costs	17	(21,557)	(17,193)
Shared services costs	18	(17,717)	(22,981)
Development costs	19	(1,811)	(1,971)
Depreciation expense		(30,791)	(26,058)
Amortisation expense		(23,973)	(21,701)
		(119,438)	(159,638)
Finance income	20	5,729	3,973
Finance costs	20	(49,101)	(55,978)
Change in fair value of financial derivatives	21	(32,593)	18,805
Foreign exchange loss		(409)	(20,113)
Net finance costs		(76,374)	(53,313)
Gain on transfer of TK interests		45,969	–
Loss on write off of property, plant and equipment		(9)	–
Share of net profit of equity-accounted investees, net of tax	8	4,174	(6,081)
Profit/(loss) before tax	22	25,699	(24,569)
Tax expense		(6,278)	(223)
Profit/(loss) for the period		19,421	(24,792)
Profit/(loss) attributable to:			
Owners of the Holding Companies		14,637	(29,098)
Non-controlling interests		4,784	4,306
		19,421	(24,792)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		57,643	17,382
Equity-accounted investees – share of OCI	8	7,357	(23,899)
Other comprehensive income/(loss) for the period		65,000	(6,517)
Total comprehensive income/(loss) for the period		84,421	(31,309)
Total comprehensive income/(loss) attributable to:			
Owners of the Holding Companies		77,505	(35,256)
Non-controlling interests		6,916	3,947
		84,421	(31,309)

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

Pro forma condensed consolidated statement of changes in equity
For the six months ended 30 June 2019

	Attributable to owners of the Holding Companies							
	Share capital and units in issue US$'000	**Capital reserves US$'000**	**Accumulated losses US$'000**	**Translation reserves US$'000**	**Other reserves US$'000**	**Total US$'000**	**Non-controlling interest US$'000**	**Total equity US$'000**
At 1 January 2019	3,232,919	79,980	(37,025)	(9,867)	98	3,266,105	78,027	3,344,132
Total comprehensive income for the period								
Profit for the period	–	–	14,637	–	–	14,637	4,784	19,421
Other comprehensive income								
Foreign currency translation differences	–	–	–	55,511	–	55,511	2,132	57,643
Equity-accounted investees – share of OCI	–	–	–	7,357	–	7,357	–	7,357
Total comprehensive income for the period	–	–	14,637	62,868	–	77,505	6,916	84,421
Transactions with owners, recognised directly in equity								
Dividends declared	–	–	–	–	–	–	(3,030)	(3,030)
Transfer of TK interests	–	–	–	–	–	–	(262)	(262)
Total transactions with owners	–	–	–	–	–	–	(3,292)	(3,292)
At 30 June 2019	3,232,919	79,980	(22,388)	53,001	98	3,343,610	81,651	3,425,261

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

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

	Attributable to owners of the Holding Companies						
	Share capital and units in issue US$'000	**Capital reserves US$'000**	**Accumulated losses US$'000**	**Translation reserves US$'000**	**Total US$'000**	**Non-controlling interest US$'000**	**Total equity US$'000**
At 1 January 2018 (Unaudited)	–	–	–	–	–	–	–
Total comprehensive income for the period							
Profit/(loss) for the period	–	–	(29,098)	–	(29,098)	4,306	(24,792)
Other comprehensive income							
Foreign currency translation differences	–	–	–	17,741	17,741	(359)	17,382
Equity-accounted investees – share of OCI	–	–	–	(23,899)	(23,899)	–	(23,899)
Total comprehensive income for the period	–	–	(29,098)	(6,158)	(35,256)	3,947	(31,309)
Transactions with owners, recognised directly in equity							
Issue of ordinary shares and units	3,232,919	–	–	–	3,232,919	–	3,232,919
Additional equity received from parent	–	79,980	–	–	79,980	–	79,980
Acquisition of subsidiaries with non-controlling interest	–	–	–	–	–	72,323	72,323
Total transactions with owners	3,232,919	79,980	–	–	3,312,899	72,323	3,385,222
At 30 June 2018 (Unaudited)	3,232,919	79,980	(29,098)	(6,158)	3,277,643	76,270	3,353,913

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

Pro forma condensed consolidated statement of cash flows
For the six months ended 30 June 2019

	Note	For the six months ended 30 June 2019 US$'000	For the six months ended 30 June 2018 US$'000 (Unaudited)
Cash flows from operating activities			
Profit/(loss) before tax		25,699	(24,569)
Adjustments for:			
Depreciation expense	5&6	30,791	26,058
Amortisation expense	7	23,973	21,701
Gain on transfer of TK interests		(45,969)	–
Loss on write off of property, plant and equipment		9	–
Finance income	20	(5,729)	(3,973)
Finance costs	20	49,101	55,978
Net changes in fair value of financial instruments	21	32,593	(18,805)
Unrealised foreign exchange loss		4,820	3,004
Share of net (profit)/loss of equity-accounted investees, net of tax	8	(4,174)	6,081
		111,114	65,475
Changes in:			
- Trade and other receivables		(23,387)	33,232
- Prepayments and other assets		4,242	(391)
- Trade and other payables		14,402	(68,370)
- Provisions and employee benefits		(183)	(43)
- Lease liabilities		158,488	–
- Right-of-use assets		(157,274)	–
Cash generated from operating activities		107,402	29,903
Tax paid		(3,118)	(1,067)
Net cash from operating activities		104,284	28,836
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		–	(3,353,079)
Acquisition of interest in equity-accounted investees	8	(1,658)	(45,019)
Repayment of loan from equity-accounted investees		3,309	3,642
Distributions from equity-accounted investees	8	76,110	8,535
Purchase of property, plant and equipment	5	(157,138)	(157,525)
Development expenditure	7	(23,818)	(123,961)
Deposits pledged		7,346	(44,691)
Interest received		14,281	1,869
Proceeds from transfer of TK interests		109,505	-
Net cash generated from/(used in) investing activities		27,937	(3,710,229)
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares		–	3,232,919
Proceeds from additional equity received		–	29,980
Proceeds from drawdown of loans and borrowings		168,402	884,139
Repayment of loans and borrowings		(182,117)	(48,896)
Proceeds from lease liabilities		84	–
Payment of lease liabilities		(2,705)	(15)
Transaction costs related to loans and borrowings		(4,220)	(19,365)
Interest paid to loans and borrowings		(46,599)	(34,905)
Interest paid to on acquisition		–	(17,472)
Dividends paid to non-controlling interest		(3,030)	–
Net cash (used in)/from financing activities		(70,185)	4,026,385
Net increase in cash and cash equivalents		62,036	344,992
Cash and cash equivalents at 1 January		424,596	-
Effect of exchange rate fluctuations on cash held		(671)	6,946
Cash and cash equivalents at 30 June		485,961	351,938

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

Pro forma condensed consolidated statement of cash flows (cont'd)
For the six months ended 30 June 2019

Significant non-cash transaction

As at 30 June 2018, the Group increased its investment in subsidiaries by way of novating a promissory note of US$50 million to the seller.

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

Notes to the Pro forma condensed consolidated interim financial information

1 Domicile and activities

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

Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd), Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd) and Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II) are each known as a "Holding Company" and collectively known as the "Holding Companies".

Zenith Japan Holdings Ltd (f.k.a. GIP III Zenith 2, Limited), a company incorporated under the laws of Guernsey who registered office is at 1st Floor, Les Echelons Court, Les Echelons, St Peter Port, Guernsey GY1 6JB, is appointed as Trustee of the Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II).

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

The purpose of the Pro forma condensed consolidated interim financial information is to show the financial position, financial performance, changes in equity and cash flows of the Holding Companies as a single performance unit (the "Pro Forma Group") as at and for the six months ended 30 June 2019.

2 Basis of preparation

2.1 Basis of compilation

The Pro forma condensed consolidated interim financial information have been prepared based on certain assumptions to show what the consolidated financial position, consolidated financial results, consolidated changes in equity and consolidated cash flows of the Holding Companies as at and for the six months ended 30 June 2019 would have been if they were reported in a single performance unit.

The Pro forma condensed consolidated interim financial information has been compiled based on the condensed consolidated financial statements of Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd) and its subsidiaries, Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd) and its subsidiaries and Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II) and its subsidiaries for the six months ended 30 June 2019 (the "Relevant Financial Information").

In compiling the Pro forma condensed consolidated interim financial information from the Relevant Financial Information, like items of assets, liabilities, equity, income, expenses and cash flows of each Holding Company and its subsidiaries were aggregated.

2 Basis of preparation (cont'd)

2.1 Basis of compilation (cont'd)

In addition, the following key adjustments were made in the compilation of the Pro forma condensed consolidated interim financial information from the Relevant Financial Information:

- Elimination of 1% Tokumei Kumiai ("TK") interest in certain subsidiaries of Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II) held by certain subsidiaries of Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd);

- Elimination of balances and transactions between the Holding companies and/or subsidiaries of the Holding companies, and any unrealised income and expenses arising from intra-group transactions between the subsidiaries of the Holding Companies; and

- Elimination of unrealised gains arising from transactions between subsidiaries of the Holding Companies and equity-accounted investees of the Holding Companies against the investment in the equity-accounted investee, to the extent of the Pro Forma Group's interest in the investee.

3 Seasonality in operations

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

4 Significant accounting policies

The Group has applied the same accounting policies and methods of computation in the financial statement for the current reporting period as that of the audited financial information for the year ended 31 December 2018, except for the adoption of IFRS 16 applicable for the financial period beginning 1 January 2019 as follows:

IFRS 16 Leases

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly – and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the lease of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

4 Significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i. As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use 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 or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

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

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

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4 Significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

i. As a lessee (cont'd)

Under IAS 17

In the comparative period, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease. .

ii. As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

4 Significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

ii. As a lessor (cont'd)

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

5 Property, plant and equipment

	Land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Vehicles US$'000	Computer, fitting and fixture and office equipment US$'000	Assets under construction US$'000	Total US$'000
Cost							
At 1 January 2018 (Unaudited)	–	–	–	–	–	–	–
Acquisitions through business combinations	50,519	29,703	1,168,825	267	1,546	207,774	1,458,634
Additions	8,168	2,269	122,771	40	1,337	144,130	278,715
Write off	–	(33)	(218)	(79)	–	(1,079)	(1,409)
Reclassification	–	419	56,669	–	16	(57,104)	–
Effect of exchange rate changes	92	211	(26,639)	(4)	(15)	(3,987)	(30,342)
At 31 December 2018	58,779	32,569	1,321,408	224	2,884	289,734	1,705,598
At 1 January 2019	58,779	32,569	1,321,408	224	2,884	289,734	1,705,598
Additions	13,132	5,465	1,022	30	458	137,031	157,138
Transfer of TK interests	(5,667)	(213)	(116,721)	–	–	–	(122,601)
Write off	–	–	(125)	–	–	(30)	(155)
Transfer from/(to)	–	–	124,065	–	–	(124,065)	–
Reclassification	–	–	–	–	–	1,664	1,664
Effect of exchange rate changes	1,287	1,295	42,758	11	123	614	46,088
At 30 June 2019	67,531	39,116	1,372,407	265	3,465	304,948	1,787,732
Accumulated depreciation							
At 1 January 2018 (Unaudited)	–	–	–	–	–	–	–
Depreciation charge for the year	–	(2,252)	(52,002)	(37)	(799)	–	(55,090)
Write off	–	33	19	10	–	–	62
Effect of exchange rate changes	–	(2)	2,305	1	–	–	2,304
At 31 December 2018	–	(2,221)	(49,678)	(26)	(799)	–	(52,724)
At 1 January 2019	–	(2,221)	(49,678)	(26)	(799)	–	(52,724)
Depreciation charge for the period	–	(1,440)	(26,256)	(24)	(449)	–	(28,169)
Transfer of TK interests	–	53	12,847	–	–	–	12,900
Effect of exchange rate changes	–	(271)	(23,014)	(9)	(105)	–	(23,399)
At 30 June 2019	–	(3,879)	(86,101)	(59)	(1,353)	–	(91,392)

5 Property, plant and equipment (cont'd)

	Land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Vehicles US$'000	Computer, fitting and fixture and office equipment US$'000	Assets under construction US$'000	Total US$'000
Carrying amounts							
At 1 January 2018 (Unaudited)	–	–	–	–	–	–	–
At 31 December 2018	58,779	30,348	1,271,730	198	2,085	289,734	1,652,874
At 30 June 2019	67,531	35,237	1,286,306	206	2,112	304,948	1,696,340

6 Right-of-use assets

	Land US$'000	Office US$'000	Total US$'000
Cost			
Initial application of IFRS 16 at 1 January 2019	168,789	4,692	173,481
Reclassification	(1,204)	–	(1,204)
Transfer of TK interests	(15,160)	–	(15,160)
Effect of exchange rate changes	3,986	49	4,035
At 30 June 2019	156,411	4,741	161,152
Accumulated depreciation			
Initial application of IFRS 16 at 1 January 2019	–	–	–
Depreciation expense	(1,645)	(977)	(2,622)
Transfer of TK interests	157	–	157
Effect of exchange rate changes	(872)	(19)	(891)
At 30 June 2019	(2,360)	(996)	(3,356)
Carrying amounts			
Initial application of IFRS 16 at 1 January 2019	168,789	4,692	173,481
At 30 June 2019	154,051	3,745	157,796

7 Intangible assets

	Goodwill US$'000	Project-related agreements & licences US$'000	Service concession intangible assets US$'000	Total US$'000
Cost				
At 1 January 2018	–	–	–	–
Acquisitions through business combinations	886,701	1,592,834	11,584	2,491,119
Service concession	–	–	127,947	127,947
Effect of exchange rate changes	(8,962)	52,175	(24)	43,189
At 31 December 2018	877,739	1,645,009	139,507	2,662,255
At 1 January 2019	877,739	1,645,009	139,507	2,662,255
Service concession	–	–	23,818	23,818
Transfer of TK interests	–	(78,901)	–	(78,901)
Effect of exchange rate changes	11,647	37,142	–	48,789
At 30 June 2019	889,386	1,603,250	163,325	2,655,961
Accumulated amortisation				
At 1 January 2018	–	–	–	–
Amortisation expense	–	(42,849)	–	(42,849)
Effect of exchange rate changes	–	(208)	–	(208)
At 31 December 2018	–	(43,057)	–	(43,057)

7 Intangible assets (cont'd)

	Goodwill US$'000	Project-related agreements & licences US$'000	Service concession intangible assets US$'000	Total US$'000
Accumulated amortisation				
At 1 January 2019	–	(43,057)	–	(43,057)
Amortisation expense	–	(22,334)	(1,639)	(23,973)
Transfer of TK interests	–	5,404	–	5,404
Effect of exchange rate changes	–	(1,969)	–	(1,969)
At 30 June 2019	–	(61,956)	(1,639)	(63,595)
Carrying amounts				
At 1 January 2018	–	–	–	–
At 31 December 2018	877,739	1,601,952	139,507	2,619,168
At 30 June 2019	889,386	1,541,294	161,686	2,592,366

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

8 Equity-accounted investees

Interests in associates

The Pro Forma Group has 7 material associates and 12 immaterial associates which are equity accounted. The following are the material associates:

	Hangin ng Amihan Holdings, Inc. and its subsidiaries ("HANGIN")	**Vena Energy Wind (Phil) Holdings Inc ("VEWPHI")[1]**	**Hydro Power Holdings Phils. Inc. and its subsidiaries ("HPI")[2]**	**Helios Solar Energy Holdings Inc. and its subsidiaries ("HSEHI")**	**First Soleq Holdings Philippines Inc. ("FSHPI")**	**One Bukidnon Project Holdings Inc. ("OBPHI")**	**RA Solar Energy Holdings Inc. and its subsidiaries ("RSEHI")**
Project name	Pililia	Pililia	Wawa	Pollo	Ironman	Zorro	Garcia
Sector	54.0 MW wind	54.0 MW wind	250.0 MW hydro	132.5 MW solar	30.4 MW solar	10.5 MW solar	20.1 MW solar
Nature of relationship with the Pro Forma Group	Investment holding entity for Alternergy Wind One Corporation	Investment holding entity for Alternergy Wind One Corporation	Investment holding entity for Olympia Violago Water & Power Inc.	Investment holding entity for Helios Solar Energy Corp.	Investment holding entity for First Soleq Energy Corp.	Investment holding entity for Asian Greenenergy Corp.	Investment holding entity for Mirae Asia Energy Corp.
Principal place of business/ Country of incorporation	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines
Economic interest held (%)	99.88%	100.00%	99.97%	99.91%	99.87%	99.89%	99.91%
Effective economic interest held on the underlying project (%)	55.26%[3]	39.84%[3]	89.97%	99.95%	99.90%	99.90%	99.91%
Voting rights held (%)	39.92%	44.63%	25.00%	25.00%	25.00%	25.00%	40%

[1] VEWPHI was formerly known as Energon Philippines Holding Inc.
[2] HPI was formerly known as Hydreqpower Phil., Inc.
[3] Through investment in HANGIN & VEWPHI, the Pro Forma Group's aggregate economic interest in Project Pililia (54Mw Wind) is 95.1%.

8 Equity-accounted investees (cont'd)

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

2019	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Wawa HPI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000	Garcia RSEHI US$'000
Property, plant and equipment	91,643	–	7,619	145,634	32,064	12,739	28,419
Intangible assets	693	–	–	–	–	–	–
Equity-accounted investees	–	16,200	–	–	–	–	3,534
Other non-current receivables	1,167	60	252	11,604	3,451	1,000	2,727
Prepayment and other assets	34	–	–	974	11	4	–
Non-current assets	93,537	16,260	7,871	158,212	35,526	13,743	34,680
Loan receivables	–	–	–	15	3	–	–
Trade and other receivables	5,247	16	15	6,913	2,741	1,509	1,651
Prepayment and other assets	358	–	143	1,582	49	10	56
Cash and cash equivalents	35,931	25	126	20,879	2,207	1,923	2,145
Current assets	41,536	41	284	29,389	5,000	3,442	3,852
Total assets	135,073	16,301	8,155	187,601	40,526	17,185	38,532
Loans and borrowings	80,942	–	–	121,607	19,135	8,742	19,384
Employee benefits	37	–	–	–	–	–	–
Asset retirement obligation	1,935	–	–	575	135	46	103
Deferred tax liabilities	70	–	–	–	9	4	11
Non-current liabilities	82,984	–	–	122,182	19,279	8,792	19,498
Loans and borrowings	5,746	–	–	3,533	3,112	2,880	7,553
Trade and other payables	4,414	406	612	1,134	704	1,021	841
Current liabilities	10,160	406	612	4,667	3,816	3,901	8,394
Total liabilities	93,144	406	612	126,849	23,095	12,693	27,892
Net assets	41,929	15,895	7,543	60,752	17,431	4,492	10,640

8 Equity-accounted investees (cont'd)

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

2019	**Pililia HANGIN US$'000**	**Pililia VEWPHI US$'000**	**Wawa HPI US$'000**	**Pollo HSEHI US$'000**	**Ironman FSHPI US$'000**	**Zorro OBPHI US$'000**	**Garcia RSEHI US$'000**
Sale of energy	10,135	–	–	14,206	3,945	1,349	3,011
Other income	3	–	1	30	7	1	56
Revenue	10,138	–	1	14,236	3,952	1,350	3,067
Operating costs	(2,033)	(5)	–	(2,155)	(543)	(443)	(639)
Shared services costs charged by ROHQ	(546)	–	–	(545)	(131)	(37)	(97)
Development costs	–	–	(50)	–	–	–	–
Depreciation expenses	(2,173)	–	(23)	(3,340)	(862)	(322)	(705)
	(4,752)	(5)	(73)	(6,040)	(1,536)	(802)	(1,441)
Finance income	214	–	–	188	4	2	131
Finance costs	(3,050)	–	–	(5,869)	(588)	(262)	(726)
Foreign exchange gain/(loss)	1,221	–	(1)	186	524	268	645
Net finance income/(costs)	(1,615)	–	(1)	(5,495)	(60)	8	50
Share of profits of associate	–	1,514	–	–	–	–	–
Profit/(loss) before tax	3,771	(1,509)	(73)	2,701	2,356	556	1,676
Income tax expenses	–	–	–	–	–	–	–
Profit/(loss) from continuing operations	3,771	(1,509)	(73)	2,701	2,356	556	1,676
Other comprehensive income							
Foreign operations - foreign currency translation differences	490	(7)	138	1,239	359	91	120
Total comprehensive income	4,261	(1,516)	65	3,940	2,715	647	1,796

8 Equity-accounted investees (cont'd)

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

2018	**Pililia HANGIN US$'000**	**Pililia VEWPHI US$'000**	**Wawa HPI US$'000**	**Pollo HSEHI US$'000**	**Ironman FSHPI US$'000**	**Zorro OBPHI US$'000**	**Garcia RSEHI US$'000**
Property, plant and equipment	91,730	–	7,428	145,694	32,199	12,773	28,472
Intangible assets	678	–	–	–	–	–	–
Equity-accounted investees	–	14,686	–	–	–	–	3,534
Deferred tax assets	–	–	–	–	–	–	1
Other non-current receivables	1,058	60	246	11,317	3,364	974	2,655
Prepayment and other assets	34	–	–	1,408	10	4	–
Non-current assets	93,500	14,746	7,674	158,419	35,573	13,751	34,662
Trade and other receivables	10,134	42	7	8,102	3,246	1,495	1,961
Prepayment and other assets	511	–	162	1,936	120	29	95
Cash and cash equivalents	27,880	7	172	34,561	4,729	1,737	4,743
Current assets	38,525	49	341	44,599	8,095	3,261	6,799
Total assets	132,025	14,795	8,015	203,018	43,668	17,012	41,461
Loans and borrowings	82,426	–	–	63,119	20,710	9,360	20,822
Employee benefits	36	–	–	–	–	–	–
Asset retirement obligation	1,839	–	–	562	132	55	120
Deferred tax liabilities	768	–	–	–	9	12	11
Non-current liabilities	85,069	–	–	63,681	20,851	9,427	20,953
Loans and borrowings	4,036	–	–	5,795	7,470	2,850	10,653
Trade and other payables	5,662	402	570	512	629	888	707
Current tax liabilities	6			11	3	1	–
Current liabilities	9,704	402	570	6,318	8,102	3,739	11,360
Total liabilities	94,773	402	570	69,999	28,953	13,166	32,313
Net assets	37,252	14,393	7,445	133,019	14,715	3,846	9,148

8 Equity-accounted investees (cont'd)

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

2018	**Pililiia HANGIN US$'000**	**Pililia VEWPHI US$'000**	**Wawa HPI US$'000**	**Pollo HSEHI US$'000**	**Ironman FSHPI US$'000**	**Zorro OBPHI US$'000**	**Garcia RSEHI US$'000**
Sale of energy	19,796	–	–	32,301	6,893	2,622	5,569
Other income	279	5	–	582	111	40	169
Revenue	20,075	5	–	32,883	7,004	2,662	5,738
Operating costs	(5,653)	(127)	–	(4,385)	(1,003)	(1,057)	(2,372)
Shared services costs charged by ROHQ	(722)	–	(112)	(502)	(425)	(347)	–
Development costs	–	–	(93)	–	–	–	–
Depreciation expenses	(4,242)	(5)	(1)	(6,606)	(1,731)	(637)	(1,424)
	(10,617)	(132)	(206)	(11,493)	(3,159)	(2,041)	(3,477)
Finance income	208	–	–	267	4	15	7
Finance costs	(6,303)	(1)	–	(4,810)	(1,307)	(592)	(1,305)
Foreign exchange gain/(loss)	(3,158)	(39)	11	(3,570)	(1,460)	(628)	(1,397)
Net finance income/(costs)	(9,253)	(40)	11	(8,113)	(2,763)	(1,205)	(2,695)
Share of profits of associate	–	363	–	–	–	–	–
Profit/(loss) before tax	205	196	(195)	13,277	1,082	(584)	(753)
Income tax expenses	(658)	(1)	–	(11)	(9)	(13)	(22)
Profit/(loss) from continuing operations	(453)	195	(195)	13,266	1,073	(597)	(775)
Other comprehensive income							
Foreign operations - foreign currency translation differences	(707)	54	(323)	(6,566)	(689)	(231)	(620)
Total comprehensive income	(1,160)	249	(518)	6,700	384	(828)	(1,395)

8 Equity-accounted investees (cont'd)

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

2019	**Pililia HANGIN US$'000**	**Pililia VEWPHI US$'000**	**Wawa HPI US$'000**	**Pollo HSEHI US$'000**	**Ironman FSHPI US$'000**	**Zorro OBPHI US$'000**	**Garcia RSEHI US$'000**	**Immaterial Associates US$'000**	**Total Associates US$'000**
Carrying amount of interest in associates at 01 January 2019	61,551	45,373	7,538	301,982	38,880	10,545	58,437	2,158	526,464
Pro Forma Group's share of amortisation of intangible asset acquired through business combinations	(1,280)	(1,047)	–	(4,201)	(730)	(154)	(1,454)	–*	(8,866)
Pro Forma Group's share of profit from continuing operations	2,609	1,509	(66)	3,012	3,073	851	2,391	(339)	13,040
Effect of exchange rate changes from Project-related agreements & licences	909	744	–	3,224	530	118	1,112	–	6,637
Pro Forma Group's share of other comprehensive income	487	(7)	138	(432)	359	91	120	(34)	722
Pro Forma Group's share of total comprehensive income	2,725	1,199	72	1,603	3,232	906	2,169	(373)	11,533
Pro Forma Group's contribution during the period	–	–	–	–	–	–	–	1,658	1,658
Distribution during the period	–	–	–	(76,110)	–	–	–	–	(76,110)
Elimination of unrealised gains from transactions with associates	(541)	–	–	(539)	(720)	(295)	(719)	–	(2,814)
Carrying amount of interest in associates at 30 June 2019	63,735	46,572	7,610	226,936	41,392	11,156	59,887	3,443	460,731

* Less than US$1,000

8 Equity-accounted investees (cont'd)

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

2018	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Wawa HPI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000	Garcia RSEHI US$'000	Immaterial Associates US$'000	Total Associates US$'000
Acquisitions through business combinations	11,842	13,133	8,037	122,810	12,422	4,306	10,227	1,129	183,906
Project-related agreements & licences (Intangible asset)	48,009	34,615	–	160,188	26,419	5,868	55,197	–	330,296
Pro Forma Group's share of amortisation of intangible asset acquired through business combinations	(2,674)	(1,928)	–	(8,310)	(1,443)	(304)	(2,876)	–	(17,535)
Pro Forma Group's share of profit from continuing operations	(168)	196	(55)	13,615	2,793	274	913	(378)	17,190
Effect of exchange rate changes from Project-related agreements & licences	(2,365)	(1,705)	–	(7,886)	(1,301)	(289)	(2,717)	–	(16,263)
Pro Forma Group's share of other comprehensive income	(882)	55	(323)	901	(688)	(225)	(619)	408	(1,373)
Pro Forma Group's share of total comprehensive income	(6,089)	(3,382)	(378)	(1,680)	(639)	(544)	(5,299)	30	(17,981)
Pro Forma Group's contribution during the year	8,481	1,007	–	29,700	2,400	1,836	–	1,595	45,019
Distribution during the year	–	–	–	(8,535)	–	–	–	–	(8,535)
Elimination of unrealised gains from transactions with associates	(692)	–	(121)	(501)	(1,722)	(921)	(1,688)	(596)	(6,241)
Carrying amount of interest in associates at 31 December 2018	61,551	45,373	7,538	301,982	38,880	10,545	58,437	2,158	526,464

9 Loans receivables

	30 June 2019 US$'000	31 December 2018 US$'000
Non-current		
Loan receivables from:		
- Equity-accounted investees	52,388	52,388
- Other third parties	18,497	19,510
Promissory note receivables	7,767	7,238
	78,652	79,136
Less: Impairment loss on loans receivables	(356)	(356)
	78,296	78,780
Current		
Interest receivables from:		
- Equity-accounted investees	2,267	9,997
- Promissory note	265	203
- Other third parties	4,419	2,380
Loan receivables from:		
- Equity-accounted investees	7,771	11,081
	14,722	23,661
Less: Impairment loss on loans receivables	(106)	(107)
	14,616	23,554
	92,912	102,334

Promissory notes receivable are zero coupon, non-transferable and redeemable, with maturity date of 3 August 2027. At redemption date, the Pro Forma Group is entitled to receive a redemption amount equal to 101% of the principal amount plus accrued redemption fee per annum.

10 Derivative assets and liabilities

	30 June 2019 US$'000	31 December 2018 US$'000
Derivative assets		
Non-current		
Electricity derivative	39,870	50,226
Forward exchange contract	–	3,351
Interest rate swaps	–	267
	39,870	53,844
Current		
Forward exchange contract	2,865	1,160
Interest rate swaps	–	39
	2,865	1,199
Total derivative assets	42,735	55,043
Derivative liabilities		
Non-current		
Forward exchange contract	13,468	–
Interest rate swaps	17,912	15,457
	31,380	15,457
Current		
Interest rate swaps	4,034	–
	4,034	–
Total derivative liabilities	35,414	–

11 Prepayments and other assets

	30 June 2019 US$'000	31 December 2018 US$'000
Non-current		
Prepaid O&M mobilisation fees	9,426	9,911
Deposits	–	2,006
Other assets	1,803	1,737
Other prepayments	8,141	7,617
	19,370	21,271
Current		
Deposits	4,101	–
Other prepayments	7,669	9,369
Other assets	2,442	2,202
Advances payment for construction costs	2,261	6,164
	16,473	17,735
Total prepayments and other assets	35,843	39,006

12 Trade and other receivables

	30 June 2019 US$'000	31 December 2018 US$'000
Non-current		
Deposits	2,061	–
Current		
Trade receivables	74,961	53,085
Accrued income	18,930	10,858
Amount due from:		
- Equity-accounted investees	2,525	1,561
- Other third parties	4,921	4,071
Commission receivables	–	4,941
Deposits	12,205	8,814
Other receivables	22,025	16,521
Other tax receivables	7,236	13,640
	142,803	113,491
Less: Impairment loss on trade and other receivables	(438)	(428)
	142,365	113,063
Total trade and other receivables	144,426	113,063

13 Loans and borrowings

	30 June 2019 US$'000	31 December 2018 US$'000
Non-current		
Project finance debt	1,297,744	1,397,510
Term loan	630,459	622,452
Finance lease liabilities	153,606	42
Deferred financing cost	(27,758)	(30,164)
	2,054,051	1,989,840
Current		
Project finance debt	68,304	53,436
Revolving credit facility	54,986	78,399
Bank overdrafts	9,154	4,213
Finance lease liabilities	2,719	31
Interest payable	1,635	2,976
Deferred financing cost	(4,381)	(5,039)
	132,417	134,016
	2,186,468	2,123,856

14 Trade and other payables

	30 June 2019 US$'000	31 December 2018 US$'000
Trade payables	17,306	3,552
Payables to EPC contractors	41,093	39,108
Accrued operating expenses	13,975	15,762
Accrued staff costs	2,664	8,013
Deferred income	1,432	1,290
Other tax payable	5,959	4,398
Amount due to:		
- Equity-accounted investees	264	482
- Other third parties	7,833	5,659
	90,526	78,264

15 Revenue

The Pro Forma Group's revenue comprises:

	Six months period ended	
	30 June 2019 US$'000	30 June 2018 US$'000 (Unaudited)
Sale of energy	142,339	121,855
Service concession income	23,589	69,734
	165,928	191,589

Service Concession Arrangements

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

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

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

	Six months period ended	
	30 June 2019 US$'000	30 June 2018 US$'000 (Unaudited)
Revenue	23,589	69,734
Profit	–	–

15 Revenue (cont'd)

The revenue recognised in relation to construction in 2019 represents the fair value of the construction services provided in constructing the plant. The Pro Forma Group has recognised US$163.3 million (2018: US$139.5 million) in intangible asset as at 30 June 2019.

Disaggregation of revenue from contracts with customers

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

	Six months period ended	
	30 June 2019 US$'000	**30 June 2018 US$'000 (Unaudited)**
Japan Solar	54,332	51,062
Taiwan Solar	1,329	1,125
Thailand Solar	25,288	23,800
Indonesia Wind	9,160	–
Australia Solar	1,579	–
India Solar	16,114	11,435
India Wind	34,537	34,433
	142,339	121,855

16 Other income

	Six months period ended	
	30 June 2019 US$'000	**30 June 2018 US$'000 (Unaudited)**
Insurance claim	1,607	1,687
Ancillary income	1,239	–
Others	2,603	1,187
	5,449	2,874

17 Operating costs

	Six months period ended	
	30 June 2019 US$'000	**30 June 2018 US$'000 (Unaudited)**
Operations and maintenance costs	12,077	6,989
Utilities and transmission costs	1,398	908
Asset related insurance	1,199	1,116
Professional fees	1,848	1,521
Rental - land & site office	315	2,560
Asset related tax and levies	4,149	3,297
Other general and administrative costs	571	802
	21,557	17,193

Staff costs of US$2.1 million (2018:US$2.6 million) is included within Operations and maintenance costs.

18 Shared services costs

	Six months period ended 30 June 2019 US$'000	30 June 2018 US$'000 (Unaudited)
Staff costs	13,588	15,877
Directors and Investment Committee members fee	124	1,354
Occupancy costs	340	1,344
Professional fees	3,971	1,408
Secondment fee	1,128	753
Travel and entertainment expenses	1,221	815
Other general and administrative costs	2,092	1,430
	22,464	22,981
Less: shared service costs capitalised	(4,747)	–
	17,717	22,981

19 Development costs

	Six months period ended 30 June 2019 US$'000	30 June 2018 US$'000 (Unaudited)
Staff costs	7	48
Professional fees	970	688
Travel and entertainment expenses	221	136
Occupancy costs	70	797
Other general and administrative costs	543	302
	1,811	1,971

20 Finance income and finance costs

	Six months period ended 30 June 2019 US$'000	30 June 2018 US$'000 (Unaudited)
Finance income		
Interest income from:		
- Loan to third party	2,167	2,107
- Sale of subsidiaries	1,047	–
- Bank deposits	2,515	1,866
Total finance income	5,729	3,973
Finance costs		
Interest expense on:		
- Project finance debt	(26,423)	(19,563)
- Term loan	(15,454)	(11,621)
- Acquisition of subsidiaries	–	(17,472)
- Lease liabilities	(1,057)	–
Other finance costs	(6,167)	(7,322)
Total finance costs	(49,101)	(55,978)

21 Change in fair value of financial instrument at FVTPL

	Six months period ended	
	30 June 2019 US$'000	**30 June 2018 US$'000 (Unaudited)**
Gain/(loss) on change in fair value:		
- Debt investment	178	398
- Electricity derivatives	(9,709)	20,964
- Forward contract	(384)	4
- Interest swaps	(22,678)	(2,561)
	(32,593)	18,805

22 Profit/(Loss) before tax

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

	Six months period ended	
	30 June 2019 US$'000	**30 June 2018 US$'000 (Unaudited)**
Staff costs		
Wages and salaries	11,682	8,874
Transaction bonus	–	8,565
Ordinary bonus	456	–
Contributions to defined contribution plans	256	533
Employee insurance	947	208
Recruitment fee	749	142
Staff benefits, allowances and others	1,636	208
	15,726	18,530

23 Standards issued but not yet effective

IFRS 17 Insurance Contracts is effective for the Group's annual periods beginning on or after 1 January 2020, the Group is still in the process of assessing the impact of the impact, amendments to and interpretations on the financial information.

Independent Reasonable Assurance Report to Vena Energy Pte. Ltd. on the Pro Forma Condensed Consolidated Interim Financial Information of Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd), Zenith Japan Holdings Trust (f.k.a GIP III Zenith Trust II) and Vena Energy (Taiwan) Holdings Ltd (f.k.a GIP Zenith Cayco IV, Ltd) (the "Pro Forma Condensed Consolidated Interim Financial Information")

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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

Independent reasonable assurance report

Board of Directors
Vena Energy Pte. Ltd.

We were engaged by Vena Energy Pte. Ltd. (the "Company") to report on the compilation of the Pro Forma Condensed Consolidated Interim Financial Information of Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd), Zenith Japan Holdings Trust (f.k.a GIP III Zenith Trust II) and Vena Energy (Taiwan) Holdings Ltd (f.k.a GIP Zenith Cayco IV, Ltd) (the "Holding Companies") comprising the Pro Forma Consolidated Statement of Financial Position, Pro Forma Consolidated Statement of Comprehensive Income, Pro Forma Consolidated Statement of Changes in Equity and Pro Forma Consolidated Statement of Cash Flows as at and for the period ended 30 June 2019, and explanatory notes thereon, in the form of an independent reasonable assurance conclusion about whether the Pro Forma Condensed Consolidated Interim Financial Information is compiled, in all material respects, in accordance with the basis of compilation set out in Note 2 of the Pro Forma Condensed Consolidated Interim Financial Information, on pages FS1 to FS28 (the "Basis of Compilation").

The Pro Forma Condensed Consolidated Interim Financial Information has been extracted from the reviewed condensed interim financial statements of each of Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd) and its subsidiaries, Zenith Japan Holdings Trust (f.k.a GIP III Zenith Trust II) and its subsidiaries and Vena Energy (Taiwan) Holdings Ltd (f.k.a GIP Zenith Cayco IV, Ltd) and its subsidiaries.

Management responsibilities

Management is responsible for compiling the Pro Forma Condensed Consolidated Interim Financial Information in accordance with the Basis of Compilation.

This responsibility includes: designing, implementing and maintaining internal control relevant to the compilation of the Pro Forma Condensed Consolidated Interim Financial Information that is free from material misstatement, whether due to fraud or error. It also includes developing the Basis of Compilation and selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Pro Forma Condensed Consolidated Interim Financial Information.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that the Company comply with laws and regulations applicable to its activities. Management is responsible for ensuring that the staff involved with the compilation of the Pro Forma Condensed Consolidated Interim Financial Information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The directors are responsible for overseeing the compilation of the Pro Forma Condensed Consolidated Interim Financial Information.

Auditors' independence and quality control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to examine the Pro Forma Condensed Consolidated Interim Financial Information compiled by the Company, and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the Singapore Standard on Assurance Engagements (SSAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Pro Forma Condensed Consolidated Interim Financial Information is compiled in accordance with the Basis of Compilation in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Pro Forma Condensed Consolidated Interim Financial Information, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the compilation of the Pro Forma Condensed Consolidated Interim Financial Information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the compilation of the Pro Forma Condensed Consolidated Interim Financial Information. Our engagement also included: assessing the appropriateness of the Pro Forma Condensed Consolidated Interim Financial Information, the suitability of the criteria used by the Company in compiling the Pro Forma Condensed Consolidated Interim Financial Information in the circumstances of the engagement and evaluating the appropriateness of the methods used in the compilation of the Pro Forma Condensed Consolidated Interim Financial Information. Reasonable assurance is less than absolute assurance.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, the Pro Forma Condensed Consolidated Interim Financial Information is compiled, in all material respects, in accordance with the Basis of Compilation.

Restriction and distribution and use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on those matters strictly for the purpose of internal management reporting and/or submission to financial institutions and credit ratings agencies, and not to be circulated to parties other than management of the Company. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report. This report relates only to the Pro Forma Condensed Consolidated Interim Financial Information and does not extend to the financial statements of the Holding Companies as a whole.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
04 OCT 2019

KPMG

Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd) and its subsidiaries
Vena Energy (Taiwan) Holdings Ltd (f.k.a GIP Zenith Cayco IV, Ltd) and its subsidiaries
Zenith Japan Holdings Trust (f.k.a GIP III Zenith Trust II) and its subsidiaries

Pro Forma Consolidated Financial Information

Year ended 31 December 2018

Pro forma consolidated statement of financial position
As at 31 December 2018

	Note	2018 US$'000
Assets		
Property, plant and equipment	4	1,652,874
Intangible assets	5	2,619,198
Equity-accounted investees	6	526,464
Other investments	7	5,363
Deferred tax assets	8	13,734
Loans receivables	9	78,780
Derivative assets	10	53,844
Prepayment and other assets	11	21,271
Non-current assets		4,971,528
Loans receivables	9	23,554
Trade and other receivables	12	113,063
Prepayment and other assets	11	17,735
Derivative assets	10	1,199
Cash and cash equivalents	13	486,744
Current assets		642,295
Total assets		5,613,823
Equity		
Share capital and units in issue		3,232,919
Accumulated losses		(37,025)
Reserves	14	70,211
Equity attributable to owners of the Holding Companies		3,266,105
Non-controlling interests		78,027
Total equity		3,344,132
Liabilities		
Loans and borrowings	15	1,989,840
Employee benefits		188
Derivative liabilities	10	15,457
Asset retirement obligation	16	29,307
Deferred tax liabilities	8	20,812
Non-current liabilities		2,055,604
Loans and borrowings	15	134,016
Trade and other payables	17	78,264
Current tax liabilities		1,807
Current liabilities		214,087
Total liabilities		2,269,691
Total equity and liabilities		5,613,823

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

Pro forma consolidated statement of comprehensive income
Year ended 31 December 2018

	Note	Year ended 31 Dec 2018 US$'000
Sale of energy		250,967
Service concession income		123,042
Fee income		1,405
Total revenue	18	375,414
Other income	19	6,866
Cost of service concession income		(123,042)
Operating costs	20	(37,948)
Shared services costs	21	(50,656)
Development costs	22	(3,330)
Depreciation expense	4	(55,090)
Amortisation expense	5	(42,849)
		(312,915)
Finance income	23	8,332
Finance costs	23	(107,911)
Change in fair value of financial derivatives	25	34,035
Foreign exchange loss		(28,794)
Net finance costs		(94,338)
Impairment loss on financial assets	24	(738)
Write off of property, plant and equipment		(1,347)
Share of net profit of equity-accounted investees, net of tax	6	(345)
Loss before tax	26	(27,403)
Tax expense	27	(1,154)
Loss for the year		(28,557)
Profit/(loss) attributable to:		
Owners of the Holding Companies		(37,025)
Non-controlling interests		8,468
		(28,557)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan		113
Equity-accounted investees – share of OCI		(4)
Related tax		(11)
		98
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences		8,072
Equity-accounted investees – share of OCI	6	(17,632)
Other comprehensive income for the year		(9,462)
Total comprehensive income for the year		(38,019)
Total comprehensive income attributable to:		
Owners of the Holding Companies		(46,794)
Non-controlling interests		8,775
		(38,019)

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

Pro forma consolidated statement of changes in equity
Year ended 31 December 2018

		Attributable to owners of the Holding Companies							
	Note	Share capital and units in issue US$'000	Capital reserves US$'000	Accumulated losses US$'000	Translation reserves US$'000	Other reserves US$'000	Total US$'000	Non-controlling interest US$'000	Total equity US$'000
At 1 January 2018		–	–	–	–	–	–	–	–
Total comprehensive income for the year									
Profit/(loss) for the year		–	–	(37,025)	–	–	(37,025)	8,468	(28,557)
Other comprehensive income									
Foreign currency translation differences		–	–	–	7,765	–	7,765	307	8,072
Equity-accounted investees – share of OCI		–	–	–	(17,632)	(4)	(17,636)	–	(17,636)
Defined benefit plan remeasurements		–	–	–	–	113	113	–	113
Tax on other comprehensive income		–	–	–	–	(11)	(11)	–	(11)
Total comprehensive income for the year		–	–	(37,025)	(9,867)	98	(46,794)	8,775	(38,019)
Transactions with owners, recognised directly in equity									
Issue of ordinary shares and units	14	3,232,919	–	–	–	–	3,232,919	–	3,232,919
Additional equity received from parent	15	–	79,980	–	–	–	79,980	–	79,980
Contribution by non-controlling interests		–	–	–	–	–	–	3,600	3,600
Dividends declared	29	–	–	–	–	–	–	(6,671)	(6,671)
Acquisition of subsidiaries with non-controlling interest	28	–	–	–	–	–	–	72,323	72,323
Total transactions with owners		3,232,919	79,980	–	–	–	3,312,899	69,252	3,382,151
At 31 December 2018		3,232,919	79,980	(37,025)	(9,867)	98	3,266,105	78,027	3,344,132

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

Pro forma consolidated statement of cash flows
Year ended 31 December 2018

	Note	Year ended 31 December 2018 US$'000
Cash flows from operating activities		
Loss before tax		(27,403)
Adjustments for:		
Depreciation expense	4	55,090
Amortisation expense	5	42,849
Finance income	23	(8,332)
Finance costs	23	107,911
Impairment loss on financial assets	24	738
Property, plant and equipment write off		1,347
Net changes in fair value of financial derivatives	25	(34,035)
Unrealised foreign exchange loss		37,431
Share of net profit of equity-accounted investees, net of tax	6	345
		175,941
Changes in:		
- Trade and other receivables		10,206
- Prepayments and other assets		(11,711)
- Trade and other payables		(82,624)
- Provisions and employee benefits		224
Cash generated from operating activities		92,036
Tax paid		(6,967)
Net cash from operating activities		85,069
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired		(3,353,079)
Repayment of loan from equity-accounted investees		6,875
Distributions from equity-accounted investees		8,535
Purchase of property, plant and equipment		(278,715)
Development expenditure		(127,947)
Disbursement of loan to equity account investees		(3,600)
Acquisition of interest in equity-accounted investees		(45,019)
Deposits pledged		(57,935)
Interest received		7,122
Net cash used in investing activities		(3,843,763)
Cash flows from financing activities		
Proceeds from the issuance of ordinary shares		3,232,919
Proceeds from additional equity received		29,980
Contribution from non-controlling interest		3,600
Dividends paid to non-controlling interests		(6,671)
Proceeds from drawdown of loans and borrowings		1,440,726
Repayment of loans and borrowings		(389,228)
Payment of finance lease liabilities		(30)
Transaction costs related to loans and borrowings		(35,798)
Interest paid to loans and borrowings		(76,892)
Interest paid to on acquisition		(17,472)
Net cash from financing activities		4,181,134
Net increase in cash and cash equivalents		422,440
Cash and cash equivalents at 1 January		–
Effect of exchange rate fluctuations on cash held		2,156
Cash and cash equivalents at 31 December	13	424,596

Significant non-cash transaction

During the financial year, the Group increased its investment in subsidiaries by way of novating a promissory note of US$50 million to the seller.

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

Notes to the Pro forma consolidated financial information

1 Domicile and activities

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

Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd), Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd) and Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II) are each known as a "Holding Company" and collectively known as the "Holding Companies".

Zenith Japan Holdings Ltd (f.k.a. GIP III Zenith 2, Limited), a company incorporated under the laws of Guernsey who registered office is at 1st Floor, Les Echelons Court, Les Echelons, St Peter Port, Guernsey GY1 6JB, is appointed as Trustee of the Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II).

On 19 January 2018, the Holding Companies acquired a portfolio of renewable energy assets from Equis Pte. Ltd. and its affiliates for a total consideration of US$5.0 billion (including assumed liabilities of US$1.3 billion), (the "Acquisition").

As part of the Acquisition, Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd) acquired, economic interests in renewable energy assets in Australia, India, Indonesia, the Philippines and Thailand, as well as the asset management capabilities of Equis Energy. Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II) acquired, economic interests in renewable energy assets in Japan, and Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd) acquired economic interests in renewable energy assets in the Philippines and Taiwan.

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

The purpose of the Pro forma consolidated financial information is to show the financial position, financial performance, changes in equity and cash flows of the Holding Companies as a single performance unit (the "Pro Forma Group") as at and for the year ended 31 December 2018.

2 Basis of preparation

2.1 Basis of compilation

The Pro forma consolidated financial information have been prepared based on certain assumptions to show what the consolidated financial position, consolidated financial results, consolidated changes in equity and consolidated cash flows of the Holding Companies as at and for the year ended 31 December 2018 would have been if they were reported in a single performance unit.

2 Basis of preparation (cont'd)

2.1 Basis of compilation (cont'd)

The Pro forma consolidated financial information has been compiled based on the consolidated financial statements of Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd) and its subsidiaries, Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd) and its subsidiaries and Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II) and its subsidiaries for the financial year ended 31 December 2018 (the "Relevant Financial Statements").

In compiling the Pro forma consolidated financial information from the Relevant Financial Statements, like items of assets, liabilities, equity, income, expenses and cash flows of each Holding Company and its subsidiaries were aggregated.

In addition, the following key adjustments were made in the compilation of the Pro forma consolidated financial information from the Relevant Financial Statements:

- Elimination of 1% Tokumei Kumiai ("TK") interest in certain subsidiaries of Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II) held by certain subsidiaries of Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd);

- Elimination of balances and transactions between the subsidiaries of the Holding Companies, and any unrealised income and expenses arising from intra-group transactions between the subsidiaries of the Holding Companies; and

- Elimination of unrealised gains arising from transactions between subsidiaries of the Holding Companies and equity-accounted investees of the Holding Companies against the investment in the equity-accounted investee, to the extent of the Pro Forma Group's interest in the investee.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

Items included in the consolidated financial statements of each of the Holding Companies are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Pro forma consolidated financial information is presented in United States dollars ('US$') which is the Pro Forma Group's presentation currency and have been rounded to the nearest thousand, unless otherwise stated.

3 Significant accounting policies

The accounting policies set out below have been consistently applied by the Holding Companies and their subsidiaries.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation

(i) Business combinations

The Pro Forma Group accounts for business combinations using the acquisition method when control is transferred to the Pro Forma Group. In applying the acquisition method, the consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

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

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

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Pro Forma Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owner in their capacity as owner and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

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

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

(iii) Interest in equity accounted investees

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

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(iii) Interest in equity accounted investees (cont'd)

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

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

(iv) Transactions eliminated on consolidation

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

3.2 Foreign currency

(i) Foreign currency transactions

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to USD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD at monthly average exchange rate. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

3 Significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

(ii) Foreign operations (cont'd)

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

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

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

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

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Pro Forma Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

3 Significant accounting policies (cont'd)

3.3 Property, plant and equipment (cont'd)

(iii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Pro Forma Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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

The estimated useful lives of property, plant and equipment are as follows:

Building and leasehold improvement	25 years
Electric generator equipment	25 years
Vehicle	5 years
Computers, fittings and fixture and office equipment	3-5 years

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

No depreciation is provided for plants under construction.

3.4 Intangible assets and goodwill

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Pro Forma Group's share of the net identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Goodwill acquired in business combinations is not amortised but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is allocated to the cash-generating unit (CGU) for the purpose of impairment testing.

(ii) Project-related agreements and licences

Project-related agreements and licences include the following items:

- licences, permits and approvals to develop and operate an energy project, including governmental authorisations, land rights and environmental consents;
- connection rights; and
- power purchase agreements.

Project-related agreements and licences are carried at cost less accumulated amortisation and impairment expenses. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives, which are based on the useful life of the related wind or solar assets.

3 Significant accounting policies (cont'd)

3.4 Intangible assets and goodwill (cont'd)

(iii) Development assets

Development assets represent development costs incurred prior to commencement of construction of wind and solar assets. Development assets are not amortised, but are transferred to plant and equipment and depreciated from the time the asset is held ready for use on a commercial basis.

(iv) Other intangible assets

Other intangible assets represent intangible asset arising from a service concession arrangement when it has a right to charge the grantor for the provision of electricity.

Other intangible assets with finite useful lives are measured at cost less accumulated amortisation and impairment losses. These are amortised in the profit or loss on a straight-line basis over their estimated useful lives of 20 to 30 years, from the date on which assets are available for use.

3.5 Financial instruments

(i) Recognition and initial measurement

The Pro Forma Group initially recognises loans and receivables, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Pro Forma Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised costs; FVOCI – debt investment; FVOCI – equity instrument or fair value through profit or loss ("**FVTPL**"). The classification of financial assets under IFRS 9 is generally based on the business model which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset are never separated. Instead, the hybrid financial instruments as a whole is assess for classification.

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

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

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 Significant accounting policies (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets (cont'd)

On initial recognition of an equity investment that is not held for trading, the Pro Forma Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

In addition, on initial recognition, the Pro Forma Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost of at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Pro Forma Group changes its business model for managing financial assets.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gain and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities

The Pro Forma Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

3 Significant accounting policies (cont'd)

3.5 Financial instruments (cont'd)

(iii) Derecognition

Financial assets

The Pro Forma Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Pro Forma Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred asset.

Financial liabilities

The Pro Forma Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Condensed Consolidated Statement of Financial Position when, and only when, the Pro Forma Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.6 Share capital

Ordinary shares

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

3.7 Impairment

(i) Non-derivative financial assets

The Pro Forma Group recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- contract assets (as defined in IFRS 15).

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

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

3 Significant accounting policies (cont'd)

3.7 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Simplified approach

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

General approach

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

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

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

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

The Pro Forma Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Pro Forma Group in full, without recourse by the Pro Forma Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Pro Forma Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Pro Forma Group in full, without recourse by the Pro Forma Group to actions such as realising security (if any is held).

Measurement of ECLs

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

Credit-impaired financial assets

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

3 Significant accounting policies (cont'd)

3.7 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Credit-impaired financial assets (cont'd)

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Pro Forma Group on terms that the Pro Forma Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Pro Forma Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Pro Forma Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Pro Forma Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("**CGU**") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Pro Forma Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

3 Significant accounting policies (cont'd)

3.7 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

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

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

Provisions (Asset retirement obligation)

Provisions for environmental restoration and restructuring are recognised when the Pro Forma Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions are comprised of lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at 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.

3.8 Revenue

Sale of electricity

Revenue from sale of electricity is recognised in profit or loss when the electricity generated is distributed to the customer.

Revenue is determined based on the units of sales delivered at the applicable tariff rates.

Service concession arrangements

Revenue related to construction services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Pro Forma Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Pro Forma Group. When the Pro Forma Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered when the amounts are separately identifiable.

3 Significant accounting policies (cont'd)

3.8 Revenue (cont'd)

Dividend income

Dividend income is recognised in profit or loss when the right to receive income is established. For unquoted equity securities, dividend income is recognised when the shareholders have approved the payment of a dividend.

3.9 Government grants

The Pro Forma Group recognises an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Pro Forma Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Pro Forma Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

3.10 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Pro Forma Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

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

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Pro Forma Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Pro Forma Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

3 Significant accounting policies (cont'd)

3.10 Employee benefits (cont'd)

(iii) Defined benefit plans (cont'd)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return of plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Pro Forma Group determines the net interest expense (income) on the net defined liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Pro Forma Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Pro Forma Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Remeasurement are recognised in profit or loss in the period in which they arise.

3.11 Operating costs

Operating costs include expenditure that are incurred by the Pro Forma Group's renewable energy assets after these assets becomes operationally ready, as determined by management.

3.12 Shared services costs

Shared services costs include expenditure that are incurred by the Pro Forma Group's service entities in providing shared services and asset management services to renewable energy assets of the Pro Forma Group's affiliates.

3.13 Development costs

Development costs include expenditure that are incurred by the Pro Forma Group's renewable energy assets before these assets becomes operationally ready, as determined by management.

3.14 Finance income and finance costs

Finance income is comprised of interest income. Interest income is recognised as it accrues in profit or loss using the effective interest method.

Finance costs are comprised of interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets (other than trade receivables).

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3 Significant accounting policies (cont'd)

3.15 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total expense, over the term of the lease.

3.16 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

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

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

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

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

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

Deferred tax is measured tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Pro Forma Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

4 Property, plant and equipment

	Note	Land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Vehicles US$'000	Computer and fitting and fixture and office equipment US$'000	Assets under construction US$'000	Total US$'000
Cost								
At 1 January 2018 (unaudited)		–	–	–	–	–	–	–
Acquisitions through business combinations	28	50,519	29,703	1,168,825	267	1,546	207,774	1,458,634
Additions		8,168	2,269	122,771	40	1,337	144,130	278,715
Write off		–	(33)	(218)	(79)	–	(1,079)	(1,409)
Reclassification		–	419	56,669	–	16	(57,104)	–
Effect of exchange rate changes		92	211	(26,639)	(4)	(15)	(3,987)	(30,342)
At 31 December 2018		58,779	32,569	1,321,408	224	2,884	289,734	1,705,598
Accumulated depreciation								
At 1 January 2018 (unaudited)		–	–	–	–	–	–	–
Depreciation charge for the year		–	(2,252)	(52,002)	(37)	(799)	–	(55,090)
Write off		–	33	19	10	–	–	62
Effect of exchange rate changes		–	(2)	2,305	1	–	–	2,304
At 31 December 2018		–	(2,221)	(49,678)	(26)	(799)	–	(52,724)
Carrying amounts								
At 1 January 2018		–	–	–	–	–	–	–
At 31 December 2018		58,779	30,348	1,271,730	198	2,085	289,734	1,652,874

At 31 December 2018, property, plant and equipment of the Pro Forma Group with carrying amounts of US$1,269 million are pledged as security to secure bank loans.

5 Intangible assets

	Note	Goodwill US$'000	Project-related agreements & licences US$'000	Other intangible assets US$'000	Total US$'000
Cost					
At 1 January 2018 (unaudited)		–	–	–	–
Acquisitions through business combinations	28	886,701	1,592,834	11,584	2,491,119
Service concession		–	–	127,947	127,947
Effect of exchange rate changes		(8,962)	52,175	(24)	43,189
At 31 December 2018		877,739	1,645,009	139,507	2,662,255
Accumulated depreciation					
At 1 January 2018 (unaudited)		–	–	–	–
Amortisation expense		–	(42,849)	–	(42,849)
Effect of exchange rate changes		–	(208)	–	(208)
At 31 December 2018		–	(43,057)	–	(43,057)
Carrying amounts					
At 1 January 2018 (unaudited)		–	–	–	–
At 31 December 2018		877,739	1,601,952	139,507	2,619,168

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

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Pro Forma Group's CGUs (operating divisions) as follows:

	2018 US$'000
Australia	115,546
India	28,869
Indonesia	37,131
Japan	358,140
Philippines	94,361
Taiwan	32,372
Thailand	6,760
Asset manager	204,560
	877,739

6 Equity-accounted investees

Interests in associates

The Pro Forma Group has 7 material associates and 12 immaterial associates which are equity accounted. The following are the material associates:

	Hangin ng Amihan Holdings, Inc. and its subsidiaries ("HANGIN")	**Vena Energy Wind (Phil) Holdings Inc ("VEWPHI")[1]**	**Hydro Power Holdings Phils. Inc. and its subsidiaries ("HPI")[2]**	**Helios Solar Energy Holdings Inc. and its subsidiaries ("HSEHI")**	**First Soleq Holdings Philippines Inc. ("FSHPI")**	**One Bukidnon Project Holdings Inc. ("OBPHI")**	**RA Solar Energy Holdings Inc. and its subsidiaries ("RSEHI")**
Project name	Pilila	Pilila	Wawa	Pollo	Ironman	Zorro	Garcia
Sector	54.0 MW wind	54.0 MW wind	250.0 MW hydro	132.5 MW solar	30.4 MW solar	10.5 MW solar	20.1 MW solar
Nature of relationship with the Pro Forma Group	Investment holding entity for Alternergy Wind One Corporation	Investment holding entity for Alternergy Wind One Corporation	Investment holding entity for Olympia Violago Water & Power Inc.	Investment holding entity for Helios Solar Energy Corp.	Investment ho ding entity for First Soleq Energy Corp.	Investment holding entity for Asian Greenenergy Corp.	Investment holding entity for Mirae Asia Energy Corp.
Principal place of business/ Country of incorporation	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines
Economic interest held (%)	99.88%	100.00%	99.97%	99.91%	99.87%	99.89%	99.91%
Effective economic interest held on the underlying project (%)	55.26%[3]	39.84%[3]	89.97%	99.95%	99.90%	99.90%	99.91%
Voting rights held (%)	39.92%	44.63%	25.00%	25.00%	25.00%	25.00%	40%

1 VEWPHI was formerly known as Energon Philippines Holding Inc.
2 HPI was formerly known as Hydreqpower Phil., Inc.
3 Through investment in HANGIN & VEWPHI, the Pro Forma Group's aggregate economic interest in Project Pililia (54Mw Wind) is 95.1%.

6 Equity-accounted investees (cont'd)

The following summarises the financial information of the Pro Forma Group's associates and joint ventures:

2018	Pilila HANGIN US$'000	Pilila VEWPHI US$'000	Wawa HPI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000	Garcia RSEHI US$'000
Property, plant and equipment	91,730	–	7,428	145,694	32,199	12,773	28,472
Intangible assets	678	–	–	–	–	–	–
Equity-accounted investees	–	14,686	–	–	–	–	3,534
Deferred tax assets	–	–	–	–	–	–	1
Other non-current receivables	1,058	60	246	11,317	3,364	974	2,655
Prepayment and other assets	34	–	–	1,408	10	4	–
Non-current assets	93,500	14,746	7,674	158,419	35,573	13,751	34,662
Trade and other receivables	10,134	42	7	8,102	3,246	1,495	1,961
Prepayment and other assets	511	–	162	1,936	120	29	95
Cash and cash equivalents	27,880	7	172	34,561	4,729	1,737	4,743
Current assets	38,525	49	341	44,599	8,095	3,261	6,799
Total assets	132,025	14,795	8,015	203,018	43,668	17,012	41,461
Loans and borrowings	82,426	–	–	63,119	20,710	9,360	20,822
Employee benefits	36	–	–	–	–	–	–
Asset retirement obligation	1,839	–	–	562	132	55	120
Deferred tax liabilities	768	–	–	–	9	12	11
Non-current liabilities	85,069	–	–	63,681	20,851	9,427	20,953
Loans and borrowings	4,036	–	–	5,795	7,470	2,850	10,653
Trade and other payables	5,662	402	570	512	629	888	707
Current tax liabilities	6			11	3	1	–
Current liabilities	9,704	402	570	6,318	8,102	3,739	11,360
Total liabilities	94,773	402	570	69,999	28,953	13,166	32,313
Net assets	37,252	14,393	7,445	133,019	14,715	3,846	9,148

6 Equity-accounted investees (cont'd)

2018	**Pililia HANGIN US$'000**	**Pililia VEWPHI US$'000**	**Wawa HPI US$'000**	**Pollo HSEHI US$'000**	**Ironman FSHPI US$'000**	**Zorro OBPHI US$'000**	**Garcia RSEHI US$'000**
Sale of energy	19,796	–	–	32,301	6,893	2,622	5,569
Other income	279	5	–	582	111	40	169
Revenue	20,075	5	–	32,883	7,004	2,662	5,738
Operating costs	(5,653)	(127)	–	(4,385)	(1,003)	(1,057)	(2,372)
Shared services costs charged by ROHQ	(722)	–	(112)	(502)	(425)	(347)	
Development costs	–	–	(93)	–	–	–	–
Depreciation expenses	(4,242)	(5)	(1)	(6,606)	(1,731)	(637)	(1,424)
	(10,617)	(132)	(206)	(11,493)	(3,159)	(2,041)	(3,477)
Finance income	208	–	–	267	4	15	7
Finance costs	(6,303)	(1)	–	(4,810)	(1,307)	(592)	(1,305)
Foreign exchange gain/(loss)	(3,158)	(39)	11	(3,570)	(1,460)	(628)	(1,397)
Net finance income/(costs)	(9,253)	(40)	11	(8,113)	(2,763)	(1,205)	(2,695)
Share of profits of associate	–	363	–	–	–	–	–
Profit/(loss) before tax	205	196	(195)	13,277	1,082	(584)	(753)
Income tax expenses	(658)	(1)	–	(11)	(9)	(13)	(22)
Profit/(loss) from continuing operations	(453)	195	(195)	13,266	1,073	(597)	(775)
Other comprehensive income							
Foreign operations - foreign currency translation differences	(707)	54	(323)	(6,566)	(689)	(231)	(620)
Total comprehensive income	(1,160)	249	(518)	6,700	384	(828)	(1,395)

6 Equity-accounted investees (cont'd)

2018	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Wawa HPI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000	Garcia RSEHI US$'000	Immaterial Associates US$'000	Total Associates US$'000
Acquisitions through business combinations	**11,842**	**13,133**	**8,037**	**122,810**	**12,422**	**4,306**	**10,227**	**1,129**	**183,906**
Project-related agreements & licences (Intangible asset)	48,009	34,615	–	160,188	26,419	5,868	55,197	–	330,296
Pro Forma Group's share of amortisation of intangible asset acquired through business combinations	(2,674)	(1,928)	–	(8,310)	(1,443)	(304)	(2,876)	–	(17,535)
Pro Forma Group's share of profit from continuing operations	(168)	196	(55)	13,615	2,793	274	913	(378)	17,190
Effect of exchange rate changes from Project-related agreements & licences	(2,365)	(1,705)	–	(7,886)	(1,301)	(289)	(2,717)	–	(16,263)
Pro Forma Group's share of other comprehensive income	(882)	55	(323)	901	(688)	(225)	(619)	408	(1,373)
Pro Forma Group's share of total comprehensive income	(6,089)	(3,382)	(378)	(1,680)	(639)	(544)	(5,299)	30	(17,981)
Pro Forma Group's contribution during the year	8,481	1,007	–	29,700	2,400	1,836	–	1,595	45,019
Distribution during the year	–	–	–	(8,535)	–	–	–	–	(8,535)
Elimination of unrealised gains from transactions with associates	(692)	–	(121)	(501)	(1,722)	(921)	(1,688)	(596)	(6,241)
Carrying amount of interest in associates at end of the year	61,551	45,373	7,538	301,982	38,880	10,545	58,437	2,158	526,464

7 Other investments

	2018 US$'000
Debt investment – at FVTPL	5,363

Debt investment at FVTPL comprise holdings in mutual fund units. These investments are part of the debt service reserve account required to be maintained per requirements of the facility agreement with a financial institution during the tenure of the loan from the financial institution.

8 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	2018	
	Assets US$'000	Liabilities US$'000
Property, plant and equipment	47	(20,686)
Intangible assets	–	(1)
Loans and borrowings	–	(121)
Employee benefits	1,150	–
Other items	82	(4)
Tax loss carry-forwards	12,455	–
Deferred tax assets(liabilities)	13,734	(20,812)

Deferred tax assets/(deferred tax liabilities) are attributable to the following:

Movement in deferred tax balances

	Balance as at 1 January 2018 US$'000 Unaudited	Acquisition of subsidiaries (Note 28) US$'000	Recognised in profit or loss (Note 26) US$'000	Recognised in OCI US$'000	Exchange differences US$'000	Balance as at 31 December 18 US$'000
Deferred tax assets/liabilities						
Property, plant and equipment	–	(30,505)	7,524	–	2,342	(20,639)
Intangible assets	–	(1)	–	–	–	(1)
Loans and borrowings	–	(92)	(26)	–	(3)	(121)
Employee benefits	–	1,938	(837)	(11)	60	1,150
Other items	–	115	(89)	–	52	78
Tax loss carry-forwards	–	16,699	(2,343)	–	(1,901)	12,455
	–	(11,846)	4,229	(11)	550	(7,078)

9 Loans receivables

	2018 US$'000
Non-current	
Loan receivables from:	
- Equity-accounted investees	52,388
- Other third parties	19,510
Promissory note receivables	7,238
	79,136
Less: Impairment loss on loans receivables	(356)
	78,780
Current	
Interest receivables from:	
- Equity-accounted investees	9,997
- Promissory note	203
- Other third parties	2,380
Loan receivables from:	
- Equity-accounted investees	11,081
	23,661
Less: Impairment loss on loans receivables	(107)
	23,554
	102,334

Promissory notes receivable are zero coupon, non-transferable and redeemable, with maturity date of 3 August 2027. At redemption date, the Pro Forma Group is entitled to receive a redemption amount equal to 101% of the principal amount plus accrued redemption fee per annum.

10 Derivative assets and liabilities

	2018 US$'000
Derivative assets	
Non-current	
Electricity derivative	50,226
Forward exchange contract	3,351
Interest rate swaps	267
	53,844
Current	
Forward exchange contract	1,160
Interest rate swaps	39
	1,199
Total derivative assets	55,043
Derivative liabilities	
Non-current	
Interest rate swaps	15,457
Total derivative liabilities	15,457

Electricity derivative
The Pro Forma Group entered into an electricity derivative to hedge floating electricity price risk by locking in a fixed electricity price for a 127 MW Solar project in Australia.

Interest rate swaps
The Pro Forma Group manages interest rate risk on variable rate bank borrowings by entity into floating-to-fixed interest rate swaps.

Forward exchange contract
The Pro Forma Group uses forward exchange contracts to hedge its currency risk on bank borrowings denominated in foreign currency of the entity.

11 Prepayments and other assets

	2018 US$'000
Non-current	
Prepaid land rent	7,617
Prepaid O&M mobilisation fees	9,911
Deposits	2,006
Other assets	1,737
	21,271
Current	
Prepaid land rent	3,779
Other prepayments	5,590
Other assets	2,202
Advances payment for construction costs	6,164
	17,735
Total prepayments and other assets	39,006

12 Trade and other receivables

	2018 US$'000
Trade receivables	53,085
Accrued income	10,858
Amount due from:	
- Equity-accounted investees	1,561
- Other third parties	4,071
Commission receivables	4,941
Deposits	8,814
Other receivables	16,521
Other tax receivables	13,640
	113,491
Less: Impairment loss on trade and other receivables	(428)
	113,063

Disaggregation of trade receivables

A summary of the Pro Forma Group's exposure to credit risk for trade receivables on 31 December 2018 by geographic region is as follows:

	2018 US$'000
Australia	180
India	41,525
Indonesia	918
Taiwan	108
Thailand	4,271
Japan	6,083
	53,085

13 Cash and cash equivalents

	Note	2018 US$'000
Bank balances		429,204
Bank deposits		57,540
Cash and cash equivalents in the consolidated statement of financial position		**486,744**
Restricted bank balances and deposits	(a)	(57,935)
Bank overdrafts used for cash management purposes		(4,213)
Cash and cash equivalents in the consolidated statement of cash flows		**424,596**

(a) As at 31 December 2018, the Pro Forma Group's cash and cash equivalents of $57.9 million of the Pro Forma Group's cash and cash equivalents were held under project accounts.

14 Reserve

The reserves of the Pro Forma Group comprise the following balances:

	2018 US$'000
Capital reserve	79,980
Translation reserve	(9,867)
Defined benefit reserve	98
	70,211

Capital reserve

Capital reserve comprises the excess of amounts received from shareholders over the par value of shares issued, or equity injections by shareholders for which ordinary shares have yet to be issued.

Translation reserve

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

Defined benefit reserve

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

15 Loans and borrowings

	2018 US$'000
Non-current	
Project finance debt	1,397,510
Term loan	622,452
Finance lease liabilities	42
Deferred financing cost	(30,164)
	1,989,840
Current	
Project finance debt	53,436
Revolving credit facility	78,399
Bank overdrafts	4,213
Finance lease liabilities	31
Deferred financing cost	(5,039)
Interest payable	2,976
	134,016
	2,123,856

16 Asset retirement obligation

	2018 US$'000
At 1 January	–
Acquisitions through business combinations	25,327
Provision made during the year	3,054
Unwind of discount	144
Effect of exchange rate changes	782
At 31 December	29,307

The Pro Forma Group has recorded asset retirement obligation primarily associated with the estimated cost to reinstate property involved in power generation.

17 Trade and other payables

	2018 US$'000
Trade payables	3,552
Payables to EPC contractors	39,108
Accrued operating expenses	15,762
Accrued staff costs	8,013
Deferred income	1,290
Other tax payable	4,398
Amount due to:	
- Equity-accounted investees	482
- Other third parties	5,659
	78,264

18 Revenue

The Pro Forma Group's revenue comprises:

	Year ended 31 December 2018 US$'000
Sale of energy	250,967
Service concession income	123,042
Fee income	
- Shared services fee income from equity-accounted investees	1,405
	375,414

Service Concession Arrangements

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

18 Revenue (cont'd)

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

During the year, the Pro Forma Group recorded the following in respect of its service concession arrangement:

	Year ended 31 December 2018 US$'000
Revenue	123,042
Profit	–

The revenue recognised in relation to construction in 2018 represents the fair value of the construction services provided in constructing the plant. The Pro Forma Group has recognised of US$139.5 million in intangible asset (see note 5) as at 31 December 2018.

Disaggregation of revenue from contracts with customers

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

	Year ended 31 December 2018 US$'000
Japan Solar	101,709
Taiwan Solar	2,004
Thailand Solar	45,733
India Solar	25,030
India Wind	76,491
	250,967

19 Other income

	Year ended 31 December 2018 US$'000
Insurance claim	4,163
Ancillary income	888
Others	1,815
	6,866

20 Operating costs

	Year ended 31 December 2018 US$'000
Operations and maintenance costs	15,720
Utilities and transmission costs	1,854
Asset related insurance	2,206
Professional fees	2,916
Rental - land & site office	6,238
Asset related tax and levies	6,763
Other general and administrative costs	2,251
	37,948

Staff costs of US$4.3 million is included within Operations and maintenance costs.

21 Shared services costs

	Year ended 31 December 2018 US$'000
Staff costs	33,858
Directors and Investment Committee members fee	2,478
Occupancy costs	2,741
Professional fees	4,597
Secondment fee	1,331
Travel and entertainment expenses	2,172
Other general and administrative costs	3,479
	50,656

22 Development costs

	Year ended 31 December 2018 US$'000
Business related taxes	226
Insurance	221
Staff costs	102
Professional fees	1,679
Travel and entertainment expenses	505
Occupancy costs	226
Other general and administrative costs	371
	3,330

23 Finance income and finance costs

	Year ended 31 December 2018 US$'000
Finance income	
Interest income from:	
- Loan to third party	4,335
- Bank deposits	3,997
Total finance income	8,332
Finance costs	
Interest expense on:	
- Project finance debt	(49,541)
- Term loan	(27,086)
- Acquisition of subsidiaries	(17,472)
Other finance costs	(13,812)
Total finance costs	(107,911)

24 Impairment loss on financial assets

	Year ended 31 December 2018 US$'000
Impairment loss on trade and other receivables	275
Impairment loss on loan receivables	463
	738

25 Change in fair value of financial instrument at FVTPL

	Year ended 31 December 2018 US$'000
Gain/(loss) on change in fair value:	
- Debt investment	368
- Electricity derivatives	43,193
- Forward contract	(1,159)
- Interest swaps	(8,367)
	34,035

26 Loss before tax

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

	Year ended 31 December 2018 US$'000
Staff costs	
Wages and salaries	18,244
Transaction bonus	12,366
Ordinary bonus	3,679
Contributions to defined contribution plans	1,379
Employee insurance	555
Recruitment fee	547
Staff benefits, allowances and others	1,510
	38,280

27 Tax expense

	Year ended 31 December 2018 US$'000
Current tax expense	
Withholding tax	(4,129)
Current year	(1,254)
	(5,383)
Deferred tax credit	
Origination and reversal of temporary difference	4,229
Tax expense	(1,154)
Tax recognised in OCI	
Defined benefit plan remeasurements	(11)

28 Acquisition of subsidiaries

On 19 January 2018, the Holding Companies announced the closing of the acquisition of 100% of the equity interest in Vena Energy (formerly known as "Equis Energy") from Equis Funds, for an enterprise value of $5.0 billion (including assumed liabilities of $1.3bn) (the "Acquisition"). The net transaction consideration has been settled in cash.

Consideration transferred and identifiable assets acquired and liabilities assumed

The following summarise the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Note	US$'000
Initial cash consideration		3,650,000
Promissory note novated to seller		50,000
Other payables assumed		1,678
Cash consideration on closing adjustment		29,835
Total consideration		3,731,513
Property, plant and equipment	4	1,458,634
Intangible assets	5	1,604,418
Equity-accounted investees	6	514,202
Other investments		7,644
Deferred tax assets	7	18,752
Loans receivables		130,836
Derivative assets		8,392
Trade and other receivables		117,303
Prepayment and other assets		28,095
Cash and cash equivalents		326,756
Loans and borrowings		(1,081,195)
Employee benefits		(67)
Derivative liabilities		(1,848)
Asset retirement obligation	16	(25,327)
Provisions		(10,959)
Deferred tax liabilities	7	(30,598)
Trade and other payables		(145,955)
Current tax liabilities		(1,948)
Total identifiable net assets		2,917,135

28 Acquisition of subsidiaries (cont'd)

Measurement of fair value

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

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

The fair value of intangible assets (power purchase agreements) has been measured provisionally, pending completion of an independent valuation. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Note	US$'000
Consideration transferred		3,731,513
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities		72,323
Fair value of identifiable net assets		(2,917,135)
Goodwill	5	886,701

The goodwill is attributable mainly to the skills and technical talent of Vena Energy's work force and the development pipeline expected to be achieved. None of the goodwill recognised is expected to be deductible for tax purposes.

29 Non-controlling interest

Non-controlling interest denotes Prime Road Tech Co., Ltd. ("PRT") in fully paid up equity shares of all subsidiaries domiciled in Thailand.

Non-controlling interest denotes fully paid up equity shares of a subsidiary in Taiwan. It arises post-acquisition of subsidiaries and is a result of injection of share capital by the Pro Forma Group's material associate on 31 August 2018.

Independent Reasonable Assurance Report to Vena Energy Pte. Ltd. on the Pro Forma Consolidated Financial Information of Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd), Zenith Japan Holdings Trust (f.k.a GIP III Zenith Trust II) and Vena Energy (Taiwan) Holdings Ltd (f.k.a GIP Zenith Cayco IV, Ltd) (the "Pro Forma Consolidated Financial Information")

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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

Independent reasonable assurance report

Board of Directors
Vena Energy Pte. Ltd.

We were engaged by Vena Energy Pte. Ltd. (the "Company") to report on the compilation of the Pro Forma Consolidated Financial Information of Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd), Zenith Japan Holdings Trust (f.k.a GIP III Zenith Trust II) and Vena Energy (Taiwan) Holdings Ltd (f.k.a GIP Zenith Cayco IV, Ltd) (the "Holding Companies") comprising the Pro Forma Consolidated Statement of Financial Position, Pro Forma Consolidated Statement of Comprehensive Income, Pro Forma Consolidated Statement of Changes in Equity and Pro Forma Consolidated Statement of Cash Flows as at and for the year ended 31 December 2018, and explanatory notes thereon, in the form of an independent reasonable assurance conclusion about whether the Pro Forma Consolidated Financial Information is compiled, in all material respects, in accordance with the basis of compilation set out in Note 2 of the Pro Forma Consolidated Financial Information, on pages FS1 to FS35 (the "Basis of Compilation").

The Pro Forma Consolidated Financial Information has been extracted from the audited financial statements of each of Vena Energy Holdings Ltd (f.k.a GIP Zenith Cayco II, Ltd) and its subsidiaries, Zenith Japan Holdings Trust (f.k.a GIP III Zenith Trust II) and its subsidiaries and Vena Energy (Taiwan) Holdings Ltd (f.k.a GIP Zenith Cayco IV, Ltd) and its subsidiaries.

Management responsibilities

Management is responsible for compiling the Pro Forma Consolidated Financial Information in accordance with the Basis of Compilation.

This responsibility includes: designing, implementing and maintaining internal control relevant to the compilation of the Pro Forma Consolidated Financial Information that is free from material misstatement, whether due to fraud or error. It also includes developing the Basis of Compilation and selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Pro Forma Consolidated Financial Information.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that the Company comply with laws and regulations applicable to its activities. Management is responsible for ensuring that the staff involved with the compilation of the Pro Forma Consolidated Financial Information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The directors are responsible for overseeing the compilation of the Pro Forma Consolidated Financial Information.

Auditors' independence and quality control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to examine the Pro Forma Consolidated Financial Information compiled by the Company, and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the Singapore Standard on Assurance Engagements (SSAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Pro Forma Consolidated Financial Information is compiled in accordance with the Basis of Compilation in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Pro Forma Consolidated Financial Information, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the compilation of the Pro Forma Consolidated Financial Information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the compilation of the Pro Forma Consolidated Financial Information. Our engagement also included: assessing the appropriateness of the Pro Forma Consolidated Financial Information, the suitability of the criteria used by the Company in compiling the Pro Forma Consolidated Financial Information in the circumstances of the engagement, and evaluating the appropriateness of the methods used in the compilation of the Pro Forma Consolidated Financial Information. Reasonable assurance is less than absolute assurance.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, the Pro Forma Consolidated Financial Information is compiled, in all material respects, in accordance with the Basis of Compilation.

Restriction on distribution and use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on those matters strictly for the purpose of internal management reporting and/or submission to financial institutions and credit ratings agencies, and not to be circulated to parties other than management of the Company. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report. This report relates only to the Pro Forma Consolidated Financial Information and does not extend to the financial statements of the Holding Companies as a whole.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

10 JUL 2019

KPMG

Vena Energy Holdings Ltd
(formerly known as GIP Zenith Cayco II, Ltd)
and its subsidiaries

(Incorporated in Cayman Islands)
Registration Number: 328011

Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2019

KPMG

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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

Independent auditors' report

Member of the Company
Vena Energy Holdings Ltd
(formerly known as GIP Zenith Cayco II, Ltd)

Report on review of Condensed Consolidated Interim Financial Statements

Introduction

We have reviewed the accompanying Condensed Consolidated Interim Financial Statements of Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd) ('the Company') and its Subsidiaries (collectively the 'Group'), which comprise the condensed consolidated statement of financial position of the Group and the condensed statement of financial position of the Company as at 30 June 2019, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the Group and the condensed statements of comprehensive income, changes in equity and cash flows for the Company for the six months period then ended and certain explanatory notes. Management is responsible for the preparation and presentation of this Condensed Consolidated Interim Financial Statements in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Consolidated Interim Financial Statements based on our review.

Scope of review

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

Other matter

The 2018 Group and Company condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cashflows for the six months period ended 30 June 2018 are unaudited.

Conclusion

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

Restriction on distribution and use

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

04 OCT 2019

Condensed consolidated statement of financial position
As at 30 June 2019

	Note	Group 30 June 2019 US$'000	Group 31 December 2018 US$'000	Company 30 June 2019 US$'000	Company 31 December 2018 US$'000
Assets					
Property, plant and equipment	5	794,439	784,157	–	–
Right-of-use assets	6	25,026	–	–	–
Intangible assets	7	1,110,655	1,086,405	–	–
Investment in subsidiaries		–	–	1,908,498	1,913,741
Equity-accounted investees	8	400,886	468,052	–	–
Other investments		25,737	25,546	–	–
Deferred tax assets		12,792	12,661	–	–
Loans receivables	9	596,481	436,754	513,584	352,760
Derivative assets	10	39,870	53,577	–	–
Prepayment and other assets	11	11,336	11,690	–	–
Non-current assets		3,017,222	2,878,842	2,422,082	2,266,501
Loans receivables	9	14,002	35,434	3,128	15,247
Trade and other receivables	12	131,662	137,155	–	24,224
Prepayment and other assets	11	4,035	3,238	–	–
Derivative assets	10	2,865	1,199	–	39
Cash and cash equivalents		210,687	322,427	49,021	164,600
Current assets		363,251	499,453	52,149	204,110
Total assets		3,380,473	3,378,295	2,474,231	2,470,611
Equity					
Share capital		1,690,245	1,690,245	1,690,245	1,690,245
Accumulated (losses)/profits		(31,018)	(7,490)	10,146	23,627
Reserves		31,577	13,401	65,674	65,674
Equity attributable to owner of the Company		1,690,804	1,696,156	1,766,065	1,779,546
Non-controlling interests		78,313	74,427	–	–
Total equity		1,769,117	1,770,583	1,766,065	1,779,546
Liabilities					
Loans and borrowings	13	1,381,306	1,359,610	622,709	613,152
Employee benefits		44	188	–	–
Derivative liabilities	10	15,504	6,946	–	–
Asset retirement obligation		2,294	2,341	–	–
Deferred tax liabilities		25,178	20,808	–	–
Non-current liabilities		1,424,326	1,389,893	622,709	613,152
Loans and borrowings	13	115,213	120,468	52,080	75,769
Derivative liabilities	10	4,034	–	3,982	–
Trade and other payables	14	67,721	96,517	29,395	2,144
Current tax liabilities		62	834	–	–
Current liabilities		187,030	217,819	85,457	77,913
Total liabilities		1,611,356	1,607,712	708,166	691,065
Total equity and liabilities		3,380,473	3,378,295	2,474,231	2,470,611

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

Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2019

	Note	Group		Company	
		Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Dividend income		–	–	–	20,800
Sale of energy		86,677	69,668	–	–
Service concession income		23,589	69,734	–	–
Fee income		12,786	5,333	–	–
Total revenue	15	123,052	144,735	–	20,800
Other income	16	1,600	2,584	–	–
Cost of service concession income		(23,589)	(69,734)	–	–
Operating costs	17	(13,952)	(10,308)	–	–
Shared services costs	18	(21,745)	(22,689)	(246)	(6)
Development costs	19	(165)	(341)	–	–
Depreciation expense	5&6	(16,492)	(13,599)	–	–
Amortisation expense	7	(12,188)	(8,796)	–	–
		(88,131)	(125,467)	(246)	(6)
Finance income	20	15,791	11,552	11,209	7,086
Finance costs	20	(44,755)	(44,824)	(17,373)	(16,123)
Change in fair value of financial instruments at FVTPL	21	(23,798)	22,460	(4,022)	1,145
Net foreign exchange gains/(loss)		401	(21,119)	(3,049)	(16)
Net finance costs		(52,361)	(31,931)	(13,235)	(7,908)
Write off of property, plant and equipment		(8)	–	–	–
Share of net profit/(loss) of equity-accounted investees, net of tax	8	3,237	(4,457)	–	–
(Loss)/profit before tax	22	(12,611)	(14,536)	(13,481)	12,886
Tax expense		(6,133)	(176)	–	–
(Loss)/profit for the period		(18,744)	(14,712)	(13,481)	12,886
Profit/(loss) attributable to:					
Owner of the Company		(23,528)	(19,018)		
Non-controlling interests		4,784	4,306		
		(18,744)	(14,712)		

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

Condensed consolidated statement of comprehensive income (cont'd)
For the six months ended 30 June 2019

	Note	Group		Company	
		Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		14,164	(31,752)	–	–
Equity-accounted investees – share of OCI	8	6,144	(19,525)	–	–
Other comprehensive income/(loss) for the period		20,308	(51,277)	–	–
Total comprehensive income/(loss) for the period		1,564	(65,989)	(13,481)	12,886
Total comprehensive income/(loss) attributable to:					
Owner of the Company		(5,352)	(69,936)		
Non-controlling interests		6,916	3,947		
		1,564	(65,989)		

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

Condensed consolidated statement of changes in equity
For the six months ended 30 June 2019

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

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

Condensed consolidated statement of changes in equity (cont'd)
For the six months ended 30 June 2018

	Attributable to owner of the Company						
	Share capital US$'000	Accumulated losses US$'000	Translation reserves US$'000	Other reserves US$'000	Total US$'000	Non-controlling interest US$'000	Total equity US$'000
At 1 January 2018 (Unaudited)	–*	–	–	–	–*	–	–*
Total comprehensive income for the period							
Profit/(loss) for the period	–	(19,018)	–	–	(19,018)	4,306	(14,712)
Other comprehensive income							
Foreign currency translation differences	–	–	(31,393)	–	(31,393)	(359)	(31,752)
Equity-accounted investees – share of OCI	–	–	(19,525)	–	(19,525)	–	(19,525)
Total comprehensive income for the period	–	(19,018)	(50,918)	–	(69,936)	3,947	(65,989)
Transactions with owner, recognised directly in equity							
Contributions by and distributions to owner							
Issue of ordinary shares	1,690,245	–	–	–	1,690,245	–	1,690,245
Additional equity received from parent	–	–	–	65,674	65,674	–	65,674
Total contributions by and distributions to owner	1,690,245	–	–	65,674	1,755,919	–	1,755,919
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries with non-controlling interest	–	–	–	–	–	72,323	72,323
Total changes in ownership interests in subsidiaries	–	–	–	–	–	72,323	72,323
Total transactions with owner	1,690,245	–	–	65,674	1,755,919	72,323	1,828,242
At 30 June 2018 (Unaudited)	1,690,245	(19,018)	(50,918)	65,674	1,685,983	76,270	1,762,253

* Less than US$1,000

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

Condensed company statement of changes in equity
For the six months ended 30 June 2019

	Share capital US$'000	Other reserves US$'000	Accumulated profits US$'000	Total US$'000
At 1 January 2019	1,690,245	65,674	23,627	1,779,546
Total comprehensive income for the period				
Loss for the period	–	–	(13,481)	(13,481)
At 30 June 2019	1,690,245	65,674	10,146	1,766,065
At 1 January 2018 (Unaudited)	–*	–	–	–*
Total comprehensive income for the period				
Profit for the period	–	–	12,886	12,886
Transactions with owner, recognised directly in equity				
Contributions by and distributions to owner				
Issue of ordinary shares	1,690,245	–	–	1,690,245
Additional equity received from parent	–	65,674	–	65,674
Total contributions by and distributions to owner	1,690,245	65,674	–	1,755,919
At 30 June 2018 (Unaudited)	1,690,245	65,674	12,886	1,768,805

* Less than US$1,000

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

Condensed consolidated statement of cash flows
For the six months ended 30 June 2019

	Note	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Cash flows from operating activities			
Loss before tax		(12,611)	(14,536)
Adjustments for:			
Depreciation expense	5&6	16,492	13,599
Amortisation expense	7	12,188	8,796
Finance income	20	(15,791)	(11,552)
Finance costs	20	44,755	44,824
Change in fair value of financial instrument at FVTPL		23,798	(22,460)
Unrealised foreign exchange loss		5,799	15,515
Property, plant and equipment written off		8	–
Share of net (profit)/loss of equity-accounted investees, net of tax	8	(3,237)	4,457
		71,401	38,643
Changes in:			
- Trade and other receivables		10,062	(4,228)
- Prepayments and other assets		(520)	(417)
- Trade and other payables		(29,415)	5,358
- Provisions and employee benefits		(148)	35
Cash generated from operating activities		51,380	39,391
Tax paid		(2,803)	(5,284)
Net cash from operating activities		48,577	34,107
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		–	(1,672,687)
Purchase of property, plant and equipment	5	(18,881)	(52,378)
Development expenditures under service concession arrangement	7	(23,818)	(123,961)
Acquisition of interest in equity-accounted investees	8	(1,658)	(45,019)
Proceeds from repayment of loans receivables from related parties		74,269	60,749
Disbursement of loan to related parties		(207,632)	(390,808)
Proceeds from repayment of loans receivables from equity-accounted investees		3,309	3,642
Distributions from equity-accounted investees	8	76,110	8,535
Interest received		13,016	1,701
Deposits pledged		7,311	(44,661)
Net cash used in investing activities		(77,974)	(2,254,887)

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

Condensed consolidated statement of cash flows (cont'd)
For the six months ended 30 June 2019

	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Cash flows from financing activities		
Proceeds from the issuance of ordinary shares	–	1,690,245
Proceeds from additional equity received	–	15,674
Proceeds from drawdown of loans and borrowings	153,580	797,546
Repayment of loans and borrowings	(179,428)	(45,159)
Payment of transaction costs related to loans and borrowings	(2,977)	(19,342)
Proceeds from finance lease liabilities	84	–
Payment of finance lease liabilities	(1,949)	(15)
Interest paid for loans and borrowings	(43,031)	(31,729)
Interest paid on acquisition	–	(9,507)
Dividends paid to non-controlling interests	(3,030)	–
Net cash (used in)/from financing activities	(76,751)	2,397,713
Net (decrease)/increase in cash and cash equivalents	(106,148)	176,933
Cash and cash equivalents at 1 January	270,925	–
Effect of exchange rate fluctuations on cash held	(3,222)	(8,643)
Cash and cash equivalents at 30 June	161,555	168,290

Significant non-cash transaction

As at 30 June 2018, the Group increased its investment in subsidiaries by way of novating a promissory note of US$50 million to the seller.

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

Condensed company statement of cash flows
For the six months ended 30 June 2019

	Note	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Cash flows from operating activities			
(Loss)/profit before tax		(13,481)	12,886
Adjustments for:			
Finance income	20	(11,209)	(7,086)
Finance costs	20	17,373	16,123
Change in fair value of financial derivatives		4,022	(1,145)
Foreign exchange loss		3,083	16
		(212)	20,794
Changes in:			
- Trade and other receivables		24,334	(48,293)
- Trade and other payables		27,250	1,678
Cash generated from/(used in) operating activities		51,372	(25,821)
Tax paid		–	–
Net cash from/(used in) operating activities		51,372	(25,821)
Cash flows from investing activities			
Acquisition of subsidiaries		–	(1,903,430)
Distribution from subsidiaries		5,243	–
Proceeds from repayment of loans receivables from related parties		74,269	60,749
Disbursement of loan to related parties		(207,632)	(390,808)
Interest received		545	298
Net cash used in investing activities		(127,575)	(2,233,191)
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares		–	1,690,245
Proceeds from additional equity received		–	15,674
Proceeds from drawdown of revolving credit facility		92,973	–
Proceeds from drawdown of term loan		–	620,221
Payment of revolving credit facility		(118,975)	–
Payment of transaction costs related to loans and borrowings		(370)	(16,163)
Interest paid on acquisition		–	(2,288)
Interest paid on revolving credit facility		(239)	–
Interest paid on term loan		(15,513)	(11,621)
Deposit pledged		(95)	(20,155)
Net cash (used in)/from financing activities		(42,219)	2,275,913
Net (decrease)/increase in cash and cash equivalents		(118,422)	16,901
Cash and cash equivalents at 1 January		144,386	–
Effect of exchange rate fluctuations on cash held		2,492	261
Cash and cash equivalents at 30 June		28,456	17,162

Significant non-cash transaction

As at 30 June 2018, the Company increased its investment in subsidiaries by way of novating a promissory note of US$50 million to the seller.

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

Notes to the condensed consolidated interim financial statements

1 Domicile and activities

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

The condensed consolidated interim financial statements of the Group as at and for the six months ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity-accounted investees.

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

The immediate and ultimate holding company of the Group as at 30 June 2019 are GIP Zenith Ltd (formerly known as GIP Zenith Cayco I, Ltd) and GIP III Zenith Holdings L.P. respectively, which are incorporated in the Cayman Islands.

2 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the last annual financial statements as at and for the year ended 31 December 2018. They do not include all of the information required for a complete set of International Financial Reporting Standards ('IFRS') financial statements.

3 Seasonality in operations

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

4 Significant accounting policies

The Group has applied the same accounting policies and methods of computation in the financial statement for the current reporting period as that of the audited financial statements for the year ended 31 December 2018, except for the adoption of IFRS 16 applicable for the financial period beginning 1 January 2019. The transition on adoption of IFRS 16 are detailed in note 25.

IFRS 16 Leases

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly – and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

4 Significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the lease of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i. As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use 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 or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

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

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

4 Significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

i. As a lessee (cont'd)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under IAS 17

In the comparative period, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

ii. As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

4 Significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

ii. As a lessor (cont'd)

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

5 Property, plant and equipment

	Land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Vehicles US$'000	Computers, fittings and fixture and office equipment US$'000	Assets under construction US$'000	Total US$'000
Group							
Cost							
At 1 January 2018 (Unaudited)	–	–	–	–	–	–	–
Acquisitions through business combinations	10,610	13,758	622,592	267	1,539	77,763	726,529
Additions	433	878	47,479	40	1,301	84,211	134,342
Disposal/write offs	–	(33)	–	(79)	–	–	(112)
Reclassification	–	419	43,493	–	16	(43,928)	–
Effect of exchange rate changes	(895)	(249)	(43,315)	(4)	(15)	(6,973)	(51,451)
At 31 December 2018	10,148	14,773	670,249	224	2,841	111,073	809,308
At 1 January 2019	10,148	14,773	670,249	224	2,841	111,073	809,308
Additions	5,825	816	106	30	437	11,667	18,881
Disposals/write-offs	–	(42)	–	–	–	–	(42)
Reclassification	–	–	109,891	–	–	(109,891)	–
Effect of exchange rate changes	215	852	8,975	11	124	(1,618)	8,559
At 30 June 2019	16,188	16,399	789,221	265	3,402	11,231	836,706
Accumulated depreciation							
At 1 January 2018 (Unaudited)	–	–	–	–	–	–	–
Depreciation charge for the year	–	919	27,078	37	798	–	28,832
Disposals/write-offs	–	(33)	–	(10)	–	–	(43)
Effect of exchange rate changes	–	(6)	(3,627)	(1)	(4)	–	(3,638)
At 31 December 2018	–	880	23,451	26	794	–	25,151
At 1 January 2019	–	880	23,451	26	794	–	25,151
Depreciation charge for the period	–	1,138	13,507	24	443	–	15,112
Disposals/write-offs	–	(34)	–	–	–	–	(34)
Effect of exchange rate changes	–	231	1,693	8	106	–	2,038
At 30 June 2019	–	2,215	38,651	58	1,343	–	42,267

5 Property, plant and equipment (cont'd)

	Land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Vehicles US$'000	Computers, fittings and fixture and office equipment US$'000	Assets under construction US$'000	Total US$'000
Group							
Carrying amounts							
At 1 January 2018 (Unaudited)	–	–	–	–	–	–	–
At 31 December 2018	10,148	13,893	646,798	198	2,047	111,073	784,157
At 30 June 2019	16,188	14,184	750,570	207	2,059	11,231	794,439

6 Right-of-use assets

Group	Land US$'000	Office US$'000	Total US$'000
Cost			
Initial application of IFRS 16 at 1 January 2019	20,897	4,692	25,589
Effect of exchange rate changes	788	49	837
At 30 June 2019	21,685	4,741	26,426
Accumulated depreciation			
Initial application of IFRS 16 at 1 January 2019	–	–	–
Depreciation expense	395	985	1,380
Effect of exchange rate changes	9	11	20
At 30 June 2019	404	996	1,400
Carrying amounts			
Initial application of IFRS 16 at 1 January 2019	20,897	4,692	25,589
At 30 June 2019	21,281	3,745	25,026

7 Intangible assets

Group	Goodwill US$'000	Project-related agreements & licences US$'000	Service concession intangible assets US$'000	Total US$'000
Cost				
At 1 January 2018 (Unaudited)	–	–	–	–
Acquisitions through business combinations	505,652	492,212	11,584	1,009,448
Service concession	–	–	127,947	127,947
Effect of exchange rate changes	(18,425)	(14,972)	(24)	(33,421)
At 31 December 2018	487,227	477,240	139,507	1,103,974
At 1 January 2019	487,227	477,240	139,507	1,103,974
Service concession	–	–	23,818	23,818
Effect of exchange rate changes	3,134	10,682	–	13,816
At 30 June 2019	490,361	487,922	163,325	1,141,608
Accumulated amortisation				
At 1 January 2018 (Unaudited)	–	–	–	–
Amortisation expense	–	17,353	–	17,353
Effect of exchange rate changes	–	216	–	216
At 31 December 2018	–	17,569	–	17,569
At 1 January 2019	–	17,569	–	17,569
Amortisation expense	–	10,550	1,638	12,188
Effect of exchange rate changes	–	1,196	–	1,196
At 30 June 2019	–	29,315	1,638	30,953
Carrying amounts				
At 1 January 2018 (Unaudited)	–	–	–	–
At 31 December 2018	487,227	459,671	139,507	1,086,405
At 30 June 2019	490,361	458,607	161,687	1,110,655

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

8 Equity-accounted investees

Interests in associates

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

	Hangin ng Amihan Holdings, Inc. and its subsidiaries ('HANGIN')	**Vena Energy Wind Phil. Holdings Inc ('VEWPHI')[1]**	**Hydro Power Holdings Phils. Inc. and its subsidiaries ('HPHPI')[2]**	**Helios Solar Energy Holdings Inc. and its subsidiaries ('HSEHI')**	**First Soleq Holdings Philippines Inc. ('FSHPI')**	**One Bukidnon Project Holdings Inc. ('OBPHI')**
Project name	Pililia	Pililia	Wawa	Pollo	Ironman	Zorro
Sector	54.0 MW wind	54.0 MW wind	250.0 MW hydro	132.5 MW solar	30.4 MW solar	10.5 MW solar
Nature of relationship with the Group	Investment holdings entity for Alternergy Wind One Corporation	Investment holdings entity for Alternergy Wind One Corporation	Investment holdings entity for Olympia Violago Water & Power Inc.	Investment holdings entity for Helios Solar Energy Corp.	Investment holding entity for First Soleq Energy Corp.	Investment holding entity for Asian Greenenergy Corp.
Principal place of business/ Country of incorporation	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines
Economic interest held (%)	99.88%	100.00%	99.97%	99.91%	99.87%	99.87%
Effective economic interest held on the underlying project (%)	55.26%[3]	39.84%[3]	89.97%	99.95%	99.90%	99.90%
Voting rights held (%)	39.92%	44.63%	25.00%	25.00%	25.00%	25.00%

1 VEWPHI was formerly known as Energon Philippines Holding Inc.
2 HPHPI was formerly known as HydreqPower Phils., Inc.
3 Through investment in HANGIN & VEWPHI, the Group aggregate economic interest in Project Pililia (54Mw Wind) is 95.1%.

8 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2019	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Wawa HPHPI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000
Property, plant and equipment	91,643	–	7,619	145,634	32,064	12,739
Intangible assets	693	–	–	–	–	–
Equity-accounted investees	–	16,200	–	–	–	–
Other non-current receivables	1,167	60	252	11,604	3,451	1,000
Prepayment and other assets	34	–	–	974	11	4
Non-current assets	93,537	16,260	7,871	158,212	35,526	13,743
Loan receivables	–	–	–	15	3	–
Trade and other receivables	5,247	16	15	6,913	2,741	1,509
Prepayment and other assets	358	–	143	1,582	49	10
Cash and cash equivalents	35,931	25	126	20,879	2,207	1,923
Current assets	41,536	41	284	29,389	5,000	3,442
Total assets	135,073	16,301	8,155	187,601	40,526	17,185
Loans and borrowings	80,942	–	–	121,607	19,135	8,742
Employee benefits	37	–	–	–	–	–
Asset retirement obligation	1,935	–	–	575	135	46
Deferred tax liabilities	70	–	–	–	9	4
Non-current liabilities	82,984	–	–	122,182	19,279	8,792
Loans and borrowings	5,746	–	–	3,533	3,112	2,880
Trade and other payables	4,414	406	612	1,134	704	1,021
Current liabilities	10,160	406	612	4,667	3,816	3,901
Total liabilities	93,144	406	612	126,849	23,095	12,693
Net Assets	41,929	15,895	7,543	60,752	17,431	4,492

8 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2019	**Pililia HANGIN US$'000**	**Pililia VEWPHI US$'000**	**Wawa HPHPI US$'000**	**Pollo HSEHI US$'000**	**Ironman FSHPI US$'000**	**Zorro OBPHI US$'000**
Sale of energy	10,135	–	–	14,206	3,945	1,349
Other income	3	–	1	30	7	1
Revenue	10,138	–	1	14,236	3,952	1,350
Operating costs	(2,033)	(5)	–	(2,155)	(543)	(443)
Shared services costs charged by ROHQ	(546)	–	–	(545)	(131)	(37)
Development costs	–	–	(50)	–	–	–
Depreciation expense	(2,173)	–	(23)	(3,340)	(862)	(322)
	(4,752)	(5)	(73)	(6,040)	(1,536)	(802)
Finance income	214	–	–	188	4	2
Finance costs	(3,050)	–	–	(5,869)	(588)	(262)
Net foreign exchange gains/(loss)	1,221	–	(1)	186	524	268
	(1,615)	–	(1)	(5,495)	(60)	8
Share of net profits of associate	–	1,514	–	–	–	–
Profit/(loss) before tax	3,771	1,509	(73)	2,701	2,356	556
Income tax expenses	–	–	–	–	–	–
Profit/(loss) from continuing operations	3,771	1,509	(73)	2,701	2,356	556
Other comprehensive income						
Foreign operations - foreign currency translation differences	490	(7)	138	1,239	359	91
Total comprehensive income	4,261	1,502	65	3,940	2,715	647

8 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2018	**Pililia HANGIN US$'000**	**Pililia VEWPHI US$'000**	**Wawa HPHPI US$'000**	**Pollo HSEHI US$'000**	**Ironman FSHPI US$'000**	**Zorro OBPHI US$'000**
Property, plant and equipment	91,730	–	7,428	145,694	32,199	12,773
Intangible assets	678	–	–	–	–	–
Equity-accounted investees	–	14,686	–	–	–	–
Other non-current receivables	1,058	60	246	11,317	3,364	974
Prepayment and other assets	34	–	–	1,408	10	4
Non-current assets	93,500	14,746	7,674	158,419	35,573	13,751
Loan receivables	–	–	–	–	3	–
Trade and other receivables	10,134	42	7	8,102	3,243	1,495
Prepayment and other assets	511	–	162	1,936	120	29
Cash and cash equivalents	27,880	7	172	34,561	4,729	1,737
Current assets	38,525	49	341	44,599	8,095	3,261
Total assets	132,025	14,795	8,015	203,018	43,668	17,012
Loans and borrowings	82,426	–	–	63,119	20,710	9,360
Employee benefits	36	–	–	–	–	–
Asset retirement obligation	1,839	–	–	562	132	55
Deferred tax liabilities	768	–	–	–	9	12
Non-current liabilities	85,069	–	–	63,681	20,851	9,427
Loans and borrowings	4,036	–	–	5,795	7,470	2,850
Trade and other payables	5,662	402	570	512	629	888
Current tax liabilities	6	–	–	11	3	1
Current liabilities	9,704	402	570	6,318	8,102	3,739
Total liabilities	94,773	402	570	69,999	28,953	13,166
Net assets	37,252	14,393	7,445	133,019	14,715	3,846

8 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2018	**Pililia HANGIN US$'000**	**Pililia VEWPHI US$'000**	**Wawa HPHPI US$'000**	**Pollo HSEHI US$'000**	**Ironman FSHPI US$'000**	**Zorro OBPHI US$'000**
Sale of energy	19,796	–	–	32,301	6,893	2,622
Other income	279	5	–	582	111	40
Revenue	20,075	5	–	32,883	7,004	2,662
Operating costs	(5,653)	(127)	–	(4,385)	(1,003)	(1,057)
Shared services costs charged by ROHQ	(722)	–	(112)	(502)	(425)	(347)
Development costs	–	–	(93)	–	–	–
Depreciation expense	(4,242)	(5)	(1)	(6,606)	(1,731)	(637)
	(10,617)	(132)	(206)	(11,493)	(3,159)	(2,041)
Finance income	208	–	–	267	4	15
Finance costs	(6,303)	(1)	–	(4,810)	(1,307)	(592)
Net foreign exchange gains/(loss)	(3,158)	(39)	11	(3,570)	(1,460)	(628)
Net finance income/(costs)	(9,253)	(40)	11	(8,113)	(2,763)	(1,205)
Share of net profits of associate	–	363	–	–	–	–
Profit/(loss) before tax	205	196	(195)	13,277	1,082	(584)
Income tax expenses	(658)	(1)	–	(11)	(9)	(13)
Profit/(loss) from continuing operations	(453)	195	(195)	13,266	1,073	(597)
Other comprehensive income						
Foreign operations - foreign currency translation differences	(707)	54	(323)	(6,566)	(689)	(231)
Total comprehensive income	(1,160)	249	(518)	6,700	384	(828)

8 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

	Pililia HANGIN US$'000	Pililia VEWPHI US$'000	Wawa HPHPI US$'000	Pollo HSEHI US$'000	Ironman FSHPI US$'000	Zorro OBPHI US$'000	Immaterial associates US$'000	Total associates US$'000
Carrying amount of interest in associates at 1 January 2019	61,551	45,373	7,538	301,982	38,880	10,545	2,183	468,052
Group's share of amortisation of intangible asset acquired through business combinations	(1,280)	(1,047)	–	(4,201)	(730)	(154)	–	(7,412)
Group's share of profit from continuing operations	2,609	1,509	(66)	3,012	3,073	851	(339)	10,649
Effect of exchange rate changes from Project-related agreements & licences	909	744	–	3,224	530	118	–	5,525
Group's share of other comprehensive income	487	(7)	138	(432)	359	91	(17)	619
Group's share of total comprehensive income	2,725	1,199	72	1,603	3,232	906	(356)	9,381
Group's contribution during the period	–	–	–	–	–	–	1,658	1,658
Distribution during the period	–	–	–	(76,110)	–	–	–	(76,110)
Elimination of unrealised gains from transactions with associates	(541)	–	–	(539)	(720)	(295)	–	(2,095)
Carrying amount of interest in associates at 30 June 2019	63,735	46,572	7,610	226,936	41,392	11,156	3,485	400,886

8 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2018	**Pililia**	**Pililia**	**Wawa**	**Pollo**	**Ironman**	**Zorro**		
	HANGIN	**VEWPHI**	**HPHPI**	**HSEHI**	**FSHPI**	**OBPHI**	**Immaterial associates**	**Total associates**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Acquisitions through business combinations	11,842	13,133	8,037	122,810	12,422	4,306	1,128	173,678
Project-related agreements & licences	48,009	34,615	–	160,188	26,419	5,868	–	275,099
Group's share of amortisation of intangible asset acquired through business combinations	(2,674)	(1,928)	–	(8,310)	(1,443)	(304)	–	(14,659)
Group's share of profit from continuing operations	(168)	196	(76)	13,615	2,701	216	(400)	16,084
Effect of exchange rate changes from Project-related agreements & licences	(2,365)	(1,705)	–	(7,886)	(1,301)	(289)	–	(13,546)
Group's share of other comprehensive income	(882)	55	(323)	901	(688)	(225)	432	(730)
Group's share of total comprehensive income	(6,089)	(3,382)	(399)	(1,680)	(731)	(602)	32	(12,851)
Group's contribution during the year	8,481	1,007	–	29,700	2,400	1,836	1,595	45,019
Distribution during the year	–	–	–	(8,535)	–	–	–	(8,535)
Elimination of unrealised gains from transactions with associates	(692)	–	(100)	(501)	(1,630)	(863)	(572)	(4,358)
Carrying amount of interest in associates at 31 December 2018	61,551	45,373	7,538	301,982	38,880	10,545	2,183	468,052

9 Loans receivables

	Note	Group 30 June 2019 US$'000	Group 31 December 2018 US$'000	Company 30 June 2019 US$'000	Company 31 December 2018 US$'000
Non-current					
Loans receivables from:					
- Related parties	(b)	519,477	359,274	515,288	354,355
- Related parties	(c)	21,452	21,306	–	–
- Equity-accounted investees	(d)	30,936	31,082	–	–
- Other third parties		18,497	19,510	–	–
Bond receivables from related parties		326	318	–	–
Promissory note receivables	(a)	7,767	7,238	–	–
		598,455	438,728	515,288	354,355
Less: Impairment loss		(1,974)	(1,974)	(1,704)	(1,595)
Total non-current loans receivables		596,481	436,754	513,584	352,760
Current					
Interest receivables from:					
- Related parties		3,217	15,601	3,197	15,316
- Related parties		304	3,727	–	–
- Equity-accounted investees		1,784	6,198	–	–
- Bond receivables from related parties		5	4	–	–
- Promissory note receivables		265	203	–	–
- Other third parties		4,416	2,380	–	–
Loan receivables from:					
- Related parties	(c)	1,403	2,772	–	–
- Equity-accounted investees	(d)	2,768	4,709	–	–
		14,162	35,594	3,197	15,316
Less: Impairment loss		(160)	(160)	(69)	(69)
Total current loans receivables		14,002	35,434	3,128	15,247
		610,483	472,188	516,712	368,007

(a) Promissory notes receivable are zero coupon, non-transferable and redeemable, with maturity date on 3 August 2027. At redemption date, the Group is entitled to receive a redemption amount equal to 101% of the principal amount plus accrued redemption fee per annum.

(b) Loan receivables from related parties are unsecured, with 5% interest, repayable on demand but not to be recalled within the next twelve months.

9 Loans receivables (cont'd)

(c) Loan receivables from related parties are unsecured, with 5% interest and repayable quarterly with maturity date of 31 March 2026.

(d) Loan receivables from equity-accounted investees are unsecured, with 5% interest and repayable quarterly with maturity date of 30 September 2025 and 30 June 2026.

Please refer to Note 24 for related parties details.

10 Derivative assets and liabilities

	Group		Company	
	30 June 2019 US$'000	**31 December 2018 US$'000**	**30 June 2019 US$'000**	**31 December 2018 US$'000**
Derivative assets				
Non-current				
Electricity derivative	39,870	50,226	–	–
Forward exchange contract	–	3,351	–	–
	39,870	53,577	–	–
Current				
Forward exchange contract	2,865	1,160	–	–
Interest rate swaps	–	39	–	39
	2,865	1,199	–	39
	42,735	54,776	–	39
Derivative liabilities				
Non-current				
Forward exchange contract	13,468	–	–	–
Interest rate swaps	2,036	6,946	–	–
	15,504	6,946	–	–
Current				
Interest rate swaps	4,034	–	3,982	–
	4,034	–	3,982	–
	19,538	6,946	3,982	–

11 Prepayments and other assets

	Group	
	30 June 2019 US$'000	**31 December 2018 US$'000**
Non-current		
Other prepayments	9,708	9,911
Other assets	1,628	1,779
	11,336	11,690
Current		
Prepaid land rent	–	304
Other prepayments	2,932	1,891
Other assets	1,103	1,043
	4,035	3,238
	15,371	14,928

12 Trade and other receivables

	Note	Group 30 June 2019 US$'000	Group 31 December 2018 US$'000	Company 30 June 2019 US$'000	Company 31 December 2018 US$'000
Trade receivables		62,960	47,645	–	–
Accrued income		18,830	10,858	–	–
Amounts due from:					
- Subsidiary	(a)	–	–	–	24,333
- Related parties	(b)	16,376	44,206	–	–
- Equity-accounted investees	(c)	2,525	1,380	–	–
- Other third parties		3,106	3,983	–	–
Commission receivable		–	4,941	–	–
Deposits		3,265	3,308	–	–
Other tax receivables		3,198	4,923	–	–
Other receivables		22,022	16,521	–	–
		132,282	137,765	–	24,333
Less: Impairment loss		(620)	(610)	–	(109)
		131,662	137,155	–	24,224

(a) The amount due from subsidiary US$nil (2018: US$24.3 million) is non-trade, unsecured and non-interest bearing and has no fixed term of repayment.

(b) Amount due from related parties (as defined in note 24) are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

(c) The amount due from equity-accounted investees of US$2.5 million (2018: US$1.4 million) is non-trade, unsecured, non-interest bearing and has no fixed term of repayment.

13 Loans and borrowings

	Group 30 June 2019 US$'000	Group 31 December 2018 US$'000	Company 30 June 2019 US$'000	Company 31 December 2018 US$'000
Non-current				
Project finance debt	747,350	758,014	–	–
Term loan	630,459	622,452	630,459	622,452
Lease liabilities	23,353	42	–	–
Deferred financing cost	(19,856)	(20,898)	(7,750)	(9,300)
	1,381,306	1,359,610	622,709	613,152
Current				
Project finance debt	51,350	39,393	–	–
Revolving credit facility	54,986	78,399	54,986	78,399
Loan to external party	209	–	–	–
Bank overdrafts	9,154	4,213	–	–
Lease liabilities	2,045	31	–	–
Deferred financing cost	(3,674)	(4,433)	(3,100)	(3,100)
Interest payable	1,143	2,865	194	470
	115,213	120,468	52,080	75,769
	1,496,519	1,480,078	674,789	688,921

14 Trade and other payables

	Note	Group 30 June 2019 US$'000	Group 31 December 2018 US$'000	Company 30 June 2019 US$'000	Company 31 December 2018 US$'000
Amounts due to:					
- Subsidiary	(a)	–	–	29,161	179
- Related parties	(b)	11,875	40,040	–	–
- Equity-accounted investees	(c)	2	203	–	–
- Other third parties		6,361	5,578	–	1,678
Trade payables		3,472	3,453	–	–
Payables to EPC contractors		26,798	24,248	–	–
Other tax payable		2,877	3,650	–	–
Accrued operating expenses		13,115	10,933	234	287
Accrued staff costs		2,655	7,972	–	–
Deferred income		566	440	–	–
		67,721	96,517	29,395	2,144

(a) The amount due to subsidiary of US$29.2 million (2018: US$0.2 million) is non-trade, unsecured, non-interest bearing and repayable on demand.

(b) Amount due to related parties (as defined in note 24) are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

(c) The amount due to equity-accounted investees of US$2,000 (2018: US$203,000) is non-trade, unsecured, non-interest bearing and repayable on demand.

15 Revenue

The Group's revenue comprises:

	Group Six months ended 30 June 2019 US$'000	Group Six months ended 30 June 2018 US$'000 (Unaudited)	Company Six months ended 30 June 2019 US$'000	Company Six months ended 30 June 2018 US$'000 (Unaudited)
Dividend income	–	–	–	20,800
Sale of energy	86,677	69,668	–	–
Service concession income	23,589	69,734	–	–
Fee income:				
- Shared services fee income	2,641	1,697	–	–
- Operations & Maintenance service fees income	3,284	2,691	–	–
- Lease income	32	–	–	–
- Asset management fee income	6,829	945	–	–
	123,052	144,735	–	20,800

15 Revenue (cont'd)

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

Sale of energy

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

Service concession arrangements

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

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

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

	Group	
	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Revenue	23,589	69,734
Profit	–	–

The revenue recognised in relation to construction in 2018 represents the fair value of the construction services provided in constructing the plant.

Disaggregation of revenue from contracts with customers

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

	Group	
	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Thailand Solar	25,287	23,800
India Solar	16,114	11,435
Australia Solar	1,579	–
India Wind	34,537	34,433
Indonesia Wind	9,160	–
	86,677	69,668

16 Other income

The Group's other income comprises:

	Group Six months ended 30 June 2019 US$'000	Group Six months ended 30 June 2018 US$'000 (Unaudited)
Insurance claims	–	1,322
Ancillary income	1,239	–
Others	361	1,262
	1,600	2,584

17 Operating costs

	Group Six months ended 30 June 2019 US$'000	Group Six months ended 30 June 2018 US$'000 (Unaudited)
Operations and maintenance costs	9,561	6,848
Utilities and transmission costs	1,132	625
Asset related insurance	489	603
Professional fees	1,297	873
Rental - land & site office	102	646
Asset related tax and levies	296	144
Travel and entertainment expenses	200	180
Other general and administrative costs	875	389
	13,952	10,308

Staff costs of US$2.1 million (2018: US$2.6 million) is included within operations and maintenance costs.

18 Shared services costs

	Group		Company	
	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Staff costs	13,588	15,849	–	–
Directors and Investment Committee members fee	121	1,346	–	–
Occupancy costs	340	1,344	–	–
Professional fees	3,398	1,298	233	–
IT expenses	655	327	–	–
Secondment fee	1,128	753	–	–
Insurance	109	151	–	–
Travel and entertainment expenses	1,221	797	–	–
Other general and administrative costs	1,185	824	13	6
	21,745	22,689	246	6

19 Development costs

	Group	
	Six months ended 30 June 2019 US$'000	**Six months ended 30 June 2018 US$'000 (Unaudited)**
Staff costs	–*	37
Professional fees	124	121
Travel and entertainment expenses	19	81
Occupancy costs	8	28
Other general and administrative costs	14	74
	165	341

* Less than US$1,000.

20 Finance income and finance costs

	Group		Company	
	Six months ended 30 June 2019 US$'000	**Six months ended 30 June 2018 US$'000 (Unaudited)**	**Six months ended 30 June 2019 US$'000**	**Six months ended 30 June 2018 US$'000 (Unaudited)**
Finance income				
Interest income from:				
- Loan to related parties	10,688	6,982	10,667	6,787
- Loan to equity-accounted investees	621	761	–	–
- Loan to other third parties	2,166	2,107	–	–
- Short term deposits	2,316	1,702	542	299
Total finance income	15,791	11,552	11,209	7,086
Finance costs				
Interest expense on:				
- Project finance debt	25,808	19,489	–	–
- Term loan & revolving credit facility	15,454	11,621	15,454	11,621
- Lease liabilities	690	–*	–	–
- Acquisition of subsidiaries	–	9,507	–	2,288
Other finance costs	2,803	4,207	1,919	2,214
Total finance costs	44,755	44,824	17,373	16,123

* Less than US$1,000

21 Change in fair value of financial instrument at FVTPL

	Group		Company	
	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Gain/(loss) on change in fair value:				
- Debt investment	178	398	–	–
- Electricity derivatives	(9,709)	20,964	–	–
- Forward contract	(384)	4	–	–
- Interest swaps	(13,883)	1,094	(4,022)	1,145
	(23,798)	22,460	(4,022)	1,145

22 (Loss)/profit before tax

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

	Group	
	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Staff costs		
Wages and salaries	11,708	8,874
Transaction bonus	–	8,565
Ordinary bonus	551	–
Contributions to defined contribution plans	256	533
Employee insurance	950	207
Recruitment fee	749	114
Staff benefits, allowances and others	1,624	196
	15,838	18,489

23 Fair value of financial instruments

Fair value measurement

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

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

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

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

23 Fair value of financial instruments (cont'd)

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

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

23 Fair value of financial instruments (cont'd)

Accounting classification and fair value

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

		Carrying amount				Fair value			
	Note	Mandatorily at FVTPL US$'000	Amortised cost US$'000	Other financial liabilities US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group									
30 June 2019									
Loans receivables	9	–	610,483	–	610,483				
Trade and other receivables*	12	–	128,464	–	128,464				
Other investments		25,737	–	–	25,737	–	5,554	20,183	25,737
Electricity derivative	10	39,870	–	–	39,870	–	–	39,870	39,870
Forward exchange contract	10	2,865	–	–	2,865	–	2,865	–	2,865
Cash and cash equivalents		–	210,687	–	210,687				
		68,472	949,634	–	1,018,106				
Loans and borrowings	13	–	–	(1,496,519)	(1,496,519)				
Interest rate swaps	10	(6,070)	–	–	(6,070)	–	(6,070)	–	(6,070)
Forward exchange contract	10	(13,468)	–	–	(13,468)	–	(13,468)	–	(13,468)
Trade and other payables*	14	–	–	(64,278)	(64,278)				
		(19,538)	–	(1,560,797)	(1,580,335)				

* Excludes non-financial assets and liabilities

23 Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount				Fair value			
	Note	Mandatorily at FVTPL US$'000	Amortised cost US$'000	Other financial liabilities US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Company									
30 June 2019									
Loans receivables	9	–	516,712	–	516,712				
Cash and cash equivalents		–	49,021	–	49,021				
		–	565,733	–	565,733				
Loans and borrowings	13	–	–	(674,789)	(674,789)				
Interest rate swaps	10	(3,982)	–	–	(3,982)	–	(3,982)	–	(3,982)
Trade and other payables*	14	–	–	(29,395)	(29,395)				
		(3,982)	–	(704,184)	(708,166)				

* Excludes non-financial assets and liabilities

23 Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount				Fair value			
	Note	Mandatorily at FVTPL US$'000	Amortised cost US$'000	Other financial liabilities US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group									
31 December 2018									
Loans receivables	9	–	472,188	–	472,188				
Trade and other receivables*	12	–	132,232	–	132,232				
Other investments		25,546	–	–	25,546	–	5,363	20,183	25,546
Electricity derivative	10	50,226	–	–	50,226	–	–	50,226	50,226
Forward exchange contract	10	4,511	–	–	4,511	–	4,511	–	4,511
Interest rate swaps	10	39	–	–	39	–	39	–	39
Cash and cash equivalents		–	322,427	–	322,427				
		80,322	926,847	–	1,007,169				
Loans and borrowings	13	–	–	(1,480,078)	(1,480,078)				
Interest rate swaps	10	(6,946)	–	–	(6,946)	–	(6,946)	–	(6,946)
Trade and other payables*	14	–	–	(92,427)	(92,427)				
		(6,946)	–	(1,572,505)	(1,579,451)				

* Excludes non-financial assets and liabilities

23 Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount				Fair value			
	Note	Mandatorily at FVTPL US$'000	Amortised cost US$'000	Other financial liabilities US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Company									
31 December 2018									
Loans receivables	9	–	368,007	–	368,007				
Interest rate swaps	10	39	–	–	39	–	39	–	39
Trade and other receivables*	12	–	24,224	–	24,224				
Cash and cash equivalents		–	164,600	–	164,600				
		39	556,831	–	556,870				
Loans and borrowings	13	–	–	(688,921)	(688,921)				
Trade and other payables*	14	–	–	(2,144)	(2,144)				
		–	–	(691,065)	(691,065)				

* Excludes non-financial assets and liabilities

23 Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

23 Fair value of financial instruments (cont'd)

Level 3 fair values

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

	Group	
	Equity investments – at FVTPL US$'000	Electricity derivative US$'000
At 1 January 2019	20,183	50,226
Total unrealised gains and losses recognised in profit or loss	–	(9,709)
Foreign currency translation recognised in OCI	–	(647)
At 30 June 2019	20,183	39,870

	Group	
	Equity investments – at FVTPL US$'000	Electricity derivative US$'000
At 1 January 2018 (Unaudited)	–	–
Acquisition through business combination	16,515	7,738
Purchases	153	–
Total unrealised gains and losses recognised in profit or loss	3,515	43,193
Foreign currency translation recognised in OCI	–	(705)
At 31 December 2018	20,183	50,226

24 Related parties

During the year, other than those disclosed elsewhere in the financial statements, there were no other significant transactions with related parties.

The Group has determined the following as related parties in accordance with IAS 24:
- Vena Energy (Taiwan) Holdings Ltd (f.k.a GIP Zenith Cayco IV. Ltd) and its subsidiaries and associates
- Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II) and its subsidiaries

Related parties transactions

The following significant transactions between the Group and its related parties took place at terms agreed between the parties during the financial period:

	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000
Fee income	12,786	5,333
Other income	1,213	–
Interest income	621	978

25 Adoption of new standards

The Group applied IFRS 16 with a date of initial application of 1 January 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The details of the adoption of new standard are disclosed below.

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 4.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

B. As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities are included as part of loans and borrowings in the condensed consolidated statements of financial position.

Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

C. As a lessor

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with IFRS 16 from the date of initial application.

The Group did not have any sub-leases.

D. Impacts on financial statements

On transition to IFRS 16, the Group reclassed prepayment of US$0.1 million to right-of-use assets, recognised an additional US$ 25.5 million of right-of-use assets and US$25.5 million of lease liabilities.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weight-average rate applied is in between of 1% to 10.85%.

25 Adoption of new standards (cont'd)

D. Impacts on financial statements (cont'd)

The following table presented the reconciliation of lease liabilities as of 1 January 2019:

	Total
	US$'000
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	2,889
Discounted using the incremental borrowing rate at 1 January 2019	2,450
Finance lease liabilities recognised as at 31 December 2018	73
Extension and termination options reasonably certain to be exercised	22,977
Lease liabilities recognised at 1 January 2019	25,500

26 Standards issued but not yet effective

IFRS 17 Insurance Contracts is effective for the Group's annual periods beginning on or after 1 January 2020, the Group is still in the process of assessing the impact of the impact, amendments to and interpretations on the financial statements.

KPMG

Vena Energy (Taiwan) Holdings Ltd
(formerly known as GIP Zenith Cayco IV, Ltd)
and its subsidiaries

(Incorporated in Cayman Islands)
Registration Number: 328010

Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2019

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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

Independent auditors' report

Member of the Company
Vena Energy (Taiwan) Holdings Ltd
(formerly known as GIP Zenith Cayco IV, Ltd)

Report on review of Condensed Consolidated Interim Financial Statements

Introduction

We have reviewed the accompanying Condensed Consolidated Interim Financial Statements of Vena Energy (Taiwan) Holdings Ltd (formerly known as GIP Zenith Cayco IV, Ltd) (the 'Company') and its Subsidiaries (collectively the 'Group'), which comprise the condensed consolidated statement of financial position of the Group and the condensed statement of financial position of the Company as at 30 June 2019, the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the Group and the condensed statements of comprehensive income, changes in equity and cash flows for the Company for the six months period then ended and certain explanatory notes. Management is responsible for the preparation and presentation of this Condensed Consolidated Interim Financial Statements in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Consolidated Interim Financial Statements based on our review.

Scope of review

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

Other matter

The 2018 Group and Company condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cashflows for the six months period ended 30 June 2018 are unaudited.

Conclusion

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

KPMG

Restriction on distribution and use

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

04 OCT 2019

Condensed consolidated statement of financial position
As at 30 June 2019

	Note	Group 30 June 2019 US$'000	Group 31 December 2018 US$'000	Company 30 June 2019 US$'000	Company 31 December 2018 US$'000
Assets					
Property, plant and equipment	5	93,280	36,163	–	–
Right-of-use assets	6	21,994	–	–	–
Intangible assets	7	49,333	50,331	–	–
Investment in subsidiaries		–	–	177,544	149,313
Equity-accounted investees	8	59,845	58,412	–	–
Deferred tax assets		1,053	1,069	–	–
Non-current assets		225,505	145,975	177,544	149,313
Loan receivables	9	3,762	3,654	–	–
Trade and other receivables	10	5,247	1,155	51,804	17,560
Prepayments and other assets	11	7,835	5,469	–	–
Cash and cash equivalents		28,185	37,145	60	8,835
Current assets		45,029	47,423	51,864	26,395
Total assets		270,534	193,398	229,408	175,708
Equity					
Share capital		126,623	126,623	126,623	126,623
Accumulated losses		(15,361)	(9,935)	(3,187)	(1,310)
Reserves		(2,641)	(3,315)	1,174	1,174
Equity attributable to owner of the Company		108,621	113,373	124,610	126,487
Non-controlling interests	20	3,600	3,600	–	–
Total equity		112,221	116,973	124,610	126,487
Liabilities					
Asset retirement obligation		199	97	–	–
Loans and borrowings	12	132,103	57,670	101,538	47,847
Non-current liabilities		132,302	57,767	101,538	47,847
Loans and borrowings	12	15,670	10,021	3,197	1,332
Trade and other payables	13	10,341	8,637	63	42
Current liabilities		26,011	18,658	3,260	1,374
Total liabilities		158,313	76,425	104,798	49,221
Total equity and liabilities		270,534	193,398	229,408	175,708

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

Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2019

	Note	Group		Company	
		Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Revenue		1,329	1,125	–	–
Other income		1,027	–	–	–
Operating costs	14	(3,104)	(437)	(31)	–*
Shared services costs	15	(821)	(1,039)	–	–
Development costs	16	(761)	(236)	–	–
Depreciation expense	5&6	(438)	(273)	–	–
Amortisation expense	7	(268)	(98)	–	–
		(5,392)	(2,083)	(31)	–*
Finance income	18	162	109	19	–
Finance costs	18	(2,189)	(1,169)	(1,865)	(451)
Net foreign exchange loss		(438)	(429)	–	–
Net finance costs		(2,465)	(1,489)	(1,846)	(451)
Share of net profit/(loss) of equity-accounted investees, net of tax	8	219	(2,590)	–	–
Loss before tax		(5,282)	(5,037)	(1,877)	(451)
Tax expenses		(144)	(47)	–	–
Loss for the period		(5,426)	(5,084)	(1,877)	(451)
Loss attributable to:					
Owner of the Company		(5,426)	(5,084)	(1,877)	(451)
Non-controlling interests		–*	–*	–	–
		(5,426)	(5,084)	(1,877)	(451)
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		(540)	(907)	–	–
Equity-accounted investees – share of OCI	8	1,214	(4,373)	–	–
Other comprehensive income/(loss) for the period		674	(5,280)	–	–
Total comprehensive loss for the period		(4,752)	(10,364)	(1,877)	(451)
Total comprehensive loss attributable to:					
Owner of the Company		(4,752)	(10,364)	(1,877)	(451)
Non-controlling interests	20	–*	–*	–	–
		(4,752)	(10,364)	(1,877)	(451)

* Less than US$1,000

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

Condensed consolidated statement of changes in equity
For the six months ended 30 June 2019

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

* Less than US$1,000

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

Condensed consolidated statement of changes in equity (cont'd)
For the six months ended 30 June 2018

	Attributable to owner of the Company					
	Share capital US$'000	**Accumulated losses US$'000**	**Reserves US$'000**	**Total US$'000**	**Non-controlling interests US$'000**	**Total equity US$'000**
At 1 January 2018 (Unaudited)	–*	–	–	–*	–	–*
Total comprehensive income for the period						
Loss for the period	–	(5,084)	–	(5,084)	–	(5,084)
Other comprehensive income						
Foreign currency translation differences	–	–	(907)	(907)	–	(907)
Equity-accounted investees – share of OCI	–	–	(4,373)	(4,373)	–	(4,373)
Total comprehensive income for the period	–	(5,084)	(5,280)	(10,364)	–	(10,364)
Transactions with owner, recognised directly in equity						
Contributions by and distributions to owner						
Issue of ordinary shares	126,623	–	–	126,623	–	126,623
Additional equity received from parent	–	–	1,174	1,174	–	1,174
Total contributions by and distributions to owner	126,623	–	1,174	127,797	–	127,797
At 30 June 2018 (Unaudited)	126,623	(5,084)	(4,106)	117,433	–	117,433

* Less than US$1,000

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

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

	Share capital US$'000	Accumulated losses US$'000	Reserves US$'000	Total US$'000
At 1 January 2019	126,623	(1,310)	1,174	126,487
Total comprehensive income for the period				
Loss for the period	–	(1,877)	–	(1,877)
At 30 June 2019	126,623	(3,187)	1,174	124,610
At 1 January 2018 (Unaudited)	–*	–	–	–*
Total comprehensive income for the period				
Loss for the period	–	(451)	–	(451)
Transactions with owner, recognised directly in equity				
Contributions by and distributions to owner				
Issue of ordinary shares	126,623	–	–	126,623
Additional equity received from parent	–	–	1,174	1,174
Total contributions by and distributions to owner	126,623	–	1,174	127,797
At 30 June 2018 (Unaudited)	126,623	(451)	1,174	127,346

* Less than US$1,000

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

Condensed consolidated statement of cash flows
For the six months ended 30 June 2019

	Note	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Cash flows from operating activities			
Loss before tax		(5,282)	(5,037)
Adjustments for:			
Depreciation expense	5&6	438	273
Amortisation expense	7	268	98
Finance costs	18	2,189	1,169
Finance income	18	(162)	(109)
Foreign exchange differences		–	55
Share of net (profit)/loss of equity-accounted investees, net of tax	8	(219)	2,590
		(2,768)	(961)
Changes in:			
- Trade and other receivables		(683)	(1,824)
- Prepayments and other assets		(5,856)	(292)
- Trade and other payables		2,062	(606)
Cash used in operating activities		(7,245)	(3,683)
Tax paid		(17)	–
Net cash used in operating activities		(7,262)	(3,683)
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		–	(127,074)
Purchase of property, plant and equipment		(57,616)	(6,211)
Interest received		180	109
Restricted bank deposit for projects		35	(30)
Fixed deposit pledged for bank facility		–	(10,400)
Net cash used in investing activities		(57,401)	(143,606)
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares		–	126,623
Proceeds from additional equity received		–	1,174
Proceeds from drawdown of project finance debts		3,546	10,832
Proceeds from drawdown of loans from related parties		53,690	25,066
Repayment of project finance debts		(309)	–
Repayment of leases		(756)	–
Interest paid for:			
- Project finance debts		(255)	–
- Acquisition		–	(696)
- Other finance costs		(3)	(23)
Net cash from financing activities		55,913	162,976
Net (decrease)/increase in cash and cash equivalents		(8,750)	15,687
Cash and cash equivalents at 1 January		26,499	–
Effect of exchange rate fluctuations on cash held		(175)	(224)
Cash and cash equivalents at 30 June		17,574	15,463

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

Condensed company statement of cash flows
For the six months ended 30 June 2019

	Note	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Cash flows from operating activities			
Loss before tax		(1,877)	(451)
Adjustment for:			
Finance costs	18	1,865	451
Finance income	18	(19)	–
		(31)	–
Changes in:			
- Trade and other receivables		(62,475)	(3,551)
- Trade and other payables		21	2
Net cash used in operating activities		(62,485)	(3,549)
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		–	–*
Subscription of additional shares in a subsidiary		–	(149,313)
Interest received		19	–
Net cash from/(used in) investing activities		19	(149,313)
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares		–	126,623
Proceeds from additional equity received		–	1,174
Proceeds from drawdown of loans from related parties		53,691	25,066
Net cash from financing activities		53,691	152,863
Net (decrease)/increase in cash and cash equivalents		(8,775)	1
Cash and cash equivalents at 1 January		8,835	–
Cash and cash equivalents at 30 June		60	1

* Less than US$1,000

Significant non-cash transaction

During the financial period, the Company increased its investment in a subsidiary by US$28 million by way of decreasing the amount due from a subsidiary of the same amount.

Notes to the condensed consolidated interim financial statements

1 Domicile and activities

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

The condensed consolidated interim financial statements of the Group as at and for the six-months ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity-accounted investees.

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

The immediate and ultimate holding company of the Group as at 30 June 2019 are GIP Zenith (Taiwan) Ltd (formerly known as GIP Zenith Cayco III Ltd) and GIP III Zenith (Taiwan), L.P. respectively, which are incorporated in the Cayman Islands.

2 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the last annual financial statements as at and for the year ended 31 December 2018. They do not include all of the information required for a complete set of International Financial Reporting Standards ('IFRS') financial statements.

3 Seasonality in operations

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

4 Significant accounting policies

The Group has applied the same accounting policies and methods of computation in the financial statement for the current reporting period as that of the audited financial statements for the year ended 31 December 2018, except for the adoption of IFRS 16 applicable for the financial period beginning 1 January 2019. The transition on adoption of IFRS 16 are detailed in note 21.

IFRS 16 Leases

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly – and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

4 Significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the lease of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:
- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i. As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use 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 or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

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

4 Significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

i. As a lessee (cont'd)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under IAS 17

In the comparative period, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

ii. As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

4 Significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

ii. As a lessor (cont'd)

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

5 Property, plant and equipment

Group	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Computer, fitting and fixture and office equipment US$'000	Assets under construction US$'000	Total US$'000
Cost					
At 1 January 2018 (Unaudited)	–	–	–	–	–
Acquisitions through business combinations	24	6	7	10,411	10,448
Additions	15	110	36	26,483	26,644
Transfer from/(to)	–	13,176	–	(13,176)	–
Disposal/write off	–	–	–	(317)	(317)
Effect of exchange rate changes	–	(419)	–	348	(71)
At 31 December 2018	39	12,873	43	23,749	36,704
Additions	–	133	21	57,462	57,616
Reclassification	–	–	–	605	605
Transfer from/(to)	–	14,174	–	(14,174)	–
Effect of exchange rate changes	(1)	(267)	(1)	(478)	(747)
At 30 June 2019	38	26,913	63	67,164	94,178
Accumulated depreciation					
At 1 January 2018 (Unaudited)	–	–	–	–	–
Depreciation charge for the year	19	522	1	–	542
Effect of exchange rate changes	(1)	(4)	4	–	(1)
At 31 December 2018	18	518	5	–	541
Depreciation charge for the period	7	353	6	–	366
Effect of exchange rate changes	(1)	(7)	(1)	–	(9)
At 30 June 2019	24	864	10	–	898

5 Property, plant and equipment (cont'd)

Group **Carrying amounts**	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Computer, fitting and fixture and office equipment US$'000	Assets under construction US$'000	Total US$'000
At 1 January 2018 (Unaudited)	–	–	–	–	–
At 31 December 2018	21	12,355	38	23,749	36,163
At 30 June 2019	14	26,049	53	67,164	93,280

At 30 June 2019, electric generator equipment of the Group with carrying amounts of US$26 million (2018: US$12.4 million) are pledged as security to secure bank loans.

6 Right-of-use assets

	Note	Land US$'000
Group		
Cost		
Initial application of IFRS 16 at 1 January 2019		22,784
Reclassification	5	(389)
Effect of exchange rate changes		(330)
At 30 June 2019		22,065
Accumulated depreciation		
Initial application of IFRS 16 at 1 January 2019		–
Depreciation expense		72
Effect of exchange rate changes		(1)
At 30 June 2019		71
Carrying amounts		
Initial application of IFRS 16 at 1 January 2019		22,784
At 30 June 2019		21,994

7 Intangible assets

	Goodwill US$'000	Project-related agreements & licences US$'000	Total US$'000
Group			
Cost			
At 1 January 2018 (Unaudited)	–	–	–
Acquisitions through business combinations	33,051	18,609	51,660
Effect of exchange rate changes	(679)	(383)	(1,062)
At 31 December 2018	32,372	18,226	50,598
Effect of exchange rate changes	(469)	(265)	(734)
At 30 June 2019	31,903	17,961	49,864
Accumulated amortisation			
At 1 January 2018 (Unaudited)	–	–	–
Amortisation expense	–	270	270
Effect of exchange rate changes	–	(3)	(3)
At 31 December 2018	–	267	267
Amortisation expense	–	268	268
Effect of exchange rate changes	–	(4)	(4)
At 30 June 2019	–	531	531
Carrying amounts			
At 1 January 2018 (Unaudited)	–	–	–
At 31 December 2018	32,372	17,959	50,331
At 30 June 2019	31,903	17,430	49,333

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

7 Intangible assets (cont'd)

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows:

Group	30 June 2019 US$'000	31 December 2018 US$'000
Taiwan	31,903	32,372

Operations in Taiwan

The recoverable amount of the CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The discounted cash flows valuation is based on management's latest business plan for forecast horizon of 30 years and no long term growth is assumed for terminal value. The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital, and applying a risk premium for under construction, shovel ready and development assets.

The key assumptions used in the estimation of the recoverable amount include discount rate and capacity of development pipeline. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

8 Equity-accounted investees

Interests in associates

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

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

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

	Garcia RSEHI Group	
	30 June 2019 US$'000	31 December 2018 US$'000
Property, plant and equipment	28,419	28,472
Equity-accounted investees	3,534	3,534
Deferred tax assets	–	1
Other non-current receivables	2,727	2,655
Non-current assets	34,680	34,662

8 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

	Garcia RSEHI Group	
	30 June 2019 US$'000	**31 December 2018 US$'000**
Trade and other receivables	1,651	1,961
Prepayment and other assets	56	95
Cash and cash equivalents	2,145	4,743
Current assets	3,852	6,799
Total assets	38,532	41,461
Loans and borrowings	19,384	20,822
Asset retirement obligation	103	120
Deferred tax liabilities	11	11
Non-current liabilities	19,498	20,953
Loans and borrowings	7,553	10,653
Trade and other payables	841	707
Current liabilities	8,394	11,360
Total liabilities	27,892	32,313
Net assets	10,640	9,148
Sale of energy	3,011	5,569
Other income	56	169
	3,067	5,738
Operating costs	(639)	(1,721)
Shared services costs	(97)	(332)
Depreciation expense	(705)	(1,424)
	1,626	2,261
Other expenses	–	(319)
Finance income	131	7
Finance costs	(726)	(1,305)
Net foreign exchange loss	645	(1,397)
Net finance costs	50	(2,695)
Loss before tax	1,676	(753)
Tax expense	–	(22)
Loss for the period	1,676	(775)
Other comprehensive income		
Foreign operations - foreign currency translation differences	120	(620)
Total comprehensive income	1,796	(1,395)

8 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

	RSEHI Group US$'000	Immaterial associate US$'000	Total US$'000
31 December 2018			
Group's interest in net assets of associates at the beginning of the year			
Share of net profit/(loss) of associates	913	(2)	911
Amortisation expenses	(2,876)	–	(2,876)
Foreign currency translation difference	(2,717)	–	(2,717)
Share of other comprehensive income	(619)	(24)	(643)
	(5,299)	(26)	(5,325)
Project-related agreements & licences	55,197	–	55,197
Group's acquisition of share capital during the year	10,227	1	10,228
Elimination of unrealised gains from transactions with associates	(1,688)	–	(1,688)
Carrying amount of interest in associates at beginning of the year	–	–	–
Carrying amount of interest in associates at end of the year	58,437	(25)	58,412
30 June 2019			
Group's interest in net assets of associates at the beginning of the period			
Share of profit of associates	1,769	–*	1,769
Amortisation expenses	(1,454)	–	(1,454)
Foreign currency translation difference	1,111	–	1,111
Share of other comprehensive income	120	(17)	103
	1,546	(17)	1,529
Elimination of unrealised gains from transactions with associates	(96)	–	(96)
Carrying amount of interest in associates at beginning of the period	58,437	(25)	58,412
Carrying amount of interest in associates at end of the period	59,887	(42)	59,845

* Less than US$1,000

9 Loan receivable

	Group 30 June 2019 US$'000	31 December 2018 US$'000
Loan receivable from equity-accounted investee	3,600	3,600
Interest receivables from equity-accounted investee	179	71
	3,779	3,671
Less: Impairment loss	(17)	(17)
	3,762	3,654

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

10 Trade and other receivables

	Note	Group 30 June 2019 US$'000	Group 31 December 2018 US$'000	Company 30 June 2019 US$'000	Company 31 December 2018 US$'000
Trade receivables		502	104	–	–
Amounts due from:					
- Subsidiary	(a)	–	–	51,804	17,560
- Related parties	(b)	–	3	–	–
- Other third parties		1,238	80	–	–
VAT receivable		3,507	968	–	–
		5,247	1,155	51,804	17,560

(a) The amount due from a subsidiary is non-trade, unsecured, non-interest bearing and has no fixed term of repayment.

(b) Amount due from related parties (as defined in note 19) are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

11 Prepayments and other assets

	Group 30 June 2019 US$'000	Group 31 December 2018 US$'000
Deposits and advance	4,101	3,344
Other assets	109	–
Prepaid expenses	3,625	2,125
	7,835	5,469

12 Loans and borrowings

	Note	Group 30 June 2019 US$'000	Group 31 December 2018 US$'000	Company 30 June 2019 US$'000	Company 31 December 2018 US$'000
Non-current					
Project finance debts		9,850	9,994	–	–
Loan from related parties	(a)	101,537	47,847	101,538	47,847
Lease liabilities		20,881	–	–	–
Deferred financing cost		(165)	(171)	–	–
		132,103	57,670	101,538	47,847
Current					
Project finance debts		11,757	8,666	–	–
Interest payables on:					
- Project finance debts		53	37	–	–
- Loan from related parties		3,197	1,332	3,197	1,332
Lease liabilities		675	–	–	–
Deferred financing cost		(12)	(14)	–	–
		15,670	10,021	3,197	1,332
		147,773	67,691	104,735	49,179

(a) Loan payable to related parties (as defined in note 19) are unsecured, with 5% interest, repayable upon demand but not to be recalled within the next twelve months.

13 Trade and other payables

	Note	Group 30 June 2019 US$'000	Group 31 December 2018 US$'000	Company 30 June 2019 US$'000	Company 31 December 2018 US$'000
Payable to EPC contractors		3,530	4,308	–	–
Amounts due to:					
- Related parties	(a)	4,731	3,462	43	16
- Equity-accounted investees	(b)	211	267	–	–
- Other third parties		813	8	–	–
Other tax payables		203	71	–	–
Accrued staff costs		14	41	–	–
Accrued operating expenses		820	480	20	26
Deferred income		19	–	–	–
		10,341	8,637	63	42

(a) Amount due to related parties (as defined in note 19) are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

(b) The amounts due to equity-accounted investees are non-trade, unsecured, non-interest bearing and have no fixed term of repayment.

14 Operating costs

	Group Six months ended 30 June 2019 US$'000	Group Six months ended 30 June 2018 US$'000 (Unaudited)	Company Six months ended 30 June 2019 US$'000	Company Six months ended 30 June 2018 US$'000 (Unaudited)
Operations and maintenance costs	2,287	42	–	–
Utilities and transmission costs	6	39	–	–
Directors fee	3	–	–	–
Professional fees	680	133	24	–
IT expenses	4	38	–	–
Insurance	43	15	–	–
Repair				
Rental - land & site office	–	28	–	–
Occupancy cost	25	53	–	–
Business related taxes	–	7	–	–
Marketing and promotion costs	16	8	–	–
Travel and entertainment expenses	8	33	–	–
Other general and administrative costs	32	41	7	–*
	3,104	437	31	–*

* Less than US$1,000

During the financial period, staff costs of US$0.03 million (30 June 2018: US$0.03 million) is included within operations and maintenance costs.

15 Shared services costs

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

16 Development costs

	Group	
	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Staff costs	7	11
Professional fees	408	96
Travel and entertainment expenses	202	56
Occupancy costs	79	29
IT expenses	6	–
Marketing and promotion costs	49	36
Other general and administrative costs	10	8
	761	236

17 Loss for the period

Included in the loss for period are:

	Group	
	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Staff costs		
Salaries	7	–
Bonus – Current year	4	–
– Overprovision in prior period	(40)	–
Employee insurance	6	1
Staff allowance	–	10
Recruitment fee	–	27
Other staff benefits	–	2
	(23)	40

18 Finance income and finance costs

	Group		Company	
	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Finance income				
Interest income from:				
- Short term deposit	136	107	–	–
- Bank balances	26	2	19	–
Total finance income	162	109	19	–

18 Finance income and finance costs (cont'd)

	Group		Company	
	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Finance costs				
- Loan from related parties	(1,865)	(450)	(1,865)	(450)
- Project finance debts	(274)	–	–	–
- Acquisition of subsidiaries	–	(696)	–	–
- Lease liabilities	(40)	–	–	–
- Other finance costs	(10)	(23)	–	(1)
Total finance costs	(2,189)	(1,169)	(1,865)	(451)

19 Related parties

During the year, other than those disclosed elsewhere in the financial statements, there were no other significant transactions with related parties.

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

Related parties transactions

The following significant transactions between the Group and its related parties took place at terms agreed between the parties during the financial period:

	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000
Shared services costs	1,488	1,232
Interest cost	621	978

20 Non-controlling interest

Non-controlling interest denotes fully paid up equity shares of a subsidiary in Taiwan. It arises post-acquisition of subsidiaries and is a result of injection of share capital by the Group's material associate on 31 August 2018.

21 Adoption of new standards

The Group applied IFRS 16 with a date of initial application of 1 January 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The details of the adoption of new standard are disclosed below.

21 Adoption of new standards (cont'd)

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 4.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

B. As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities are included as part of loans and borrowings in the condensed consolidated statements of financial position.

Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

C. As a lessor

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with IFRS 16 from the date of initial application.

<u>The Group did not have any sub-leases.</u>

D. Impacts on financial statements

On transition to IFRS 16, the Group recognised an additional US$22.78 million of right-of-use assets and US$22.78 million of lease liabilities.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weight-average rate applied is in between of 1% to 10.85%.

21 Adoption of new standards (cont'd)

D. Impacts on financial statements (cont'd)

The following table presented the reconciliation of lease liabilities as of 1 January 2019:

	Total
	US$'000
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	36,839
Discounted using the incremental borrowing rate at 1 January 2019	(8,116)
Operating lease terminated	(5,939)
Lease liabilities recognised at 1 January 2019	22,784

22 Standards issued but not yet effective

IFRS 17 Insurance Contracts is effective for the Group's annual periods beginning on or after 1 January 2020, the Group is still in the process of assessing the impact of the impact, amendments to and interpretations on the financial statements.

KPMG

Zenith Japan Holdings Trust
(formerly known as GIP III Zenith Trust II)
and its subsidiaries

Condensed Consolidated Interim Financial Statements
For the six months ended 30 June 2019

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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

Independent auditors' report

The Trustee
Zenith Japan Holdings Ltd
(formerly known as GIP III Zenith 2, Limited)

Report on review of Condensed Consolidated Interim Financial Statements

Introduction

We have reviewed the accompanying Condensed Consolidated Interim Financial Statements of Zenith Japan Holdings Trust (formerly known as GIP III Zenith Trust II) (the Trust) and its Subsidiaries (collectively the Group) which comprise the condensed consolidated statement of financial position of the Group as at 30 June 2019, the condensed consolidated statements of comprehensive income, changes in unitholders' fund and cash flows for the Group for the six months period then ended and certain explanatory notes. Management is responsible for the preparation and presentation of this Condensed Consolidated Interim Financial Statements in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Condensed Consolidated Interim Financial Statements based on our review.

Scope of review

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

Other matter

The 2018 Group and Trust condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in unitholders' fund and condensed consolidated statement of cashflows for the six months period ended 30 June 2018 are unaudited.

Conclusion

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

Restriction on distribution and use

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
04 OCT 2019

Condensed consolidated statement of financial position
As at 30 June 2019

	Note	30 June 2019 US$'000	31 December 2018 US$'000
Assets			
Property, plant and equipment	5	818,572	842,007
Right-of-use assets	6	110,778	–
Intangible assets	7	1,429,221	1,479,304
Prepayment and other assets	8	14,900	14,859
Trade and other receivables	9	2,061	2,006
Derivative assets	10	–	267
Non-current assets		2,375,532	2,338,443
Prepayment and other assets	8	4,617	12,373
Trade and other receivables	9	25,417	47,955
Cash and cash equivalents		306,832	127,172
Current assets		336,866	187,500
Total assets		2,712,398	2,525,943
Unitholders' funds			
Units in issue		1,416,051	1,416,051
Accumulated profit/(losses)		35,306	(8,838)
Advance from unitholder		13,131	13,131
Reserves		88,608	45,538
Equity attributable to unitholder of the Trust		1,553,096	1,465,882
Non-controlling interests		14,286	15,075
Total unitholders' fund		1,567,382	1,480,957
Liabilities			
Loans and borrowings	11	1,060,447	946,137
Derivative liabilities	10	15,876	8,512
Asset retirement obligation		22,421	26,870
Non-current liabilities		1,098,744	981,519
Loans and borrowings	11	4,755	5,147
Trade and other payables	12	40,816	57,347
Current tax liabilities		701	973
Current liabilities		46,272	63,467
Total liabilities		1,145,016	1,044,986
Total equity and liabilities		2,712,398	2,525,943

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

Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2019

	Note	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Revenue	13	54,332	51,062
Other income	13	1,607	461
Operating costs	14	(8,413)	(9,543)
Asset management fees	15	(2,530)	(1,942)
Development costs	16	(659)	(1,362)
Depreciation expense	5&6	(13,867)	(12,186)
Amortisation expense	7	(11,516)	(12,807)
		18,954	13,683
Finance income	17	1,085	1
Finance costs	17	(12,845)	(16,909)
Net foreign exchange (loss)/gain		(500)	1,433
Change in fair value of financial derivatives		(8,795)	(3,655)
		(21,055)	(19,130)
Loss on write off of plant property & equipment		(144)	(31)
Gain from transfer of TK interests	19	46,564	–
Profit/(loss) before tax		44,319	(5,478)
Tax expense		–	–
Profit/(loss) for the period		44,319	(5,478)
Profit/(loss) attributable to:			
Unitholder of the Trust		44,144	(5,558)
Non-controlling interests		175	80
		44,319	(5,478)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		45,885	48,959
Foreign currency translation differences on transfer of TK interests reclassified to profit or loss	19	(2,451)	–
Other comprehensive income for the period		43,434	48,959
Total comprehensive income for the period		87,753	43,481
Total comprehensive income attributable to:			
Unitholders of the Trust		87,214	43,008
Non-controlling interests		539	473
		87,753	43,481

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

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

	Attributable to unitholder of the Trust						
	Units in issue US$'000	**Unitholders' funds US$'000**	**Accumulated profit/(losses) US$'000**	**Translation reserves US$'000**	**Total US$'000**	**Non-controlling interest US$'000**	**Total US$'000**
1 January 2019	1,416,051	13,131	(8,838)	45,538	1,465,882	15,075	1,480,957
Total comprehensive income for the period							
Profit for the period	–	–	44,144	–	44,144	175	44,319
Other comprehensive income							
Foreign currency translation differences	–	–	–	43,070	43,070	364	43,434
Total comprehensive income for the period	–	–	44,144	43,070	87,214	539	87,753
Changes in ownership interests in subsidiaries							
Transfer of TK interests with non-controlling interest	–	–	–	–	–	(1,328)	(1,328)
Total changes in ownership interests in subsidiaries	–	–	–	–	–	(1,328)	(1,328)
Total transactions with unitholder	–	–	–	–	–	(1,328)	(1,328)
At 30 June 2019	1,416,051	13,131	35,306	88,608	1,553,096	14,286	1,567,382

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

Condensed consolidated statement of changes in unitholders' fund
For the six months ended 30 June 2018

	Attributable to unitholder of the Trust						
	Units in issue US$'000	Unitholders' funds US$'000	Accumulated losses US$'000	Translation reserves US$'000	Total US$'000	Non-controlling interest US$'000	Total US$'000
1 January 2018 (Unaudited)	–	–	–	–	–	–	–
Total comprehensive income for the period							
Loss for the period	–	–	(5,558)	–	(5,558)	80	(5,478)
Other comprehensive income	–						
Foreign currency translation differences		–	–	48,566	48,566	393	48,959
Total comprehensive income for the period	–	–	(5,558)	48,566	43,008	473	43,481
Transactions with unitholder, recognised directly in equity							
Contributions by unitholder							
Issue of units	1,416,051	–	–	–	1,416,051	–	1,416,051
Advance from unitholder	–	13,131	–	–	13,131	–	13,131
Total contributions by unitholder	1,416,051	13,131	–	–	1,429,182	–	1,429,182
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries with non-controlling interest	–	–	–	–	–	14,585	14,585
Total changes in ownership interests in subsidiaries	–	–	–	–	–	14,585	14,585
Total transactions with unitholder	–	–	–	–	–	14,585	14,585
At 30 June 2018 (Unaudited)	1,416,051	13,131	(5,558)	48,566	1,472,190	15,058	1,487,248

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

Condensed consolidated statement of cash flows
For the six months ended 30 June 2019

	Note	2019 US$'000	2018 US$'000 (Unaudited)
Cash flows from operating activities			
Profit/ (Loss) before tax		44,319	(5,478)
Adjustments for:			
Depreciation expense	5&6	13,867	12,186
Amortisation expense	7	11,516	12,807
Loss on write off of property plant & equipment		144	31
Net changes in fair value of financial derivatives		8,795	3,655
Finance income	17	(1,085)	(1)
Finance costs	17	12,845	16,909
Gain on transfer of TK interests	19	(46,564)	–
Net foreign exchange gain		500	(420)
		44,337	39,689
Changes in:			
- Trade and other receivables		20,655	(28,424)
- Prepayments and other assets		14,053	(10,071)
- Trade and other payables		(16,434)	12,807
- Provisions and employee benefits		71	807
Cash from operating activities		62,682	14,808
Tax paid		–	–
Net cash from operating activities		62,682	14,808
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		–	(1,553,318)
Transfer of TK interests, net of cash disposed		109,505	–
Purchase of property, plant and equipment	5	(81,151)	(99,914)
Interest received		1,085	1
Net cash from/(used in) investing activities		29,439	(1,653,231)
Cash flows from financing activities			
Proceeds from issuance of units		–	1,416,051
Proceeds from advances from unitholder		–	13,131
Proceeds from drawdown of loans and borrowings:			
- Project finance debt		11,276	75,761
- Loan from related parties		153,942	366,200
Repayment of loans and borrowings:			
- Project finance debt		(2,358)	(3,737)
- Loan from related parties		(74,269)	(60,754)
Transaction costs related to loans and borrowings		(1,243)	–
Interest paid		(3,313)	(3,176)
Interest paid on acquisition		–	(7,269)
Net cash from financing activities		84,035	1,796,207
Net increase in cash and cash equivalents		176,156	157,784
Cash and cash equivalents at 1 January		127,172	–
Effect of exchange rate fluctuations on cash held		3,504	–
Cash and cash equivalents at 30 June		306,832	157,784

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

Notes to the condensed consolidated interim financial statements

1 Domicile and activities

(i) *Trust*

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

The condensed consolidated interim financial statement of the Group as at and for the six months ended 30 June 2019 comprise the Trust and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

The principal activity of the Group is to enter into and invest via Tokumei Kumiai agreements with various owners of renewable energy assets (each, an '**Operator**') in Japan.

Zenith Japan Ltd (formerly known as GIP III Zenith, Limited) in its capacity as Trustee of Zenith Trust (formerly known as GIP III Zenith Trust I), is the sole unitholder in the Trust.

(ii) *Trustee*

Zenith Japan Holdings Ltd (formerly known as GIP III Zenith 2, Limited) is the trustee (the '**Trustee**') of Zenith Japan Holdings Trust (formerly known as GIP III Zenith Trust II). The Trustee shall manage and administer the Trust and the Trust Fund in accordance with the trust instrument and shall exercise all powers, duties and discretions exercisable under the Trust or conferred by law.

(iii) *Asset Management Agreement*

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

(iv) *Operations & Maintenance Agreement*

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

2 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting, and should be read in conjunction with the last annual financial statements as at and for the year ended 31 December 2018. They do not include all of the information required for a complete set of International Financial Reporting Standards ('IFRS') financial statements.

3 Seasonality in operations

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

4 Significant accounting policies

The Group has applied the same accounting policies and methods of computation in the financial statement for the current reporting period as that of the audited financial statements for the year ended 31 December 2018, except for the adoption of IFRS 16 applicable for the financial period beginning 1 January 2019. The transition on adoption of IFRS 16 are detailed in note 23.

IFRS 16 Leases

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly – and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the lease of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i. As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use 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 or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

4 Significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

(i) As a lessee (cont'd)

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

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

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

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with theses leases as an expense on a straight-line basis over the lease term.

Under IAS 17

In the comparative period, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

ii. As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

4 Significant accounting policies (cont'd)

IFRS 16 Leases (cont'd)

ii. As a lessor (cont'd)

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

5 Property, plant and equipment

	Freehold land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Assets under construction US$'000	Total US$'000
Group					
Cost					
At 1 January 2018 (Unaudited)	–	–	–	–	–
Acquisition through business combination	39,909	15,921	546,227	119,600	721,657
Additions	7,735	1,376	75,182	42,888	127,181
Write off	–	–	(218)	(762)	(980)
Effect of exchange rate changes	987	460	17,096	2,638	21,181
At 31 December 2018	48,631	17,757	638,287	164,364	869,039
At 1 January 2019	48,631	17,757	638,287	164,364	869,039
Additions	7,307	4,649	783	68,412	81,151
Reclassification	–	–	–	1,059	1,059
Transfer of TK interests	(4,813)	(171)	(116,716)	–	(121,700)
Disposal	(854)	–	(5)	–	(859)
Write off	–	–	(125)	(30)	(155)
Effect of exchange rate changes	1,072	444	34,049	2,697	38,262
At 30 June 2019	51,343	22,679	556,273	236,502	866,797

5 Property, plant and equipment (cont'd)

Group	Freehold land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Assets under construction US$'000	Total US$'000
Accumulated depreciation					
At 1 January 2018 (Unaudited)	–	–	–	–	–
Depreciation charge for the year	–	1,314	24,401	–	25,715
Write off	–	–	(19)	–	(19)
Effect of exchange rate changes	–	9	1,327	–	1,336
At 31 December 2018	–	1,323	25,709	–	27,032
At 1 January 2019	–	1,323	25,709	–	27,032
Depreciation charge for the period	–	294	12,395	–	12,689
Transfer of TK interests	–	(19)	(12,832)	–	(12,851)
Write off	–	–	(15)	–	(15)
Effect of exchange rate changes	–	41	21,329	–	21,370
At 30 June 2019	–	1,639	46,586	–	48,225
Group					
Carrying amounts					
At 1 January 2018 (Unaudited)	–	–	–	–	–
At 31 December 2018	48,631	16,434	612,578	164,364	842,007
At 30 June 2019	51,343	21,040	509,687	236,502	818,572

At 30 June 2019, properties of the Group with carrying amounts of US$548 million are pledged as security to secure bank loans.

During the six months ended 30 June 2019, asset management fee expenses charged by Nippon Renewable Energy K.K and Nippon Wind Energy K.K amounting to US$2.79 million have been capitalized for projects that are yet to reach its commercial operation date

6 Right-of-use assets

Group	Land US$'000
Cost	
Initial application of IFRS 16 at 1 January 2019	125,108
Reclassification	(815)
Transfer of TK interests	(15,159)
Effect of exchange rate changes	3,527
At 30 June 2019	112,661
Accumulated depreciation	
Initial application of IFRS 16 at 1 January 2019	–
Depreciation expense	1,178
Transfer of TK interests	(157)
Effect of exchange rate changes	862
At 30 June 2019	1,883
Carrying amounts	
Initial application of IFRS 16 at 1 January 2019	125,108
At 30 June 2019	110,778

7 Intangible assets

	Goodwill US$'000	Project-related agreements & licences US$'000	Total US$'000
Group			
Cost			
At 1 January 2018 (Unaudited)	–	–	–
Acquisition through business combination	344,841	1,082,012	1,426,853
Effect of exchange rate changes	10,142	67,530	77,672
At 31 December 2018	354,983	1,149,542	1,504,525
At 1 January 2019	354,983	1,149,542	1,504,525
Transfer of TK interests	–	(78,901)	(78,901)
Effect of exchange rates changes	8,982	26,725	35,707
At 30 June 2019	363,965	1,097,366	1,461,331
Accumulated amortisation			
At 1 January 2018 (Unaudited)	–	–	–
Amortisation expense for the year	–	25,226	25,226
Effect of exchange rate changes	–	(5)	(5)
At 31 December 2018	–	25,221	25,221
At 1 January 2019	–	25,221	25,221
Transfer of TK interests	–	(5,404)	(5,404)
Amortisation expense for the period	–	11,516	11,516
Effect if exchange rates changes	–	777	777
At 30 June 2019	–	32,110	32,110
At 1 January 2018 (Unaudited)	–	–	–
At 31 December 2018	354,983	1,124,321	1,479,304
At 30 June 2019	363,965	1,065,256	1,429,221

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

8 Prepayments and other assets

	2019 US$'000	2018 US$'000
Non-current		
Prepaid asset management fees	4,985	4,861
Prepaid O&M mobilisation fees	2,043	2,423
Other prepayments	7,872	7,575
	14,900	14,859
Current		
Prepaid land rent	–	3,475
Prepaid Insurance	995	1,574
Advance payments for construction costs	2,261	6,164
Other assets	1,361	1,160
	4,617	12,373
	19,517	27,232

13 Revenue and other income (cont'd)

Sale of energy

Nature of goods or services	Sale of renewable energy
When revenue is recognised	Revenue from sale of electricity is recognised in profit or loss when the electricity generated is distributed to the customer. Revenue is determined based on the units of sales delivered at the applicable tariff rates.
Payment terms	14 to 30 days

14 Operating costs

	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Operations and maintenance costs	3,688	2,993
Asset related tax and levies	3,237	3,127
Rental - land & site office	–	1,834
Professional fees	444	626
Asset related insurance	702	513
Utilities and transmission costs	260	244
Other general and administrative costs	82	206
	8,413	9,543

15 Asset management fee

	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Asset management fees	2,530	1,942

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

(i) The actual reasonable expenses incurred by the Asset Manager on its own account for the performance of the Services (as opposed to expenses incurred on behalf of the GK) to the extent falling within the Operating Budget, and

(ii) 10% of the amount in (i) or the maximum asset management, as agreed.

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

16 Development costs

	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Professional fees	311	470
Business related taxes	123	132
Insurance	138	–
Occupancy costs	25	740
Other general and administrative costs	62	20
	659	1,362

17 Finance income and finance costs

	Six months ended 30 June 2019 US$'000	Six months ended 30 June 2018 US$'000 (Unaudited)
Finance income		
Interest income on:		
- Transfer of TK interests	1,047	–
- Others	38	1
Total finance income	1,085	1
Finance costs		
Interest expense on:		
- Loan from related parties	8,820	6,475
- Bond with O&M Provider	2	2
- Acquisition of subsidiaries	–	7,269
- Project finance debt	341	74
- Lease liabilities	327	–
Other finance costs	3,355	3,089
Total finance cost	12,845	16,909

18 Fair value of financial instruments

Fair value measurement

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

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

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

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

24 Standards issued but not yet effective

IFRS 17 Insurance Contracts is effective for the Group's annual periods beginning on or after 1 January 2019, the Group is still in the process of assessing the impact of the impact, amendments to and interpretations on the financial statements.

Vena Energy Holdings Ltd
(formerly known as GIP Zenith Cayco II, Ltd)
and its subsidiaries

(Incorporated in Cayman Islands)
Registration Number: 328011

Financial Statements

Year ended 31 December 2018

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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

Independent auditors' report

Member of the Company
Vena Energy Holdings Ltd
(formerly known as GIP Zenith Cayco II, Ltd)

Report on the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, 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 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the Group and the statements of comprehensive income, changes in equity and cash flows for the Company for the period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS65.

In our opinion, the accompanying consolidated financial statements of the Group present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, its consolidated financial performance, changes in equity and cash flows, and the financial position of the Company, the financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

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 *Auditors' 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the financial statements, which describes the basis of preparation. Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to the member of the Company on those matters strictly for the purpose of internal management reporting and/or obtaining financing from financial institutions. Our report is not to be circulated to parties other than the member of the Company. We do not assume responsibility to anyone other than the member of the Company for our work, for our report, or for the conclusions we have reached in our report. Our opinion is not modified in respect of this matter.

Other matter

The financial statements for the period ended 31 December 2017 were unaudited.

Other information

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, 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 for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, 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 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 Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 the Group'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 the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 June 2019

Statements of financial position
As at 31 December 2018

	Note	Group 2018 US$'000	Group 2017 US$'000 Unaudited	Company 2018 US$'000	Company 2017 US$'000 Unaudited
Assets					
Property, plant and equipment	4	784,157	–	–	–
Intangible assets	5	1,086,405	–	–	–
Investment in subsidiaries	6	–	–	1,913,741	–
Equity-accounted investees	7	468,052	–	–	–
Other investments	8	25,546	–	–	–
Deferred tax assets	9	12,661	–	–	–
Loans receivables	10	436,754	–	352,760	–
Derivative assets	11	53,577	–	–	–
Prepayment and other assets	12	11,690	–	–	–
Non-current assets		2,878,842	–	2,266,501	–
Loans receivables	10	35,434	–	15,247	–
Trade and other receivables	13	137,155	–*	24,224	–*
Prepayment and other assets	12	3,238	–	–	–
Derivative assets	11	1,199	–	39	–
Cash and cash equivalents	14	322,427	–	164,600	–
Current assets		499,453	–*	204,110	–*
Total assets		3,378,295	–*	2,470,611	–*
Equity					
Share capital	15	1,690,245	–*	1,690,245	–*
Accumulated (losses)/profits		(7,490)	–	23,627	–
Reserves	16	13,401	–	65,674	–
Equity attributable to owner of the Company		1,696,156	–*	1,779,546	–*
Non-controlling interests		74,427	–	–	–
Total equity		1,770,583	–*	1,779,546	–*
Liabilities					
Loans and borrowings	17	1,359,610	–	613,152	–
Employee benefits		188	–	–	–
Derivative liabilities	11	6,946	–	–	–
Asset retirement obligation	18	2,341	–	–	–
Deferred tax liabilities	9	20,808	–	–	–
Non-current liabilities		1,389,893	–	613,152	–
Loans and borrowings	17	120,468	–	75,769	–
Trade and other payables	19	96,517	–	2,144	–
Current tax liabilities		834	–	-	–
Current liabilities		217,819	–	77,913	–
Total liabilities		1,607,712	–	691,065	–
Total equity and liabilities		3,378,295	–*	2,470,611	–*

* Less than US$1,000

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

Statement of comprehensive income
Year ended 31 December 2018

	Note	Group Year ended 31 December 2018 US$'000	Group Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Company Year ended 31 December 2018 US$'000	Company Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Dividend income		–	–	46,622	–
Sale of energy		147,254	–	–	–
Service concession income		123,042	–	–	–
Fee income		23,802			
Total revenue	20	294,098	–	46,622	–
Other income	21	5,818	–	–	–
Cost of service concession income		(123,042)	–	–	–
Operating costs	22	(22,330)	–	–	–
Shared services costs	23	(49,910)	–	(473)	–
Development costs	24	(1,334)	–	–	–
Depreciation expense	4	(28,832)	–	–	–
Amortisation expense	5	(17,353)	–	–	–
		(242,801)	–	(473)	–
Finance income	25	25,092	–	15,932	–
Finance costs	25	(92,747)	–	(34,110)	–
Change in fair value of financial instruments at FVTPL	26	44,815	–	39	–
Foreign exchange loss		(29,960)	–	(2,610)	–
Net finance costs		(52,800)	–	(20,749)	–
Write off of property, plant and equipment		(82)	–	–	–
Impairment loss on financial assets	29	(2,592)	–	(1,773)	–
Share of net profit of equity-accounted investees, net of tax	7	1,425	–	–	–
Profit before tax	27	3,066	–	23,627	–
Tax expense	28	(2,088)	–	–	–
Profit for the year/period		978	–	23,627	–
Profit/(loss) attributable to:					
Owners of the Company		(7,490)	–		
Non-controlling interests		8,468	–		
		978	–		

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

Statement of comprehensive income (cont'd)
Year ended 31 December 2018

	Note	Group		Company	
		Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit plan		113	–	–	–
Equity-accounted investees – share of OCI	7	(4)	–	–	–
Related tax		(11)	–	–	–
		98	–	–	–
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		(37,792)	–	–	–
Equity-accounted investees – share of OCI	7	(14,272)	–	–	–
Other comprehensive loss for the year/period		(51,966)	–	–	–
Total comprehensive (loss)/income for the year/period		(50,988)	–	23,627	–
Total comprehensive income/(loss) attributable to:					
Owner of the Company		(59,763)	–		
Non-controlling interests		8,775	–		
		(50,988)	–		

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

Statement of changes in equity
Year ended 31 December 2018

	Note	Attributable to owner of the Company						
		Share capital US$'000	Accumulated losses US$'000	Translation reserves US$'000	Other reserves US$'000	Total US$'000	Non-controlling interest US$'000	Total equity US$'000
13 October 2017 (date of incorporation)/31 December 2017/1 January 2018 (unaudited)		–*	–	–	–	–*	–	–*
Total comprehensive income for the year								
Profit/(loss) for the year		–	(7,490)	–	–	(7,490)	8,468	978
Other comprehensive income								
Foreign currency translation differences		–	–	(38,099)	–	(38,099)	307	(37,792)
Equity-accounted investees – share of OCI		–	–	(14,272)	(4)	(14,276)	–	(14,276)
Defined benefit plan remeasurements		–	–	–	113	113	–	113
Tax on other comprehensive income	28	–	–	–	(11)	(11)	–	(11)
Total comprehensive income for the year		–	(7,490)	(52,371)	98	(59,763)	8,775	(50,988)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares	15	1,690,245	–	–	–	1,690,245	–	1,690,245
Additional equity received from parent		–	–	–	65,674	65,674	–	65,674
Dividends declared	34	–	–	–	–	–	(6,671)	(6,671)
Total contributions by and distributions to owners		1,690,245	–	–	65,674	1,755,919	(6,671)	1,749,248
Changes in ownership interests in subsidiaries								
Acquisition of subsidiaries with non-controlling interest	32	–	–	–	–	–	72,323	72,323
Total changes in ownership interests in subsidiaries		–	–	–	–	–	72,323	72,323
Total transactions with owners		1,690,245	–	–	65,674	1,755,919	65,652	1,821,571
At 31 December 2018		1,690,245	(7,490)	(52,371)	65,772	1,696,156	74,427	1,770,583

* Less than US$1,000

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

Statement of changes in equity
Year ended 31 December 2018

Company	Note	Share capital US$'000	Other reserves US$'000	Accumulated profits US$'000	Total US$'000
13 October 2017 (date of incorporation)/31 December 2017/ 1 January 2018 (unaudited)		–*	–	–	–*
Total comprehensive income for the year					
Profit for the year		–	–	23,627	23,627
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	15	1,690,245	–	–	1,690,245
Additional equity received from parent		–	65,674	–	65,674
Total contributions by and distributions to owners/Total transactions with owners		1,690,245	65,674	23,627	1,779,546
At 31 December 2018		1,690,245	65,674	23,627	1,779,546

* Less than US$1,000

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

Statement of cash flows
Year ended 31 December 2018

	Note	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Cash flows from operating activities			
Profit before tax		3,066	–
Adjustments for:			
Depreciation expense	4	28,832	–
Amortisation expense	5	17,353	–
Finance income	25	(25,092)	–
Finance costs	25	92,747	–
Change in fair value of financial derivatives		(41,300)	–
Change in fair value of equity investment		(3,515)	
Unrealised foreign exchange loss		34,902	–
Loss on disposal of property, plant and equipment		82	–
Impairment losses on trade and other receivables	29	2,592	–
Share of net profit of equity-accounted investees, net of tax	7	(1,425)	–
		108,242	–
Changes in:			
- Trade and other receivables		(5,190)	–*
- Prepayments and other assets		(11,754)	–
- Trade and other payables		2,646	–
- Provisions and employee benefits		220	–
Cash generated from operating activities		94,164	–*
Tax paid		(6,884)	–
Net cash from operating activities		87,280	–*
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	32	(1,672,687)	–
Purchase of property, plant and equipment	4	(134,342)	–
Development expenditures under service concession arrangement	5	(127,947)	–
Acquisition of interest in equity-accounted investees	7	(45,019)	–
Proceeds from repayment of loans receivables from Zenith Japan Trust (f.k.a. GIP III Zenith Trust III)		60,749	
Proceeds from repayment of loans receivables from Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd)		2,000	–
Proceeds from repayment of loans receivables from equity-accounted investees		6,875	–
Disbursement of loan to Zenith Japan Trust (f.k.a. GIP III Zenith Trust III)		(365,742)	–
Disbursement of loan to Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd)		(49,848)	–
Distributions from equity-accounted investees	7	8,535	–
Interest received		6,895	–
Deposits pledged	14	(47,289)	–
Net cash used in investing activities		(2,357,820)	–

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

Statement of cash flows (cont'd)
Year ended 31 December 2018

	Note	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares	15	1,690,245	–*
Proceeds from additional equity received	16	15,674	–
Proceeds from drawdown of loans and borrowings		1,346,577	–
Repayment of loans and borrowings		(383,899)	–
Payment of transaction costs related to loans and borrowings		(35,272)	–
Payment of finance lease liabilities		(30)	–
Interest paid for loans and borrowings		(69,705)	–
Interest paid on acquisition		(9,507)	–
Dividends paid to non-controlling interests	34	(6,671)	–
Net cash from financing activities		2,547,412	–*
Net increase in cash and cash equivalents		276,872	–
Cash and cash equivalents at 1 January/13 October 2017 (date of incorporation) (unaudited)		–	–
Effect of exchange rate fluctuations on cash held		(5,947)	–
Cash and cash equivalents at 31 December	14	270,925	–

* Less than US$1,000

Significant non-cash transaction

During the financial year, the Group increased its investment in subsidiaries by way of novating a promissory note of US$50 million to the seller.

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

Company statement of cash flows
Year ended 31 December 2018

	Note	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Cash flows from operating activities			
Profit before tax		23,627	–
Adjustments for:			
Finance income	25	(15,932)	–
Finance costs	25	34,110	–
Change in fair value of financial derivatives		(39)	–
Impairment losses on trade and other receivables	29	1,773	–
Foreign exchange loss		2,610	–
		46,149	–
Changes in:			
- Trade and other receivables		(27,990)	–*
- Trade and other payables		2,144	–
Cash generated from operating activities		20,303	–
Tax paid		–	–
Net cash from operating activities		20,303	–*
Cash flows from investing activities			
Acquisition of subsidiaries		(1,862,063)	–
Proceeds from repayment of loans receivables from Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd)		2,000	–
Proceeds from repayment of loans receivables from Zenith Japan Trust (f.k.a. GIP III Zenith Trust III)		60,749	–
Disbursement of loan to Zenith Japan Trust (f.k.a. GIP III Zenith Trust III)		(365,742)	–
Disbursement of loan to Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd)		(49,848)	–
Interest received		648	–
Net cash used in investing activities		(2,214,256)	–
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares	15	1,690,245	–*
Proceeds from additional equity received	16	15,674	–
Proceeds from drawdown of revolving credit facility		76,098	–
Proceeds from drawdown of term loan		620,221	–
Payment of transaction costs related to loans and borrowings		(16,955)	–
Interest paid on acquisition		(2,288)	–
Interest paid on term loan		(26,797)	–
Deposit pledged	14	(20,214)	–
Net cash from financing activities		2,335,984	–*
Net increase in cash and cash equivalents		142,031	–
Cash and cash equivalents at 1 January 2018/13 October 2017 (date of incorporation) (unaudited)		–	–
Effect of exchange rate fluctuations on cash held		2,355	
Cash and cash equivalents at 31 December	14	144,386	–

* Less than US$1,000

Significant non-cash transaction

During the financial year, the Group increased its investment in subsidiaries by way of novating a promissory note of US$50 million to the seller.

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

Notes to the financial statements

1 Domicile and activities

Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd) (the 'Company') is incorporated in the Cayman Islands and has it registered office at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The financial statements of the Group as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity-accounted investees.

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

The immediate and ultimate holding companies of the Group as at 31 December 2018 are GIP Zenith Ltd (formerly known as GIP Zenith Cayco I, Ltd) and GIP III Zenith Holdings L.P. respectively, both incorporated in the Cayman Islands.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS').

2.2 Basis of measurement

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

2.3 Functional and presentation currency

Items included in the financial statements of each of the Group entity are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in United States dollars ('US$') which is the Company's presentation currency and rounded to the nearest thousand unless otherwise stated.

2.4 Use of estimates and judgements

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

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

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

- whether the counterparty of the PPA controls or regulates what services the Group Entity must provide with the infrastructure, to whom it must provide them, and at what price; and

- whether the counterparty of the PPA controls — through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the PPA.

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

Note 5 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts

Note 29 – acquisition of subsidiaries: fair value of the assets acquired and liabilities assumed

3 Significant accounting policies

Except for the changes applied in Note 35, the accounting policies set out below have been consistently applied by the Group entities and to all periods presented in these financial statements.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

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

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

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owner in their capacity as owner and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

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

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

(iii) Interest in equity accounted investees

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

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

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

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(iv) Transactions eliminated on consolidation

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

(v) Subsidiaries and associates in the separate financial statements

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

3.2 Foreign currency

(i) Foreign currency transactions

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to US$ at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US$ at monthly average exchange rate. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

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

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

3 Significant accounting policies (cont'd)

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

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

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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

The estimated useful lives of property, plant and equipment are as follows:

Building and leasehold improvements	25 years
Electric generator equipment	25 years
Vehicles	5 years
Computers, fittings and fixture and office equipment	3-5 years

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

No depreciation is provided for plants under construction.

3 Significant accounting policies (cont'd)

3.4 Intangible assets and goodwill

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Goodwill acquired in business combinations is not amortised but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is allocated to cash-generating units ('CGUs') for the purpose of impairment testing.

(ii) Project-related agreements and licences

Project-related agreements and licences include the following items:

- licences, permits and approvals to develop and operate an energy project, including governmental authorisations; land rights and environmental consents;
- connection rights; and
- power purchase agreements.

Project-related agreements and licences are carried at cost less accumulated amortisation and impairment expenses. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives, which are based on the useful life of the related wind or solar assets.

(iii) Service concession intangible assets

Service concession intangible assets represent intangible asset arising from a service concession arrangement when it has a right to charge the grantor for the provision of electricity.

Service concession intangible assets with finite useful lives are measured at cost less accumulated amortisation and impairment losses. These are amortised in the profit or loss on a straight-line basis over their estimated useful lives of 20 to 30 years, from the date on which assets are available for use.

3.5 Financial instruments

(i) Recognition and initial measurement

The Group initially recognises loans and receivables, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised costs; FVOCI – debt investment; FVOCI – equity instrument or fair value through profit or loss ('FVTPL'). The classification of financial assets under IFRS 9 is generally based on the business model which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset are never separated. Instead, the hybrid financial instruments as a whole is assess for classification.

3 Significant accounting policies (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets (cont'd)

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

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

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost of at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gain and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3 Significant accounting policies (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

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

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and fixed deposits that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

3.7 Share capital

Ordinary shares

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

3.8 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ('ECLs') on:

- financial assets measured at amortised costs; and
- contract assets (as defined in IFRS 15).

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

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

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Simplified approach

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

General approach

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

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

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

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

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

- significant financial difficulty of the borrower or counterparty;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; and
- a breach of contract such as a default.

The Group considers the counterparty to be in default if the counterparty is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Measurement of ECLs

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

Credit-impaired financial assets

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

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Credit-impaired financial assets (cont'd)

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

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

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

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.9 Provisions (Asset retirement obligation)

Provisions for environmental restoration and restructuring are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions are comprised of lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at 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.

3.10 Revenue

Sale of electricity

Revenue from sale of electricity in the ordinary course of business is recognised in profit or loss when the Group satisfies a performance obligation ('PO') by transferring control of the electricity generated to the customer. The amount of revenue recognition is the amount of the transaction price allocated to the satisfied PO.

The transaction price is determined based on the applicable tariff rates. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised service. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

Service concession arrangements

Revenue related to construction services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered when the amounts are separately identifiable.

Dividend income

Dividend income is recognised in profit or loss when the right to receive income is established. For unquoted equity securities, dividend income is recognised when the shareholders have approved the payment of a dividend.

3.11 Government grants

The Group recognises an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

3 Significant accounting policies (cont'd)

3.12 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

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

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return of plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Remeasurement are recognised in profit or loss in the period in which they arise.

3.13 Operating costs

Operating costs include expenditure that are incurred by the Group's renewable energy assets after these assets becomes operationally ready, as determined by management.

3.14 Shared services costs

Shared services costs include expenditure that are incurred by the Group's service entities in providing shared services and asset management services to renewable energy assets of the Group's affiliates.

3 Significant accounting policies (cont'd)

3.15 Development costs

Development costs include expenditure that are incurred by the Group's renewable energy assets before these assets becomes operationally ready, as determined by management.

3.16 Finance income and finance costs

Finance income is comprised of interest income. Finance costs are comprised of interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets (other than trade receivables).

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.17 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total expense, over the term of the lease.

3.18 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

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

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

3 Significant accounting policies (cont'd)

3.18 Tax (cont'd)

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

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

Deferred tax is measured tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

4 Property, plant and equipment

	Note	Land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Vehicles US$'000	Computers, fittings and fixture and office equipment US$'000	Assets under construction US$'000	Total US$'000
Group								
Cost								
At 13 October 2017 (date of incorporation)/31 December 2017/ 1 January 2018 (unaudited)		–	–	–	–	–	–	–
Acquisitions through business combinations	32	10,610	13,758	622,592	267	1,539	77,763	726,529
Additions		433	878	47,479	40	1,301	84,211	134,342
Disposals/write-offs		–	(33)	–	(79)	–	–	(112)
Reclassification		–	419	43,493	–	16	(43,928)	–
Effect of exchange rate changes		(895)	(249)	(43,315)	(4)	(15)	(6,973)	(51,451)
At 31 December 2018		10,148	14,773	670,249	224	2,841	111,073	809,308
Accumulated depreciation								
At 13 October 2017 (date of incorporation)/31 December 2017/ 1 January 2018 (unaudited)		–	–	–	–	–	–	–
Depreciation charge for the year		–	919	27,078	37	798	–	28,832
Disposals/write-offs		–	(33)	–	(10)	–	–	(43)
Effect of exchange rate changes		–	(6)	(3,627)	(1)	(4)	–	(3,638)
At 31 December 2018		–	880	23,451	26	794	–	25,151
Carrying amounts								
At 13 October 2017 (date of incorporation)/31 December 2017 (unaudited)		–	–	–	–	–	–	–
At 31 December 2018		10,148	13,893	646,798	198	2,047	111,073	784,157

At 31 December 2018, property, plant and equipment of the Group with carrying amounts of US$666.5 million are pledged as security to secure bank loans.

5 Intangible assets

	Note	Goodwill US$'000	Project-related agreements & licences US$'000	Service concession intangible assets US$'000	Total US$'000
Group					
Cost					
At 13 October 2017 (date of incorporation)/31 December 2017/1 January 2018 (unaudited)		–	–	–	–
Acquisitions through business combinations	32	505,652	492,212	11,584	1,009,448
Service concession		–	–	127,947	127,947
Effect of exchange rate changes		(18,425)	(14,972)	(24)	(33,421)
At 31 December 2018		487,227	477,240	139,507	1,103,974
Accumulated depreciation					
At 13 October 2017 (date of incorporation)/31 December 2017/1 January 2018 (unaudited)		–	–	–	–
Amortisation expense		–	17,353	–	17,353
Effect of exchange rate changes		–	216	–	216
At 31 December 2018		–	17,569	–	17,569
Carrying amounts					
At 13 October 2017 (date of incorporation)/31 December 2017 (unaudited)		–	–	–	–
At 31 December 2018		487,227	459,671	139,507	1,086,405

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

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows:

	2018 US$'000	2017 US$'000 Unaudited
Group		
Australia	115,546	–
India	28,869	–
Indonesia	37,131	–
Philippines	94,361	–
Thailand	6,760	–
Asset Manager	204,560	–
	487,227	–

5 Intangible assets (cont'd)

Operations in Australia, India, Indonesia, Philippines and Thailand

The recoverable amount of these CGUs were based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The discounted cash flows valuation is based on management's latest business plan for forecast horizon of 25 – 30 years and no long term growth is assumed for terminal value. The discount rates of 8.0% - 14.1% (2017: N/A) were post-tax measures estimated based on the historical industry average weighted-average cost of capital, and applying a risk premium for *under construction*, *shovel ready* and *development* assets.

A reasonably possible change in the discount rate and development capacity assumptions used to estimate the recoverable amounts would cause the respective CGUs' carrying amount to exceed its recoverable amount.

Asset Manager

The Asset Manager CGU represents the Engineering, Procurement and Construction Management ('EPCM') and Operations and Maintenance ('O&M') capabilities of the Group. The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using the recent transaction price. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

6 Investment in subsidiaries

	Company 2018 US$'000	Company 2017 US$'000 Unaudited
Equity investment, at cost	1,913,741	–

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

Name of subsidiaries	Sector	Project Name/ Activities	Status	Principal place of business	Ownership interest 2018 %
Tailem Bend Solar Asset Trust	Solar	Tailem Bend	Construction	Australia	100
Vena Energy MH Wind Power Private Limited	Wind	Jath	Operating	India	100
Vena Energy JMD Power Private Limited	Wind	JMD	Operating	India	100
Vena Energy Fatanpur Power Private Limited	Wind	FTP	Operating	India	100
Vena Energy Patan Power Private Limited	Wind	PTN	Operating	India	100
Vena Energy Power Resources Private Limited	Wind	TGP1/2	Operating	India	100

6 Investment in subsidiaries (cont'd)

Name of subsidiaries	Sector	Project Name/ Activities	Status	Principal place of business	Ownership interest 2018 %
Vena Energy KN Wind Power Private Limited	Wind	MNG	Operating	India	100
Vena Energy Solar India Power Resources Private Limited	Solar	TS	Operating	India	100
Vena Energy Solar Ravi India Power Resources Private Limited	Solar	KN	Operating	India	100
PT Energi Bayu Jeneponto	Wind	Tolo	Construction	Indonesia	100
PT Infrastruktur Terbarukan Adhiguna	Solar	Lombok	Construction	Indonesia	100
PT Infrastruktur Terbarukan Buana	Solar	Lombok 2	Construction	Indonesia	100
PT. Infrastruktur Terbarukan Cemerlang	Solar	Lombok 3	Construction	Indonesia	100
PT Infrastruktur Terbarukan Lestari	Solar	Minut	Construction	Indonesia	100
ESPP Co., Ltd.	Solar	ESPP	Operating	Thailand	70
Infinite Alpha Capital Co., Ltd	Solar	IAC	Operating	Thailand	70
Chiangmai Renewable Energy Co., Ltd.	Solar	CRE	Operating	Thailand	70
Golden Light Solar Co., Ltd.	Solar	GLS	Operating	Thailand	70
Bueng Samphan Solar Co., Ltd.	Solar	BSS	Operating	Thailand	70
Northwest Solar Co., Ltd	Solar	NWS	Operating	Thailand	70
Solartech Energy Co.,Ltd	Solar	STE	Operating	Thailand	70
Nine A Solar Co., Ltd.	Solar	NAS	Operating	Thailand	70
Nippon Renewable Energy KK	Solar	N/A	Asset manager	Japan	100
Vena Energy Pte. Ltd.	N/A	Shared services	N/A	Singapore	100

7 Equity-accounted investees

Interests in associates

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

	Hangin ng Amihan Holdings, Inc. and its subsidiaries ('HANGIN')	**Vena Energy Wind Phil. Holdings Inc ('VEWPHI')[1]**	**Hydro Power Holdings Phils. Inc. and its subsidiaries ('HPHPI')[2]**	**Helios Solar Energy Holdings Inc. and its subsidiaries ('HSEHI')**	**First Soleq Holdings Philippines Inc. ('FSHPI')**	**One Bukidnon Project Holdings Inc. ('OBPHI')**
Project name	Pililia	Pililia	Wawa	Pollo	Ironman	Zorro
Sector	54.0 MW wind	54.0 MW wind	250.0 MW hydro	132.5 MW solar	30.4 MW solar	10.5 MW solar
Nature of relationship with the Group	Investment holdings entity for Alternergy Wind One Corporation	Investment holdings entity for Alternergy Wind One Corporation	Investment holdings entity for Olympia Violago Water & Power Inc.	Investment holdings entity for Helios Solar Energy Corp.	Investment holding entity for First Soleq Energy Corp.	Investment holding entity for Asian Greenenergy Corp.
Principal place of business/ Country of incorporation	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines
Economic interest held (%)	99.88%	100.00%	99.97%	99.91%	99.87%	99.87%
Effective economic interest held on the underlying project (%)	55.26%3	39.84%3	89.97%	99.95%	99.90%	99.90%
Voting rights held (%)	39.92%	44.63%	25.00%	25.00%	25.00%	25.00%

1 VEWPHI was formerly known as Energon Philippines Holding Inc.
2 HPHPI was formerly known as HydreqPower Phils., Inc.
3 Through investment in HANGIN & VEWPHI, the Group aggregate economic interest in Project Pililia (54Mw Wind) is 95.1%.

7 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2018	**Pililia HANGIN US$'000**	**Pililia VEWPHI US$'000**	**Wawa HPHPI US$'000**	**Pollo HSEHI US$'000**	**Ironman FSHPI US$'000**	**Zorro OBPHI US$'000**
Property, plant and equipment	91,730	–	7,428	145,694	32,199	12,773
Intangible assets	678	–	–	–	–	–
Equity-accounted investees	–	14,686	–	–	–	–
Other non-current receivables	1,058	60	246	11,317	3,364	974
Prepayment and other assets	34	–	–	1,408	10	4
Non-current assets	93,500	14,746	7,674	158,419	35,573	13,751
Loan receivables	–	–	–	–	3	–
Trade and other receivables	10,134	42	7	8,102	3,243	1,495
Prepayment and other assets	511	–	162	1,936	120	29
Cash and cash equivalents	27,880	7	172	34,561	4,729	1,737
Current assets	38,525	49	341	44,599	8,095	3,261
Total assets	132,025	14,795	8,015	203,018	43,668	17,012
Loans and borrowings	82,426	–	–	63,119	20,710	9,360
Employee benefits	36	–	–	–	–	–
Asset retirement obligation	1,839	–	–	562	132	55
Deferred tax liabilities	768	–	–	–	9	12
Non-current liabilities	85,069	–	–	63,681	20,851	9,427
Loans and borrowings	4,036	–	–	5,795	7,470	2,850
Trade and other payables	5,662	402	570	512	629	888
Current tax liabilities	6	–	–	11	3	1
Current liabilities	9,704	402	570	6,318	8,102	3,739
Total liabilities	94,773	402	570	69,999	28,953	13,166
Net Assets	37,252	14,393	7,445	133,019	14,715	3,846

7 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2018	**Pililia HANGIN US$'000**	**Pililia VEWPHI US$'000**	**Wawa HPHPI US$'000**	**Pollo HSEHI US$'000**	**Ironman FSHPI US$'000**	**Zorro OBPHI US$'000**
Sale of energy	19,796	–	–	32,301	6,893	2,622
Other income	279	5	–	582	111	40
Revenue	20,075	5	–	32,883	7,004	2,662
Operating costs	(5,653)	(127)	–	(4,385)	(1,003)	(1,057)
Shared services costs charged by ROHQ	(722)	–	(112)	(502)	(425)	(347)
Development costs	–	–	(93)	–	–	–
Depreciation expenses	(4,242)	(5)	(1)	(6,606)	(1,731)	(637)
	(10,617)	(132)	(206)	(11,493)	(3,159)	(2,041)
Finance income	208	–	–	267	4	15
Finance costs	(6,303)	(1)	–	(4,810)	(1,307)	(592)
Foreign exchange gain/(loss)	(3,158)	(39)	11	(3,570)	(1,460)	(628)
Net finance income/(costs)	(9,253)	(40)	11	(8,113)	(2,763)	(1,205)
Share of profits of associate	–	363	–	–	–	–
Profit/(loss) before tax	205	196	(195)	13,277	1,082	(584)
Income tax expenses	(658)	(1)	–	(11)	(9)	(13)
Profit/(loss) from continuing operations	(453)	195	(195)	13,266	1,073	(597)
Other comprehensive income						
Foreign operations - foreign currency translation differences	(707)	54	(323)	(6,566)	(689)	(231)
Total comprehensive income	(1,160)	249	(518)	6,700	384	(828)

7 Equity-accounted investees (cont'd)

Interests in associates (cont'd)

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

2018	**Pililia**	**Pililia**	**Wawa**	**Pollo**	**Ironman**	**Zorro**		
	HANGIN US$'000	**VEWPHI US$'000**	**HPHPI US$'000**	**HSEHI US$'000**	**FSHPI US$'000**	**OBPHI US$'000**	**Immaterial associates US$'000**	**Total associates US$'000**
Acquisitions through business combinations	**11,842**	**13,133**	**8,037**	**122,810**	**12,422**	**4,306**	**1,128**	**173,678**
Project-related agreements & licences	48,009	34,615	–	160,188	26,419	5,868	–	275,099
Group's share of amortisation of intangible asset acquired through business combinations	(2,674)	(1,928)	–	(8,310)	(1,443)	(304)	–	(14,659)
Group's share of profit from continuing operations	(168)	196	(76)	13,615	2,701	216	(400)	16,084
Effect of exchange rate changes from Project-related agreements & licences	(2,365)	(1,705)	–	(7,886)	(1,301)	(289)	–	(13,546)
Group's share of other comprehensive income	(882)	55	(323)	901	(688)	(225)	432	(730)
Group's share of total comprehensive income	(6,089)	(3,382)	(399)	(1,680)	(731)	(602)	32	(12,851)
Group's contribution during the year	8,481	1,007	–	29,700	2,400	1,836	1,595	45,019
Distribution during the year	–	–	–	(8,535)	–	–	–	(8,535)
Elimination of unrealised gains from transactions with associates	(692)	–	(100)	(501)	(1,630)	(863)	(572)	(4,358)
Carrying amount of interest in associates at end of the year	61,551	45,373	7,538	301,982	38,880	10,545	2,183	468,052

8 Other investments

	Group 2018 US$'000	Group 2017 US$'000 Unaudited
Equity investment – mandatorily at FVTPL	20,183	–
Debt investment – mandatorily at FVTPL	5,363	–
	25,546	–

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

Debt investment at FVTPL comprise holdings in mutual fund units. These investments are part of the debt service reserve account required to be maintained per requirements of the facility agreement with a financial institution during the tenure of the loan from the financial institution.

9 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Assets 2018 US$'000	Assets 2017 US$'000 Unaudited	Liabilities 2018 US$'000	Liabilities 2017 US$'000 Unaudited
Group				
Property, plant and equipment	47	–	(20,686)	–
Intangible assets	–	–	(1)	–
Loans and borrowings	–	–	(121)	–
Employee benefits	1,150	–	–	–
Other items	82	–	–	–
Tax loss carry-forwards	11,382	–	–	–
Deferred tax assets/(liabilities)	12,661	–	(20,808)	–

Deferred tax assets/(liabilities) are attributable to the following:

Movement in deferred tax balances

Group	Balance as at 13 October 2017 (date of incorporation) US$'000 Unaudited	Acquisition of subsidiaries (Note 32) US$'000	Recognised in profit or loss (Note 28) US$'000	Recognised in OCI US$'000	Exchange differences US$'000	Balance as at 31 December 2018 US$'000
Property, plant and equipment	–	(30,505)	7,524	–	2,342	(20,639)
Intangible assets	–	(1)	–	–	–	(1)
Loans and borrowings	–	(92)	(26)	–	(3)	(121)
Employee benefits	–	1,938	(837)	(11)	60	1,150
Other items	–	120	(90)	–	52	82
Tax loss carry-forwards	–	16,699	(3,416)	–	(1,901)	11,382
	–	(11,841)	3,155	(11)	550	(8,147)

10 Loans receivables

	Note	Group 2018 US$'000	Group 2017 US$'000 Unaudited	Company 2018 US$'000	Company 2017 US$'000 Unaudited
Non-current					
Loans receivables from:					
- Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd)		47,847	–	47,847	–
- Zenith Japan Trust (f.k.a. GIP III Zenith Trust III)		306,508	–	306,508	–
- Other subsidiaries of Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II)		4,919	–	–	–
- Equity-accounted investees		52,388	–	–	–
- Other third parties		19,510	–	–	–
Bond receivables from GK NWE-09		318	–	–	–
Promissory note receivables	(a)	7,238	–	–	–
		438,728	–	354,355	–
Less: Impairment loss	29	(1,974)	–	(1,595)	–
Total non-current loans receivables		436,754	–	352,760	–
Current					
Interest receivables from:					
- Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd)		1,332	–	1,332	–
- Zenith Japan Trust (f.k.a. GIP III Zenith Trust III)		13,984	–	13,984	–
- Other subsidiaries of Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II)		285	–	–	–
- Equity-accounted investees		9,925	–	–	–
- Bond receivables from GK NWE-09		4	–	–	–
- Promissory note receivables		203	–	–	–
- Other third parties		2,380	–	–	–
Loan receivables from:					
- Equity-accounted investees		7,481	–	–	–
		35,594	–	15,316	–
Less: Impairment loss	29	(160)	–	(69)	–
Total current loans receivables		35,434	–	15,247	–

(a) Promissory notes receivable are zero coupon, non-transferable and redeemable, with maturity date on 3 August 2027. At redemption date, the Group is entitled to receive a redemption amount equal to 1% of the principal amount plus accrued redemption fee per annum.

10 Loans receivables (cont'd)

Terms and conditions of loan receivables are as follows:

2018

Group	Note	Currency	Principal amount US$'000	Maturity date	Interest rate	Secured/ unsecured
Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd)	(a)	USD	47,847	Repayable on demand	5%	Unsecured
Zenith Japan Trust (f.k.a. GIP III Zenith Trust III)	(a)	USD	218,301	Repayable on demand	5%	Unsecured
Zenith Japan Trust (f.k.a. GIP III Zenith Trust III)	(a)	JPY	88,207	Repayable on demand	5%	Unsecured
Other subsidiaries of Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II)	(b)	JPY	4,919	27 November 2033 to 18 May 2035	6%	Unsecured
Equity-accounted investees		USD	59,870	30 September 2025 to 30 June 2026	3% - 5%	Unsecured
Other third parties	(c)	USD	13,000	31 December 2021	17%	Secured
Other third parties	(a)	USD	3,760	Repayable on demand	0%	Unsecured
Other third parties	(a)	USD	2,750	12 months from first drawdown	5.5%	Unsecured
Company						
Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd)	(a)	USD	47,847	Repayable on demand	5%	Unsecured
Zenith Japan Trust (f.k.a. GIP III Zenith Trust III)	(a)	USD	218,301	Repayable on demand	5%	Unsecured
Zenith Japan Trust (f.k.a. GIP III Zenith Trust III)	(a)	JPY	88,207	Repayable on demand	5%	Unsecured

(a) The Group and the Company does not intend to demand for repayment for the above loans in the next 12 months.

(b) Repayable within 20 years in equal and consecutive instalments of 33.33% with the first payment due 17 years from the date of origination and the same amount on the same day every year thereafter, or earlier at the demand of the Company. The Group does not intend to demand for repayment for the above loans in the next 12 months.

(c) Loan to third party (San Lorenzo Ruiz Builders & Developers Group Inc) is secured by rights to Project Wawa.

11 Derivative assets and liabilities

	Group		Company	
	2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
Derivative assets				
Non-current				
Electricity derivative	50,226	–	–	–
Forward exchange contract	3,351	–	–	–
	53,577	–	–	–
Current				
Forward exchange contract	1,160	–	–	–
Interest rate swaps	39	–	39	–
	1,199	–	39	–
Total derivative assets	54,776	–	39	–
Derivative liabilities				
Non-current				
Interest rate swaps	6,946	–	–	–
Total derivative liabilities	6,946	–	–	–

12 Prepayments and other assets

	Group	
	2018 US$'000	2017 US$'000 Unaudited
Non-current		
Other prepayments	9,911	–
Other assets	1,779	–
	11,690	–
Current		
Prepaid land rent	304	–
Other prepayments	1,891	–
Other assets	1,043	–
	3,238	–
Total prepayments and other assets	14,928	–

13 Trade and other receivables

	Note	Group 2018 US$'000	Group 2017 US$'000 Unaudited	Company 2018 US$'000	Company 2017 US$'000 Unaudited
Trade receivables		47,645	–	–	–
Accrued income		10,858	–	–	–
Amounts due from:					
- Subsidiary		–	–	24,333	–
- Equity-accounted investees		1,380	–	–	–
- Subsidiaries of Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II)		40,582	–	–	–
- Subsidiaries of Vena Energy (Taiwan) Holdings Ltd (f.k.a. GIP Zenith Cayco IV, Ltd)		3,624	–	–	–
- Other third parties		3,983	–	–	–
Commission receivable		4,941	–	–	–
Deposits		3,308	–	–	–
Other tax receivables		4,923	–	–	–
Other receivables		16,521	–	–	–
		137,765	–	24,333	–
Less: Impairment loss	29	(610)	–	(109)	–
Total trade and other receivables		137,155	–	24,224	–

The amount due from subsidiary of US$24.3 million is non-trade, unsecured and non-interest bearing and has no fixed term of repayment.

The amount due from equity-accounted investees of US$1.4 million is non-trade, unsecured, non-interest bearing and has not fixed term of repayment.

14 Cash and cash equivalents

	Note	Group 2018 US$'000	Group 2017 US$'000 Unaudited	Company 2018 US$'000	Company 2017 US$'000 Unaudited
Bank balances		275,287	–	164,600	–
Short term deposits		47,140	–	–	–
Cash and cash equivalents in the statement of financial position		**322,427**	–	**164,600**	–
Restricted bank balances and deposits	(a)	(47,289)	–	(20,214)	–
Bank overdrafts used for cash management purposes		(4,213)	–	–	–
Cash and cash equivalents in the statement of cash flows		**270,925**	–	**144,386**	–

(a) As at 31 December 2018, the Group's cash and cash equivalents of US$47.3 million of the Group's cash and cash equivalents were held under project accounts.

15 Share capital

	Group and Company	
	2018 No. of shares ('000)	2017 No. of shares ('000) Unaudited
Issued and fully paid		
At 13 October 2017 (date of incorporation) / 1 January 2018 (unaudited)	–*	–*
Issued during the year/period	1,690,245	–*
At 31 December	1,690,245	–*

* Less than 1,000.

Ordinary shares

The ordinary shares were issued with par value of US$1.00 per share. The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

Issue of ordinary shares

During the year, the Company issued 1,690,245,195 ordinary shares at US$1.00 per share to its immediate holding company.

16 Reserves

Reserves

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

	Group		Company	
	2018 $'000	2017 $'000 Unaudited	2018 $'000	2017 $'000 Unaudited
Capital reserve	65,674	–	65,674	–
Translation reserve	(52,371)	–	–	–
Defined benefit reserve	98	–	–	–
	13,401	–	65,674	–

Capital reserve

The capital reserves comprises the excess of amounts received from shareholders over the par value of shares issued, or equity injections by shareholders for which ordinary shares have yet to be issued.

Translation reserve

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

Defined benefit reserve

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

17 Loans and borrowings

	Group		Company	
	2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
Non-current				
Project finance debt	758,014	–	–	–
Term loan	622,452	–	622,452	–
Finance lease liabilities	42	–	–	–
Deferred financing cost	(20,898)	–	(9,300)	–
	1,359,610	–	613,152	–
Current				
Project finance debt	39,393	–	–	
Revolving credit facility	78,399	–	78,399	–
Bank overdrafts	4,213	–	–	–
Finance lease liabilities	31	–	–	–
Deferred financing cost	(4,433)	–	(3,100)	–
Interest payable	2,865	–	470	–
	120,468	–	75,769	–
	1,480,078	–	688,921	–

17 Loans and borrowings (cont'd)

Terms and conditions of loans and borrowings are as follows:

2018

	Currency	Nominal interest rate %	Year of maturity	Carrying amount US$'000
Group				
Project finance debt	AUD	BBSY+1.75%	2028	101,210
Project finance debt	INR	9.75%	2032 to 2033	37,779
Project finance debt	INR	10.25%	2033 to 2035	330,096
Project finance debt	THB	4.2% & MLR-2.8%	2027	107,157
Project finance debt	USD	11%	2035	57,940
Project finance debt	USD	3% & LIBOR+2.25%	2037	120,750
Project finance debt	USD	3% & LIBOR+3.15%	2037	13,875
Project finance debt	USD	1.1% & LIBOR+3.15%	2037	9,399
Project finance debt	USD	1.5% & LIBOR+3.15%	2037	19,200
Term loan	USD	LIBOR+3.5%	2023	317,716
Term loan	JPY	LIBOR+3.5%	2023	304,737
Revolving credit facility	JPY	LIBOR+1.5%	2023	78,399
Company				
Term loan	USD	LIBOR+3.5%	2023	317,716
Term loan	JPY	LIBOR+3.5%	2023	304,737
Revolving credit facility	JPY	LIBOR+1.5%	2023	78,399

The loans and borrowings contain debt covenants which are tested on a regular basis. A future breach of these covenants may require the Group to repay the loans and borrowings earlier than indicated in the table above.

17 Loans and borrowings (cont'd)

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

	Liabilities				Equity			
	Overdraft facility US$'000	Project finance debt US$'000	Working capital loan[1] US$'000	Finance lease liabilities US$'000	Share capital US$'000	Reserves US$'000	Non-controlling interests US$'000	Total US$'000
Changes arising from obtaining or losing control of subsidiaries or other business	11,843	535,873	–	103	–	–	72,323	620,142
Changes from financing cash flows								
Proceeds from issuance of shares	–	–	–	–	1,690,245	15,674	–	1,705,919
Dividends paid to non-controlling interests	–	–	–	–	–	–	(6,671)	(6,671)
Proceeds from loan and borrowing	–	650,258	696,319	–	–	–	–	1,346,577
Repayment of loan and borrowing	–	(383,899)	–	–	–	–	–	(383,899)
Payment of finance lease liabilities	–	–	–	(30)	–	–	–	(30)
Transaction costs related to loans and borrowings	–	(18,318)	(16,954)	–	–	–	–	(35,272)
Interest paid on acquisition	–	(7,401)	(2,106)	–	–	–	–	(9,507)
Interest paid	–	(42,908)	(26,797)	–	–	–	–	(69,705)
Total changes from financing cash flows	–	197,732	650,462	(30)	1,690,245	15,674	(6,671)	2,547,412
The effect of changes in foreign exchange rates	–	(5,370)	4,349	–	–	–	–	(1,021)
Other changes								
Liability-related								
Change in bank overdraft	(7,630)	–	–	–	–	–	–	(7,630)
Interest expense	–	58,637	34,110	–	–	–	–	92,747
Total liability-related other changes	(7,630)	58,637	34,110	–	–	–	–	85,117
Total equity-related other changes	–	–	–	–	–	–	8,775	8,775
Balance at 31 December 2018	4,213	786,872	688,921	73	1,690,245	15,674	74,427	3,260,425

[1] Working capital loan included term loan and revolving credit facility

18 Asset retirement obligation

	Note	Group 2018 US$'000	Group 2017 US$'000 Unaudited
At 1 January/13 October 2017 (date of incorporation) (unaudited)		–	–
Acquisitions through business combinations	32	2,058	–
Provision made during the year		184	–
Effect of exchange rate changes		99	–
At 31 December		2,341	–

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

19 Trade and other payables

	Group 2018 US$'000	Group 2017 US$'000 Unaudited	Company 2018 US$'000	Company 2017 US$'000 Unaudited
Amounts due to:				
- Subsidiary	–	–	179	–
- Subsidiaries of Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II)	40,040	–	–	–
- Equity-accounted investees	203	–	–	–
- Other third parties	5,578	–	1,678	–
Trade payables	3,453	–	–	–
Payables to EPC contractors	24,248	–	–	–
Other tax payable	3,650	–	–	–
Accrued operating expenses	10,933	–	287	–
Accrued staff costs	7,972	–	–	–
Deferred income	440	–	–	–
	96,517	–	2,144	–

The amount due to subsidiary of US$0.2 million is non-trade, unsecured, non-interest bearing and repayable on demand.

The amount due to equity-accounted investees of US$0.2 million is non-trade, unsecured, non-interest bearing and repayable on demand.

20 Revenue

The Group's revenue comprises:

	Group Year ended 31 December 2018 US$'000	Group Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Company Year ended 31 December 2018 US$'000	Company Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Dividend income	–	–	46,622	–
Sale of energy	147,254	–	–	–
Service concession income	123,042	–	–	–
Fee income:				
- Shared services fee income	5,827	–	–	–
- Operations & Maintenance service fees income	5,750	–	–	–
- Asset management fee income	12,225	–	–	–
	294,098	–	46,622	–

20 Revenue (cont'd)

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

Sale of energy

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

Service concession arrangements

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

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

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

	Group	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Revenue	123,042	–
Profit	–	–

The revenue recognised in relation to construction in 2018 represents the fair value of the construction services provided in constructing the plant. The Group has recognised of US$139.5 million in intangible asset (see note 5) as at 31 December 2018.

Disaggregation of revenue from contracts with customers

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

	Group	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Thailand Solar	45,733	–
India Solar	25,030	–
India Wind	76,491	–
	147,254	–

21 Other income

The Group's other income comprises:

	Group Year ended 31 December 2018 US$'000	Group Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Insurance claims	3,165	–
Others	2,653	–
	5,818	–

22 Operating costs

	Group Year ended 31 December 2018 US$'000	Group Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Operations and maintenance costs	15,235	–
Utilities and transmission costs	1,210	–
Asset related insurance	1,116	–
Professional fees	1,755	–
Rental - land & site office	1,534	–
Asset related tax and levies	245	–
Travel and entertainment expenses	336	–
Other general and administrative costs	899	–
	22,330	–

Staff costs of US$4.6 million is included within Operations and maintenance costs.

23 Shared services costs

	Group		Company	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Staff costs	33,441	–	–	–
Directors and Investment Committee members fee	2,465	–	–	–
Occupancy costs	2,740	–	–	–
Professional fees	4,192	–	463	–
IT expenses	814	–	–	–
Secondment fee	1,331	–	–	–
Insurance	228	–	–	–
Travel and entertainment expenses	2,149	–	–	–
Other general and administrative costs	2,550	–	10	–
	49,910	–	473	–

24 Development costs

	Group	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Staff costs	89	–
Professional fees	649	–
Travel and entertainment expenses	315	–
Occupancy costs	80	–
Other general and administrative costs	201	–
	1,334	–

25 Finance income and finance costs

	Group		Company	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Year ended 31 Dec 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Finance income				
Interest income from:				
- Loan to Zenith Japan Trust (f.k.a. GIP III Zenith Trust III)	13,952	–	13,952	–
- Loan to Vena Energy (Taiwan) Holdings Ltd (f.k.a GIP Zenith Cayco IV, Ltd)	1,332	–	1,332	–
- Loan to other subsidiaries of Zenith Japan Holdings Trust (f.k.a. GIP III Zenith Trust II)	346	–	–	–
- Loan to other third parties	5,830	–	–	–
- Short term deposits	3,632	–	648	–
Total finance income	25,092	–	15,932	–
Finance costs				
Interest expense on:				
- Project finance debt	(42,604)	–	–	–
- Term loan	(27,086)	–	(27,086)	–
- Acquisition of subsidiaries	(9,507)	–	(2,288)	–
Other finance costs	(13,550)	–	(4,736)	–
Total finance costs	(92,747)	–	(34,110)	–

26 Change in fair value of financial instrument at FVTPL

	Group		Company	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Gain/(loss) on change in fair value:				
- Equity investment	3,515	–	–	–
- Debt investment	368	–	–	–
- Electricity derivatives	43,193	–	–	–
- Forward contract	(1,159)	–	–	–
- Interest swaps	(1,102)	–	39	–
	44,815	–	39	–

27 Profit before tax

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

	Group	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Staff costs		
Wages and salaries	18,210	–
Transaction bonus	12,325	
Ordinary bonus	3,679	–
Contributions to defined contribution plans	1,379	–
Employee insurance	550	–
Recruitment fee	470	–
Staff benefits, allowances and others	1,493	–
	38,106	–

28 Tax expense

	Group		Company	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Current tax expense				
Withholding tax	(4,023)	–	–	–
Current year	(1,220)	–	–	–
	(5,243)	–	–	–
Deferred tax credit				
Origination and reversal of temporary difference	3,155	–	–	–
Tax expense	(2,088)	–	–	–
Tax recognised in OCI				
Defined benefit plan remeasurements	(11)	–	–	–

Reconciliation of effective tax rate

Profit before tax	3,066	–	23,627	–
Tax using Cayman Island tax rate of 0%	–	–	–	–
Effect of tax rates in foreign jurisdiction	8,033	–	–	–
Effects of results of equity-accounted investees presented net of tax	(4,034)	–	–	–
Expenses non-deductible for tax purposes	11,305	–	–	–
Tax-exempt income/non-taxable income	(20,124)	–	–	–
Tax incentives	(105)	–	–	–
Recognition of tax effect of previously unrecognised tax losses	(6,327)	–	–	–
Current-year losses for which no deferred tax asset is recognised	9,490	–	–	–
Withholding taxes	4,023	–	–	–
Change in unrecognised temporary differences	(173)	–	–	–
	2,088	–	–	–

The Cayman Islands tax rate of 0% is used in the table above as this is the country in which the Company is domiciled.

29 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

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

The carrying amount of financial assets in the statement of financial position represents the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company does not hold any collateral in respect of its financial assets.

Impairment loss on financial assets included in the statement of comprehensive income

	Group		Company	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Impairment loss on trade receivables	138	–	–	–
Impairment loss on other receivables	320	–	109	–
Impairment loss on loan receivables	2,134	–	1,664	–
	2,592	–	1,773	–

Trade receivables and accrued income

The Group's customers comprises mainly government or quasi-government offtakers of electricity, and a small number of private offtakers. Exposure to credit risk is influenced mainly by the individual characteristics of the offtaker and/or the government entity supporting the offtaker.

Most of the Group's customers have been transacting with the respective Group Entities for over 1 year, and no impairment loss has been recognised against these customers.

The Group does not require collateral in respect of trade receivables.

29 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables and accrued income (cont'd)

Exposure to credit risk

The maximum exposure to credit risk for trade receivables and accrued income at the reporting date by geographic region was as follows:

	Group Carrying amount		Company Carrying amount	
	2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
India	47,913	–	–	–
Japan	748	–	–	–
Indonesia	984	–	–	–
Thailand	7,987	–	–	–
Philippines	686	–	–	–
Australia	180	–	–	–
Taiwan	5	–	–	–
Others[1]	–	–	–	–
	58,503	–	–	–

[1] Others includes offshore entities in Singapore, Cayman Islands and Netherlands.

A summary of the exposure to credit risk for trade receivables and accrued income is as follows:

	2018	
	Not credit-impaired $'000	Credit-Impaired $'000
Group		
India	47,913	–
Japan	748	–
Indonesia	984	–
Thailand	7,987	–
Philippines	686	–
Australia	180	–
Taiwan	5	–
Others[1]	–	–
Total gross carrying amount	58,503	–
Loss allowance	(138)	–
	58,365	–

[1] Others includes offshore entities in Singapore, Cayman Islands and Netherlands.

29 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Expected credit loss assessment for customers as at 1 January and 31 December 2018

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include 'Low', 'Medium' and 'High'.

Exposures within each credit risk grade are segmented by industry and an ECL rate is calculated for each segment.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2018:

		Group		
Credit risk grade	**Loss rate %**	**Gross carrying amount US$'000**	**Impairment loss allowance US$'000**	**Credit-impaired**
Government or government-linked				
Low	0.00	27,739	–	No
Utilities industry				
Low	0.45	30,764	138	No
		58,503	138	

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group US$'000	**Company US$'000**
At 1 January 2018 per IAS 39 (unaudited)	–	–
Adjustment on initial application of IFRS 9	–	–
Impairment loss from acquisition of subsidiaries	–	–
At 1 January 2018 per IFRS 9 (unaudited)	–	–
Impairment loss recognised	138	–
At 31 December 2018 per IFRS 9	138	–

Other receivables

Other receivables comprises mainly balances due from affiliates of the Group to which the Group has provided short term liquidity for strategic purposes.

Most of the Group's counterparties have been transacting with the respective Group entities for over 1 year, and no impairment loss has been recognised against these counterparties.

The Group does not require collateral in respect of other receivables.

29 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Other receivables (cont'd)

Exposure to credit risk

The maximum exposure to credit risk for other receivables at the reporting date by geographic region was as follows:

	Group Carrying amount		Company Carrying amount	
	2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
India	2,609	–	–	–
Japan	40,597	–	–	–
Indonesia	16,632	–	–	–
Thailand	354	–	–	–
Philippines	2,964	–	–	–
Australia	130	–	–	–
Taiwan	2,474	–	–	–
Others[1]	8,579	–	24,333	–
	74,339	–	24,333	–

[1] Others includes offshore entities in Singapore, Cayman Islands and the Netherlands.

A summary of the exposure to credit risk for other receivables is as follows:

The Group has no non credit-impaired other receivables with significant increase in credit risk.

	2018	
	12-month ECL US$'000	Credit-Impaired US$'000
Group		
India	2,609	–
Japan	40,597	–
Indonesia	16,632	–
Thailand	354	152
Philippines	2,964	–
Australia	130	–
Taiwan	2,474	–
Others[1]	8,579	–
Total gross carrying amount	74,339	152
Loss allowance	(320)	(152)
	74,019	–
Company		
Singapore	24,333	–
Total gross carrying amount	24,333	–
Loss allowance	(109)	–
	24,224	–

[1] Others includes offshore entities in Singapore, Cayman Islands and the Netherlands.

29 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Expected credit loss assessment for customers as at 1 January and 31 December 2018

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include 'Low', 'Medium' and 'High'.

Exposures within each credit risk grade are segmented by industry and an ECL rate is calculated for each segment.

The following table provides information about the exposure to credit risk and ECLs for other receivables as at 31 December 2018:

		Group		
Credit risk grade	**Loss rate %**	**Gross carrying amount US$'000**	**Impairment loss allowance US$'000**	**Credit-impaired**
<u>Government or government-linked</u>				
Low	0.00	1,008	–	No
<u>Insurance industry</u>				
Low	0.32	16,577	53	No
<u>Financial industry</u>				
Low	0.67	1,503	10	No
<u>Real estate industry</u>				
Low	0.72	3,105	23	No
<u>Utilities industry</u>				
Low	0.45	51,994	234	No
High	100	152	152	Yes
		74,339	472	

		Company		
Credit risk grade	**Loss rate %**	**Gross carrying amount US$'000**	**Impairment loss allowance US$'000**	**Credit-impaired**
<u>Utilities industry</u>				
Low	0.45	24,333	109	No

29 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Movements in allowance for impairment in respect of other receivables

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Group US$'000	Company US$'000
At 1 January 2018 per IAS 39 (unaudited)	–	–
Adjustment on initial application of IFRS 9	–	–
Impairment loss from acquisition of subsidiaries	152	–
At 1 January 2018 per IFRS 9 (unaudited)	152	–
Impairment loss recognised	320	109
At 31 December 2018 per IFRS 9	472	109

Loans receivables

Loans receivables comprises mainly balances due from equity-accounted investees and other affiliates of the Group to which the Group has provided financing for long term strategic purposes.

Most of the Group's counterparties have been transacting with the respective Group Entities for over 1 year, and no impairment loss has been recognised against these counterparties.

The Group does not require collateral in respect of loans receivables.

Exposure to credit risk

The maximum exposure to credit risk for loans receivables at the reporting date by geographic region was as follows:

	Group Carrying amount		Company Carrying amount	
	2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
India	390	–	–	–
Japan	322	–	–	–
Indonesia	1,880	–	–	–
Thailand	7,440	–	–	–
Others[1]	464,290	–	369,671	–
	474,322	–	369,671	–

[1] Others includes offshore entities in Singapore and Cayman Islands.

29 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Loans receivables (cont'd)

A summary of the exposure to credit risk for loans receivables is as follows:

The Group has no non credit-impaired other receivables with significant increase in credit risk.

	2018	
	12-month ECL US$'000	Credit-impaired US$'000
Group		
India	390	–
Japan	322	–
Indonesia	1,880	–
Thailand	7,440	–
Others[1]	464,290	
Total gross carrying amount	474,322	–
Loss allowance	(2,134)	–
	472,188	–
Company		
Cayman Islands	369,671	–
Total gross carrying amount	369,671	–
Loss allowance	(1,664)	–
	368,007	–

[1] Others includes offshore entities in Singapore and Cayman Islands.

Expected credit loss assessment for loans receivables as at 1 January and 31 December 2018

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include 'Low', 'Medium' and 'High'.

Exposures within each credit risk grade are segmented by industry and an ECL rate is calculated for each segment.

The following table provides information about the exposure to credit risk and ECLs for other receivables as at 31 December 2018:

		Group		
Credit risk grade	**Loss rate %**	**Gross carrying amount US$'000**	**Impairment loss allowance US$'000**	**Credit-impaired**
Utilities Industry				
Low	0.45	474,322	2,134	No

29 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Expected credit loss assessment for loans receivables as at 1 January and 31 December 2018 (cont'd)

		Company		
Credit risk grade	**Loss rate %**	**Gross carrying amount US$'000**	**Impairment loss allowance US$'000**	**Credit-impaired**
<u>Utilities industry</u>				
Low	0.45	369,671	1,664	No

Movements in allowance for impairment in respect of loans receivables

The movement in the allowance for impairment in respect of loans receivables during the year was as follows:

	Group US$'000	Company US$'000
At 1 January 2018 per IAS 39	–	–
Adjustment on initial application of IFRS 9	–	–
Impairment loss from acquisition of subsidiaries	–	–
At 1 January 2018 per IFRS 9	–	–
Impairment loss recognised	2,134	1,664
At 31 December 2018 per IAS 39	2,134	1,664

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of US$322.4 million and US$164.6 million respectively at 31 December 2018 – these figures represents its maximum credit exposures on these assets. The cash and cash equivalents are held with bank and financial institution counterparties which are rated AA+ to BB, based on S&P Global ratings and Aa3 to Baa3, based on Moody Corporation ratings.

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

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt investments.

As at 31 Dec 2018, the estimated impairment with respect to cash and cash equivalents is not significant.

29 Financial instruments (cont'd)

Financial risk management (cont'd)

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount US$'000	Contractual cash flows US$'000	12 months or less US$'000	1-2 years US$'000	2-5 years US$'000	More than 5 years US$'000
Group						
31 December 2018						
Non-derivative financial liabilities						
Bank loans	1,501,123	1,583,887	237,601	62,240	806,665	477,381
Finance lease liabilities	73	77	33	33	11	–
Trade and other payables*	92,427	92,427	92,427	–	–	–
Bank overdraft	4,213	4,213	4,213	–	–	–
	1,597,836	1,680,604	334,274	62,273	806,676	477,381
Derivative financial instruments						
Interest rate swaps (net-settled)	6,907	6,907	48	286	2,171	4,402
Forward exchange contracts (gross-settled):	(4,511)					
- Outflow		(51,592)	(9,989)	(41,603)	–	–
- Inflow		56,058	11,149	44,909	–	–
	2,396	11,373	1,208	3,592	2,171	4,402
	1,600,232	1,691,977	335,482	65,865	808,847	481,783
Company						
31 December 2018						
Non-derivative financial liabilities						
Bank loans	701,321	701,321	78,869	–	31,123	591,329
Trade and other payables*	2,144	2,144	2,144	–	–	–
	703,465	703,465	81,013	–	31,123	591,329
Derivative financial instruments						
Interest rate swaps (net-settled)	(39)	(39)	(39)	–	–	–
	703,426	703,426	80,974	–	31,123	591,329

** Excludes non-financial liabilities*

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

29 Financial instruments (cont'd)

Financial risk management (cont'd)

Market risk (cont'd)

Currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Company. The currency giving rise to this risk are detailed in the table below.

The Group ensures that the net exposure to foreign currency risk is monitored on an ongoing basis and the Company endeavours to keep the net exposure at an acceptable level.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

		2018	
	USD US$'000	JPY US$'000	IDR US$'000
Group			
Trade receivables			
Cash and cash equivalents	12,583	84,342	2,969
Derivative assets	–	–	–
Loan receivables	–	96,072	–
Derivative liabilities	–	–	–
Secured bank loans	(170,697)	(383,443)	–
Trade payables	–	–	–
Net exposure	(158,114)	(203,029)	2,969
Company			
Trade receivables	–	–	–
Cash and cash equivalents	–	84,342	–
Derivative assets	–	–	–
Loan receivables	–	90,868	–
Secured bank loans	–	(383,443)	–
Trade payables	–	–	–
Net exposure	–	(208,233)	–

Sensitivity analysis

A 5% strengthening or (weakening) of the dollar against the respective currencies at the reporting date would increase/(decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Company	
	Profit or loss US$'000	Equity US$'000	Profit or loss US$'000	Equity US$'000
31 December 2018				
JPY (5% strengthening)	10,151	10,151	10,411	10,411
IDR (5% strengthening)	(148)	(148)	–	–
JPY (5% weakening)	(10,151)	(10,151)	(10,411)	(10,411)
IDR (5% weakening)	148	148	–	–

29 Financial instruments (cont'd)

Financial risk management (cont'd)

Market risk (cont'd)

Interest rate risk

Interest rate risk refers to the risk faced by the Group as a result of fluctuations in interest rates. The Group manages some of its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Exposure to interest rate risk

At the reporting date, the variable rate interest-bearing borrowings that are subject to interest rate risk were as follows:

	Group Nominal amount		Company Nominal amount	
	2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
Fixed rate instruments				
Financial assets	442,449	–	354,355	–
Financial liabilities	(425,816)	–	–	–
	16,633	–	354,355	–
Variable rate instruments				
Financial liabilities	(1,072,442)	–	(700,851)	–
Interest rate swap	464,788		310,000	
	(607,654)	–	390,851	–

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate instrument a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased equity by approximately US$0.2 million for the Group. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity	
	100 bp increase US$'000	100 bp decrease US$'000	100 bp increase US$'000	100bp decrease US$'000
Group				
31 December 2018				
Variable rate instruments	10,724	(10,724)	–	–
Interest rate swap	(4,648)	4,648	–	–
Cash flow sensitivity (net)	6,076	(6,076)	–	–
31 December 2017 (unaudited)				
Variable rate instruments	–	–	–	–
Interest rate swap	–	–	–	–
Cash flow sensitivity (net)	–	–	–	–

29 Financial instruments (cont'd)

Financial risk management (cont'd)

Market risk (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments (cont'd)

	Profit or loss		Equity	
	100 bp increase US$'000	100 bp decrease US$'000	100 bp increase US$'000	100bp decrease US$'000
Company				
31 December 2018				
Variable rate instruments	7,009	(7,009)	–	–
Cash flow sensitivity (net)	(3,100)	3,100	–	–
	3,909	(3,909)	–	–
31 December 2017 (unaudited)				
Variable rate instruments	–	–	–	–
Cash flow sensitivity (net)	–	–	–	–
	–	–	–	–

Capital management

The Group's objective in managing capital is to ensure a stable and strong capital base to maximise returns for its shareholders.

The Group defines capital as including all components of equity. The Group's capital structure is regularly reviewed and managed in accordance with the capital management practices of the Group. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group, to the extent that these do not conflict with the directors' fiduciary duties towards the Group.

The Group is not subject to externally imposed capital requirements.

30 Fair value of financial instruments

Fair value measurement

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

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

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

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

30 Fair value of financial instruments (cont'd)

Fair value measurement (cont'd)

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

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

30 Fair value of financial instruments (cont'd)

Accounting classification and fair value

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

		Carrying amount				Fair value			
	Note	Mandatorily at FVTPL US$'000	Amortised cost US$'000	Other financial liabilities US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group									
31 December 2018									
Loans receivables	10	–	472,188	–	472,188				
Trade and other receivables*	13	–	132,232	–	132,232				
Other investments		25,546	–	–	25,546	–	5,363	20,183	25,546
Electricity derivative	11	50,226	–	–	50,226	–	–	50,226	50,226
Forward exchange contract	11	4,511	–	–	4,511	–	4,511	–	4,511
Interest rate swaps	11	39	–	–	39	–	39	–	39
Cash and cash equivalents	14	–	322,427	–	322,427				
		80,322	926,847	–	1,007,169				
Loans and borrowings	17	–	–	(1,480,078)	(1,480,078)				
Interest rate swaps	11	(6,946)	–	–	(6,946)	–	(6,946)	–	(6,946)
Trade and other payables*	19	–	–	(92,427)	(92,427)				
		(6,946)	–	(1,572,505)	(1,579,451)				

* Excludes non-financial assets and liabilities

30 Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

		Carrying amount				Fair value			
	Note	Mandatorily at FVTPL US$'000	Amortised cost US$'000	Other financial liabilities US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Company									
31 December 2018									
Loans receivables	10	–	368,007	–	368,007				
Interest rate swaps	11	39	–	–	39	–	39	–	39
Trade and other receivables*	13	–	24,224	–	24,224				
Cash and cash equivalents	14	–	164,600	–	164,600				
		39	556,831	–	556,870				
Loans and borrowings	17	–	–	(688,921)	(688,921)				
Trade and other payables*	19	–	–	(2,144)	(2,144)				
		–	–	(691,065)	(691,065)				

* Excludes non-financial assets and liabilities

30 Fair value of financial instruments (cont'd)

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

30 Fair value of financial instruments (cont'd)

Level 3 fair values

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

	Group	
	Equity investments – at FVTPL US$'000	Electricity derivative US$'000
At 13 October 2017 (date of incorporation)/1 January 2018 (unaudited)	–	–
Acquisition through business combination	16,515	7,738
Purchases	153	–
Total unrealised gains and losses recognised in profit or loss	3,515	43,193
Foreign currency translation recognised in OCI	–	(705)
At 31 December	20,183	50,226

Sensitivity analysis

For the fair values of contingent consideration and equity securities available for sale, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Equity Investment – at FVTPL

31 December 2018	Group (Profit or Loss)	
	Increase US$'000	Decrease US$'000
Discount rate (1% movement)	2,730	8,200
Development Capacity (1% movement)	199	(199)

Electricity derivatives

For the fair values of electricity derivatives, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

31 December 2018	Group (Profit or Loss)	
	Increase US$'000	Decrease US$'000
Spot rate (0.1% movement)	270	(270)
Discount rate (0.1% movement)	878	(878)

31 Commitments

Operation and maintenance agreements

The future aggregate minimum lease payments for operation and maintenance agreements are as follows:

	Group	
	2018 US$'000	2017 US$'000 Unaudited
Within one year	999	–
After one year but within five years	2,839	–
After five years	294	–
Total	4,132	–

31 Commitments (cont'd)

Operation and maintenance agreements (cont'd)

The Group entered into various coordination agreements with the suppliers, service providers, developers and constructors, in order to specify each party's responsibilities for power plant construction.

During the year, an amount of US$3.5 million was recognised as an expense in profit or loss in respect of operating lease.

Non-cancellable operating lease commitments

The Group leases a number of offices and office equipment under operating leases. The leases have tenure ranging from 1 to 7 years, with an option to renew the lease after that date. Lease payments are usually revised at each renewal date to reflect the market rate. Future minimum lease payments for the Group and the Company on non-cancellable operating leases are as follows:

	Group	
	2018	**2017**
	US$'000	**US$'000**
		Unaudited
Long-term land lease agreements		
Within one year	872	–
After one year but within five years	1,744	–
After five years	273	–
Total	2,889	–

32 Acquisition of subsidiaries

On 19 January 2018, the Group announced the closing of the acquisition of 100% of the equity interest in Vena Energy Ltd (formerly known as 'Vena Energy') and its affiliates from Equis Funds, for an enterprise value of US$2.6 billion (including assumed liabilities of US$0.7 billion). The net transaction consideration has been settled in cash.

Consideration transferred and identifiable assets acquired and liabilities assumed

The following summarises the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Note	Total
		US$'000
Initial cash consideration		1,817,415
Promissory note novated to seller		50,000
Other payables assumed		1,678
Post closing adjustment		78,789
Total consideration		1,947,882

32 Acquisition of subsidiaries (cont'd)

Consideration transferred and identifiable assets acquired and liabilities assumed (cont'd)

Property, plant and equipment	4	726,529
Intangible assets	5	503,797
Equity-accounted investees	7	448,777
Other investments		24,159
Deferred tax assets	9	18,776
Loans receivables		130,836
Derivative assets		7,738
Trade and other receivables		90,488
Prepayment and other assets		3,173
Cash and cash equivalents		223,517
Loans and borrowings		(535,976)
Employee benefits		(67)
Derivative liabilities		(208)
Asset retirement obligation		(2,058)
Provisions		(10,959)
Deferred tax liabilities	9	(30,617)
Trade and other payables		(82,275)
Current tax liabilities		(1,077)
Total identifiable net assets		1,514,553

Measurement of fair value

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

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

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Note	Total US$'000
Consideration transferred		1,947,882
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquirees		72,323
Fair value of identifiable net assets		(1,514,553)
Goodwill	5	505,652

Goodwill is attributable mainly to the skills and technical talent of Vena Energy's work force and the development pipeline expected to be achieved. None of the goodwill recognised is expected to be deductible for tax purposes.

33 Related parties

During the year, other than those disclosed elsewhere in the financial statements, there were no other significant transactions with related parties.

34 Non-controlling interest

Non-controlling interest denotes Prime Road Tech Co., Ltd. ('PRT') in fully paid up equity shares of all subsidiaries domiciled in Thailand.

Dividends

The following exempt (one-tier) dividends were declared and paid by subsidiaries to non-controlling interest by the Group:

	Group	
	2018	**2017**
	$'000	**$'000**
		Unaudited
Paid by a subsidiary to non-controlling interest		
14 dollars per qualifying ordinary share (2017: US$nil)	6,671	–

35 Adoption of new standards

IFRS 9

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' (ECL) model and a new general hedge accounting model. The Group and Company adopted IFRS 9 from 1 January 2018.

As the Company is dormant until the acquisition of subsidiaries on 19 January 2018, the impact of adoption of IFRS 9 on the opening balances is insignificant. Accordingly, comparative figures have not been restated.

IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. The Group and Company adopted IFRS 15 from 1 January 2018.

As the Company is dormant until the acquisition of subsidiaries on 19 January 2018, the impact of adoption of IFRS 15 on the opening balances is insignificant. Accordingly, comparative figures have not been restated.

36 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, The Group has not early adopted them in preparing these Financial Statements.

The following standard issued but not yet effective that may have a significant impact on the Group's financial statements:

International Financial Reporting Standard ('IFRS') 16 *Leases* replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases to finance or operating leases.

36 Standards issued but not yet effective (cont'd)

The Group has completed an initial assessment of the potential impact on its financial statements but no yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate at 1 January 2019, the composition of the Group's lease portfolio at that date, the Group's latest assessment of whether it will exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions.

Thus far, the most significant impact identified is that the Group will recognise new assets and liabilities for its operating leases for land and offices.

In addition, the nature of expenses related to those leases will now change because IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

i. Determining whether an arrangement contains a lease

On transition to IFRS 16, the Group can choose whether to:

- Apply the IFRS 16 definition of a lease to all its contracts; or
- Apply a practical expedient and not reassess whether a contract is, or contains, a lease.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases under IAS 17 and IFRIC 4.

ii. Determining whether an arrangement contains a lease

As a lessee, the Group can either apply the standard using a:

- Retrospective approach;
- Modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases.

The Group plan to apply IFRS 16 initially on 1 January 2019, using a modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group is in the midst of assessing the impact of adopting IFRS 16.

When applying a modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Group is assessing the potential impact of using these practical expedients.

Vena Energy (Taiwan) Holdings Ltd
(formerly known as GIP Zenith Cayco IV, Ltd)
and its subsidiaries)

(incorporated in Cayman Islands)
Registration Number: 328010

Financial Statements

Year ended 31 December 2018

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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

Independent auditors' report

Member of the Company
Vena Energy (Taiwan) Holdings Ltd
(formerly known as GIP Zenith Cayco IV, Ltd)

Report on the financial statements

Opinion

We have audited the accompanying consolidated financial statements of Vena Energy (Taiwan) Holdings Ltd (formerly known as GIP Zenith Cayco IV, 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 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the Group and the statements of comprehensive income, changes in equity and cash flows for the Company for the period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS37.

In our opinion, the accompanying consolidated financial statements of the Group present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, its consolidated financial performance, changes in equity and cash flows, and the financial position of the Company, financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

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 *Auditors' 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the financial statements, which describes the basis of preparation. Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to the member of the Company on those matters strictly for the purpose of internal management reporting and/or obtaining financing from financial institutions. Our report is not to be circulated to parties other than the member of the Company. We do not assume responsibility to anyone other than the member of the Company for our work, for our report, or for the conclusions we have reached in our report. Our opinion is not modified in respect of this matter.

Other matter

The financial statements for the period ended 31 December 2017 were unaudited.

Other information

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

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

KPMG

Our opinion on the consolidated 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 on the other information obtained prior to the date of this auditors' report, 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 for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, 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 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 Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 the Group's internal control.

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

KPMG

- 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, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 June 2019

Statements of financial position
As at 31 December 2018

	Note	Group 2018 US$'000	Group 2017 US$'000 Unaudited	Company 2018 US$'000	Company 2017 US$'000 Unaudited
Assets					
Property, plant and equipment	4	36,163	–	–	–
Intangible assets	5	50,331	–	–	–
Investment in subsidiaries	6	–	–	149,313	–
Equity-accounted investees	7	58,412	–	–	–
Deferred tax assets	8	1,069	–	–	–
Non-current assets		145,975	–	149,313	–
Loan receivable	9	3,654	–	–	–
Trade and other receivables	10	1,155	–*	17,560	–*
Prepayments and other assets	11	5,469	–	–	–
Cash and cash equivalents	12	37,145	–	8,835	–
Current assets		47,423	–*	26,395	–*
Total assets		193,398	–*	175,708	–*
Equity					
Share capital	13	126,623	–*	126,623	–*
Accumulated losses		(9,935)	–	(1,310)	–
Reserves	14	(3,315)	–	1,174	–
Equity attributable to owner of the Company		113,373	–*	126,487	–*
Non-controlling interests		3,600	–	–	–
Total equity		116,973	–*	126,487	–*
Liabilities					
Asset retirement obligation	16	97	–	–	–
Loans and borrowings	15	57,670	–	47,847	–
Non-current liabilities		57,767	–	47,847	–
Loans and borrowings	15	10,021	–	1,332	–
Trade and other payables	17	8,637	–	42	–
Current liabilities		18,658	–	1,374	–
Total liabilities		76,425	–	49,221	–
Total equity and liabilities		193,398	–*	175,708	–*

* Less than US$1,000

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

Statement of comprehensive income
Year ended 31 December 2018

	Note	Group		Company	
		Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Revenue	18	2,004	–	–	–
Operating costs	19	(1,270)	–	(42)	–
Shared services costs	20	(3,639)	–	–	–
Development costs	21	(729)	–	–	–
Depreciation expense	4	(542)	–	–	–
Amortisation expense	5	(270)	–	–	–
Property, plant and equipment written off	4	(317)	–	–	–
Impairment loss on financial assets	25	(17)	–	–	–
		(4,780)	–	(42)	–
Finance income	23	305	–	64	–
Finance cost	23	(2,309)	–	(1,332)	–
Net foreign exchange loss		(467)	–	–	–
Net finance costs		(2,471)	–	(1,268)	–
Share of loss of equity-accounted investees, net of tax	7	(3,653)	–	–	–
Loss before tax	22	(10,904)	–	(1,310)	–
Tax credit	24	969	–	–	–
Loss for the year/period		(9,935)	–	(1,310)	–
Loss attributable to:					
Owner of the Company		(9,935)	–	(1,310)	–
Non-controlling interests		–*	–	–	–
		(9,935)	–	(1,310)	–
Loss for the year/period		(9,935)	–	(1,310)	–
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		(1,129)	–	–	–
Equity-accounted investees – share of OCI	7	(3,360)	–	–	–
Other comprehensive loss for the year/period		(4,489)	–	–	–
Total comprehensive loss for the year/period		(14,424)	–	(1,310)	–
Total comprehensive loss attributable to:					
Owner of the Company		(14,424)	–	(1,310)	–
Non-controlling interests		–*	–	–	–
		(14,424)	–	(1,310)	–

* Less than US$1,000

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

Statement of changes in equity
Year ended 31 December 2018

	Note	Attributable to owner of the Company				Non-controlling interests	Total equity
		Share capital US$'000	Accumulated losses US$'000	Reserves US$'000	Total US$'000	US$'000	US$'000
At 13 October 2017 (date of incorporation)/31 December 2017/ 1 January 2018 (unaudited)		–*	–	–	–*	–	–*
Total comprehensive income for the year							
Loss for the year		–	(9,935)	–	(9,935)	–*	(9,935)
Other comprehensive income							
Foreign currency translation differences		–	–	(1,129)	(1,129)	–*	(1,129)
Equity-accounted investees – share of OCI		–	–	(3,360)	(3,360)	–	(3,360)
Total comprehensive income for the year		–	(9,935)	(4,489)	(14,424)	–*	(14,424)
Transactions with owner, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	13	126,623	–	–	126,623	–	126,623
Additional equity received from parent	14	–	–	1,174	1,174	–	1,174
Total contributions by and distributions to owners		126,623	–	1,174	127,797	–	127,797
Changes in ownership interest in subsidiary without a change in control							
Contribution by non-controlling interests		–	–	–	–	3,600	3,600
Total changes in ownership interest in subsidiary without a change in control		–	–	–	–	3,600	3,600
Total transactions with owner		126,623	–	1,174	127,797	3,600	131,397
At 31 December 2018		126,623	(9,935)	(3,315)	113,373	3,600	116,973

* Less than US$1,000

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

Statement of changes in equity
Year ended 31 December 2018

	Note	Share capital US$'000	Accumulated losses US$'000	Reserves US$'000	Total US$'000
Company					
At 13 October 2017 (date of incorporation)/ 31 December 2017/ 1 January 2018 (unaudited)		–*	–	–	–*
Total comprehensive income for the year					
Loss for the year		–	(1,310)	–	(1,310)
Transactions with owner, recognised directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	13	126,623	–	–	126,623
Additional equity received from parent	14	–	–	1,174	1,174
Total contributions by and distributions to owners/ Total transactions with owners		126,623	–	1,174	127,797
At 31 December 2018		126,623	(1,310)	1,174	126,487

* Less than US$1,000

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

Statement of cash flows
Year ended 31 December 2018

	Note	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Cash flows from operating activities			
Loss before tax		(10,904)	–
Adjustments for:			
Depreciation expense	4	542	–
Amortisation expense	5	270	–
Impairment loss on financial assets	25	17	–
Property, plant and equipment written off	4	317	–
Finance cost	23	2,309	–
Finance income	23	(305)	–
Foreign exchange differences		467	–
Share of loss of equity-accounted investees, net of tax	7	3,653	–
		(3,634)	–
Changes in:			
- Trade and other receivables		1,281	–
- Prepayment and other assets		(5,411)	–
- Trade and other payables		5,339	–
Cash used in operating activities		(2,425)	–
Tax paid		(55)	–
Net cash used in operating activities		(2,480)	–
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	28	(127,074)	–
Purchase of property, plant and equipment		(26,547)	–
Interest received		227	–
Restricted bank deposit for projects	12	(246)	–
Fixed deposit pledged for bank facility	12	(10,400)	–
Loan receivable from an associate		(3,600)	–
Net cash used in investing activities		(167,640)	–
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares		126,623	–
Proceeds from additional equity received	14	1,174	–
Proceeds from drawdown of project finance debts		18,660	–
Proceeds from drawdown of loans from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)		49,847	–
Repayment of loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)		(2,000)	–
Repayment of project finance debts		(155)	–
Interest paid for:			
- Project finance debts		(292)	–
- Acquisition		(696)	–
- Other finance costs		(109)	–
Contribution from non-controlling interest		3,600	–
Net cash from financing activities		196,652	–
Net increase in cash and cash equivalents		26,532	–
Cash and cash equivalents at 1 January 2018/13 October 2017 (date of incorporation) (unaudited)		–	–
Effect of exchange rate fluctuations on cash held		(33)	–
Cash and cash equivalents at 31 December	12	26,499	–

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

Company statement of cash flows
Year ended 31 December 2018

	Note	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Cash flows from operating activities			
Loss before tax		(1,310)	–
Adjustment for:			
Finance cost	23	1,332	–
Finance income	23	(64)	–
		(42)	–
Changes in:			
- Trade and other receivables		(17,496)	–
- Trade and other payables		42	–
Net cash used in operating activities		(17,496)	–
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		–*	–
Subscription of additional shares in a subsidiary		(149,313)	–
Net cash used in investing activities		(149,313)	–
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares		126,623	–
Proceeds from additional equity received	14	1,174	–
Proceeds from drawdown of loans from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)		49,847	–
Repayment of loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)		(2,000)	–
Net cash from financing activities		175,644	–
Net increase in cash and cash equivalents		8,835	–
Cash and cash equivalents at 1 January 2018/ 13 October 2017 (date of incorporation) (unaudited)		–	–
Cash and cash equivalents at 31 December	12	8,835	–

* Less than US$1,000

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

Notes to the financial statements

1 Domicile and activities

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

The financial statements of the Group as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity-accounted investees.

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

The immediate and ultimate holding company of the Company as at 31 December 2018 is GIP Zenith (Taiwan) Ltd (formerly known as GIP Zenith Cayco III, Ltd) and GIP III Zenith (Taiwan), L.P. respectively, which are incorporated in the Cayman Islands.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS').

2.2 Basis of measurement

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

2.3 Functional and presentation currency

Items included in the financial statements of each of the Group entity are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The statements are presented in United States dollars ('US$') which is the Company's presentation currency and have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

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

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

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

Note 5 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts; and

Note 28 – acquisition of subsidiaries: fair value of the assets acquired and liabilities assumed.

3 Significant accounting policies

Except for the changes applied in note 31, the accounting policies set out below have been consistently applied by the Group entities and to all periods presented in these financial statements.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

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

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

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owner in their capacity as owner and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

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

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

(iii) Interest in associates (equity-accounted investees)

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

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

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

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(iv) Transactions eliminated on consolidation

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

(v) Subsidiaries and associates in the separate financial statements

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

3.2 Foreign currency

(i) Foreign currency transactions

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to US$ at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US$ at monthly average exchange rate. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

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

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

3 Significant accounting policies (cont'd)

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

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

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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

The estimated useful lives of property, plant and equipment are as follows:

Building and leasehold improvement	25 years
Electric generator equipment	25 years
Computer and fitting and fixture and office equipment	3-5 years

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

No depreciation is provided for assets under construction.

3 Significant accounting policies (cont'd)

3.4 Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Goodwill acquired in business combinations is not amortised but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is allocated to the cash-generating unit ('CGU') for the purpose of impairment testing.

(ii) Project-related agreements and licences

Project-related agreements and licences include the following items:

- licences, permits and approvals to develop and operate an energy project, including governmental authorisations; land rights and environmental consents;
- connection rights; and
- power purchase agreements.

Project-related agreements and licences are carried at cost less accumulated amortisation and impairment expenses. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives, which are based on the useful life of the related wind or solar assets.

3.5 Financial instruments

(i) Recognition and initial measurement

The Group initially recognises loans and receivables, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised costs; FVOCI – debt investment; FVOCI – equity instrument or fair value through profit or loss ('FVTPL'). The classification of financial assets under IFRS 9 is generally based on the business model which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset are never separated. Instead, the hybrid financial instruments as a whole is assess for classification.

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

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

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 Significant accounting policies (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets (cont'd)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost of at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measure at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gain and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

3 Significant accounting policies (cont'd)

3.5 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

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

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and fixed deposits that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded from cash and cash equivalents.

3.7 Share capital

Ordinary shares

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

3.8 Impairment

(i) Non-derivative financial assets

The Group applies an 'expected credit loss' ('ECL') model to its financial assets measured at amortised cost and debt investments at FVOCI, but not to investment in equity instruments.

Loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

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

General approach

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

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

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

General approach (cont'd)

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

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

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

- significant financial difficulty of the borrower or counterparty;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- a breach of contract such as a default.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Measurement of ECLs

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

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

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

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.9 Provisions

Provisions for environmental restoration and restructuring are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions are comprised of lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at 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.

3.10 Revenue

Sale of electricity

Revenue from sale of electricity in the ordinary course of business is recognised in profit or loss when the Group satisfies a performance obligation ('PO') by transferring control of the electricity generated to the customer. The amount of revenue recognition is the amount of the transaction price allocated to the satisfied PO.

The transaction price is based on the applicable tariff rates. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised service. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

Dividend income

Dividend income is recognised in profit or loss when the right to receive income is established. For unquoted equity securities, dividend income is recognised when the shareholders have approved the payment of a dividend.

3.11 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3 Significant accounting policies (cont'd)

3.11 Employee benefits (cont'd)

(ii) Defined contribution plans

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

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return of plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Remeasurement are recognised in profit or loss in the period in which they arise.

3.12 Operating costs

Operating costs include expenditure that are incurred by the Group's renewable energy assets after these assets becomes operationally ready, as determined by management.

3.13 Development costs

Development costs include expenditure that are incurred by the Group's renewable energy assets before these assets becomes operationally ready, as determined by management.

3.14 Finance income and finance costs

Finance income is comprised of interest income. Finance costs are comprised of interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets (other than trade receivables).

3 Significant accounting policies (cont'd)

3.14 Finance income and finance costs (cont'd)

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.15 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total expense, over the term of the lease.

3.16 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

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

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

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

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

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

3 Significant accounting policies (cont'd)

3.16 Tax (cont'd)

Deferred tax is measured tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

4 Property, plant and equipment

	Note	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Computer, fitting and fixture and office equipment US$'000	Assets under construction US$'000	Total US$'000
Group						
Cost						
At 13 October 2017 (date of incorporation)/31 December 2017/ 1 January 2018 (unaudited)		–	–	–	–	–
Acquisitions through business combinations	28	24	6	7	10,411	10,448
Additions		15	110	36	26,483	26,644
Transfer from/(to)		–	13,176	–	(13,176)	–
Disposal/write off		–	–	–	(317)	(317)
Effect of exchange rate changes		–	(419)	–	348	(71)
At 31 December 2018		39	12,873	43	23,749	36,704
Accumulated depreciation						
At 13 October 2017 (date of incorporation)/31 December 2017/ 1 January 2018 (unaudited)		–	–	–	–	–
Depreciation charge for the year		19	522	1	–	542
Effect of exchange rate changes		(1)	(4)	4	–	(1)
At 31 December 2018		18	518	5	–	541
Carrying amounts						
At 13 October 2017 (date of incorporation)/31 December 2017/ 1 January 2018 (unaudited)		–	–	–	–	–
At 31 December 2018		21	12,355	38	23,749	36,163

At 31 December 2018, electric generator equipment of the Group with carrying amounts of US$12.4 million are pledged as security to secure bank loans.

5 Intangible assets

	Note	Goodwill US$'000	Project-related agreements & licences US$'000	Total US$'000
Group				
Cost				
At 13 October 2017 (date of incorporation)/ 31 December 2017/1 January 2018 (unaudited)		–	–	–
Acquisitions through business combinations	28	33,051	18,609	51,660
Effect of exchange rate changes		(679)	(383)	(1,062)
At 31 December 2018		32,372	18,226	50,598
Accumulated amortisation				
At 13 October 2017 (date of incorporation)/ 31 December 2017/1 January 2018 (unaudited)		–	–	–
Amortisation expense		–	270	270
Effect of exchange rate changes		–	(3)	(3)
At 31 December 2018		–	267	267
Carrying amounts				
At 13 October 2017 (date of incorporation)/ 31 December 2017 (unaudited)		–	–	–
At 31 December 2018		32,372	17,959	50,331

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

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows:

	2018 US$'000	2017 US$'000 Unaudited
Group		
Taiwan	32,372	–

Operations in Taiwan

The recoverable amount of the CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The discounted cash flows valuation is based on management's latest business plan for forecast horizon of 30 years and no long term growth is assumed for terminal value. The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital, and applying a risk premium for under construction, shovel ready and development assets.

The key assumptions used in the estimation of the recoverable amount include discount rate and capacity of development pipeline. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

6 Investment in subsidiaries

	Company 2018 US$'000	Company 2017 US$'000 Unaudited
Equity investment, at cost	149,313	–

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

Name of subsidiaries	Sector	Project name/ Activities	Status	Principal place of business	Ownership interest 2018 %
Soleq Taiwan Solar Energy Ltd	Solar	1. Davis 2. Coltrane	Operating Construction	Taiwan	100
Soleq Taiwan Two Energy Ltd	Solar	Brubeck	Operating	Taiwan	100
Vena Energy Taiwan Solar Energy Ltd (f.k.a Equis Taiwan Solar Energy Ltd)	Solar	Mingus	Construction	Taiwan	70

7 Equity-accounted investees

Interest in associates

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

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

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

2018	Garcia RSEHI Group US$'000
Property, plant and equipment	28,472
Equity-accounted investees	3,534
Deferred tax assets	1
Other non-current receivables	2,655
Non-current assets	34,662
Trade and other receivables	1,961
Prepayment and other assets	95
Cash and cash equivalents	4,743
Current assets	6,799
Total assets	41,461

7 Equity-accounted investees (cont'd)

Interest in associates (cont'd)

2018	**Garcia RSEHI Group US$'000**
Loans and borrowings	20,822
Asset retirement obligation	120
Deferred tax liabilities	11
Non-current liabilities	20,953
Loans and borrowings	10,653
Trade and other payables	707
Current liabilities	11,360
Total liabilities	32,313
Net assets	9,148
Sale of energy	5,569
Other income	169
	5,738
Operating costs	(1,721)
Shared services costs	(332)
Depreciation expenses	(1,424)
	2,261
Other expenses	(319)
Finance income	7
Finance costs	(1,305)
Net foreign exchange loss	(1,397)
Net finance costs	(2,695)
Loss before tax	(753)
Tax expense	(22)
Loss for the year	(775)
Other comprehensive income	
Foreign operations - foreign currency translation differences	(620)
Total comprehensive income	(1,395)

7 Equity-accounted investees (cont'd)

Interest in associates (cont'd)

	RSEHI Group US$'000	Immaterial associate US$'000	Total US$'000
2018			
Group's interest in net assets of associates at the beginning of the year			
Share of loss of associates	(775)	(2)	(777)
Amortisation expenses	(2,876)	–	(2,876)
Foreign currency translation difference	(2,717)	–	(2,717)
Share of other comprehensive income	(619)	(24)	(643)
	(6,987)	(26)	(7,013)
Project-related agreements & licences	55,197	–	55,197
Group's acquisition of share capital during the year	10,227	1	10,228
Carrying amount of interest in associates at beginning of the year	–	–	–
Carrying amount of interest in associates at end of the year	58,437	(25)	58,412

8 Deferred tax

Deferred tax assets are attributable to the following:

Movement in deferred tax balances

Group	Balance as at 13 October 2017 (date of incorporation) /1 January 2018 US$'000 Unaudited	Acquisition of subsidiaries (Note 28) US$'000	Recognised in profit or loss (Note 24) US$'000	Exchange differences US$'000	Balance as at 31 December 2018 US$'000
Deferred tax liabilities					
Other items	–	(5)	1	–	(4)
Deferred tax assets					
Tax loss carry-forwards	–	–	1,073	–	1,073
	–	(5)	1,074	–	1,069

9 Loan receivable

	Note	Group 2018 US$'000	2017 US$'000 Unaudited
Loan receivable from equity-accounted investee		3,600	–
Interest receivables from equity-accounted investee		71	–
		3,671	–
Less: Impairment loss	25	(17)	–
		3,654	–

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

10 Trade and other receivables

	Group		Company	
	2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
Trade receivables	104	–	–	–
Amounts due from:				
- Subsidiary	–	–	17,560	–
- Vena Energy Pte Ltd	3	–	–	–
- Other third parties	80	–	–	–
VAT receivable	968	–	–	–
	1,155	–	17,560	–

The amounts due from a subsidiary is non-trade, unsecured, non-interest bearing and has no fixed term of repayment.

11 Prepayments and other assets

	Group	
	2018 US$'000	2017 US$'000 Unaudited
Deposits and advance	3,344	–
Prepaid expenses	2,125	–
	5,469	–

12 Cash and cash equivalents

	Note	Group		Company	
		2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
Bank balances		26,745	–	8,835	–
Short term deposit		10,400	–	–	–
Cash and cash equivalents in the statements of financial position		37,145	–	8,835	–
Restricted bank balances and deposits	(a)	(10,646)	–	–	–
Cash and cash equivalents in the statements of cash flows		26,499	–	8,835	–

(a) As at 31 December 2018, the Group's cash and cash equivalents of US$0.2 million (2017: US$Nil) were held under project accounts and US$10.4 million (2017: US$Nil) fixed deposit pledged in relation to banker's guarantees.

13 Share capital

	Group and Company	
	2018 No. of shares ('000)	2017 No. of shares ('000)
Issued and fully paid		
At 1 January 2018/13 October 2017 (date of incorporation)	–*	–*
Issued during the year/period	126,623	–
At 31 December	126,623	–*

* Less than 1,000

13 Share capital (cont'd)

Ordinary shares

The ordinary shares were issued with par value of US$1.00 per share. The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

Issue of ordinary shares

During the year, the Company issued 126,623,128 ordinary shares at US$1.00 per share to its immediate holding company.

14 Reserves

The reserves of the Group comprise the following balances:

	Group		Company	
	2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
Capital reserve	1,174	–	1,174	–
Translation reserve	(4,489)	–	–	–
	(3,315)	–	1,174	–

Capital reserve

Capital reserve comprises the excess of amounts received from shareholders over the par value of shares issued, or equity injections by shareholders for which ordinary shares have yet to be issued.

Translation reserve

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

15 Loans and borrowings

	Group		Company	
	2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
Non-current				
Project finance debts	9,994	–	–	–
Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)	47,847	–	47,847	–
Deferred financing cost	(171)	–	–	–
	57,670	–	47,847	–
Current				
Project finance debts	8,666	–	–	–
Interest payables on:				
- Project finance debts	37	–	–	–
- Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)	1,332	–	1,332	–
Deferred financing cost	(14)	–	–	–
	10,021	–	1,332	–
	67,691	–	49,179	–

15 Loans and borrowings (cont'd)

	Currency	Nominal interest rate %	Year of maturity	Carrying amount US$'000
Project finance debts	NTD	TAIBOR+1.5%	2019 to 2033	18,660
Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)	USD	4.07%	Repayable on demand#	47,847

The project finance debts contain debt covenants which are tested on a regular basis. A future breach of these covenants may require the Group to repay the project finance debts earlier than indicated in the table above.

Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd), Ltd has agreed in writing not to recall the loan in the next 12 months

Project Finance Debt

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

	Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd) US$'000	Project finance debts US$'000	Total US$'000
Balance at 13 October 2017 (date of incorporation)/31 December 2017/ 1 January 2018 (unaudited)	–	–	–
Changes from financing cash flows			
Proceeds from borrowings	49,847	18,660	68,507
Repayment of borrowing	(2,000)	(155)	(2,155)
Total changes from financing cash flows	47,847	18,505	66,352
Change in fair value	47,847	18,505	66,352
Interest expense	1,332	172	1,504
Interest paid	–	(292)	(292)
Foreign exchange difference	–	312	312
Total liability-related other changes	1,332	192	1,524
Balance at 31 December 2018	49,179	18,697	67,876

16 Asset retirement obligation

	Group 2018 US$'000	2017 US$'000 Unaudited
At 1 January 2018/13 October 2017 (date of incorporation) (unaudited)	–	–
Provision made during the year	97	–
At 31 December	97	–

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

17 Trade and other payables

	Group		Company	
	2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
Payable to EPC contractors	4,308	–	–	–
Amounts due to:				
- Vena Energy Pte Ltd	362	–	16	–
- Helios Solar Energy Corp.	12	–	–	–
- Nippon Renewable Energy K.K.	14	–	–	–
- Equity-accounted investees	267	–	–	–
- Other third party	8	–	–	–
Shared services fees payables	3,074	–	–	–
Other tax payables	71	–	–	–
Accrued staff costs	41	–	–	–
Accrued operating expenses	480	–	26	–
	8,637	–	42	–

The amounts due to equity-accounted investees are non-trade, unsecured, non-interest bearing and have no fixed term of repayment.

18 Revenue

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

Sale of Energy

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

19 Operating costs

	Group		Company	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Operations and maintenance costs	266	–	–	–
Utilities and transmission costs	14	–	–	–
Directors fee	12	–	–	–
Professional fees	449	–	2	–
IT expenses	56	–	–	–
Insurance	102	–	–	–
Rental - land & site office	57	–	–	–
Occupancy cost	126	–	–	–
Business related taxes	10	–	–	–
Marketing and promotion costs	10	–	–	–
Travel and entertainment expenses	70	–	–	–
Other general and administrative costs	98	–	40	–
	1,270	–	42	–

Staff costs of US$0.2 million is included within operations and maintenance costs.

20 Shared services costs

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

21 Development costs

	Group	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Staff costs	14	–
Professional fees	312	–
Travel and entertainment expenses	190	–
Occupancy costs	87	–
IT expenses	18	–
Marketing and promotion costs	82	–
Other general and administrative costs	26	–
	729	–

22 Loss for the year/period

Included in the loss for year/period are:

	Group	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Staff cost		
Salaries	33	–
Bonus	41	–
Employee insurance	5	–
Staff allowance	4	–
Recruitment fee	77	–
Other staff benefits	12	–
	172	–

23 Finance income and finance costs

	Group		Company	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Finance income				
Interest income from:				
- Short term deposit	236	–	–	–
- Bank balances	69	–	64	–
Total finance income	305	–	64	–
Finance costs				
Interest expense on:				
- Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)	(1,332)	–	(1,332)	–
- Project finance debts	(172)	–	–	–
- Acquisition of subsidiaries	(696)	–	–	–
- Other finance costs	(109)	–	–	–
Total finance costs	(2,309)	–	(1,332)	–

24 Tax credit

	Group		Company	
	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Current tax expense				
Withholding tax	105	–	–	–
Deferred tax credit				
Recognition of tax effect of previously unrecognised tax losses	(1,074)	–	–	–
Tax credit	(969)	–	–	–
Reconciliation of effective tax rate				
Loss before tax	(10,904)	–	(1,310)	–
Tax using Taiwan tax rate of 20%	(2,181)	–	(262)	–
Expenses non-deductible for tax purposes	1,465	–	262	–
Withholding tax	105	–	–	–
Effects of results of equity-accounted investees presented net of tax	716	–	–	–
Recognition of tax effect of previously unrecognised tax losses	(1,074)	–	–	–
	(969)	–	–	–

The Taiwan tax rate is used in the table above as this is the country in which the Group's operations are primarily based.

25 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

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

The carrying amount of financial assets in the statement of financial position represents the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company does not hold any collateral in respect of its financial assets.

Impairment loss on financial assets included in the statement of comprehensive income

	Year ended 31 December 2018 US$'000	Period from 13 October 2017 (date of incorporation) to 31 December 2017 US$'000 Unaudited
Impairment loss on loan receivables	17	–

Trade and other receivables

The Group's customers comprises mainly government or quasi-government offtakers of electricity, and a small number of private offtakers. Exposure to credit risk is influenced mainly by the individual characteristics of the offtaker and/or the government entity supporting the offtaker.

Most of the Group's customers have been transacting with the respective Group Entities for over 1 year, and no impairment loss has been recognised against these customers.

The Group does not require collateral in respect of trade and other receivables.

Exposure to credit risk

The Group has no significant concentration of credit risk other than loan receivable from an associate comprising of 8% of current assets. The Group has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Expected credit loss assessment for customers as at 1 January and 31 December 2018

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include “Low”, “Medium” and “High”.

25 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Expected credit loss assessment for customers as at 1 January and 31 December 2018 (cont'd)

The maximum exposure to credit risk for loans receivable at the reporting date by geographic region was as follows:

	Group Carrying amount	
	2018 US$'000	2017 US$'000 Unaudited
Loan receivable from an associate	3,654	–

Impairment

A summary of the exposure to credit risk for loan receivable is as follows:

	Group Amortised cost	
	12 month ECL US$'000	Credit-impaired US$'000
31 December 2018		
Loan receivable from an associate	3,671	–
Less: loss allowance	(17)	–
	3,654	–

The following table provides information about the exposure to credit risk and ECLs for loan receivable from an associate as at 31 December 2018:

		Group		
Credit risk grade	**Loss rate %**	**Gross carrying amount $'000**	**Impairment loss allowance $'000**	**Credit impaired**
Low	0.45	3,671	(17)	*No*

Movements in allowance for impairment in respect of loan receivable

The movement in the allowance for impairment in respect of loan receivable during the year was as follows:

	Group $'000
At 1 January 2018 per IAS 39 (unaudited)	–
Adjustment on initial application of IFRS 9	–
At 1 January 2018 per IFRS 9 (unaudited)	–
Impairment loss recognised	17
At 31 December 2018 per FRS 9	17

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of US$37 million and US$9 million respectively at 31 December 2018 – these figures represents its maximum credit exposures on these assets. The cash and cash equivalents are held with bank and financial institution counterparties which are rated AA- to AA+, based on S&P Global ratings.

25 Financial instruments (cont'd)

Financial risk management (cont'd)

Credit risk (cont'd)

Cash and cash equivalents (cont'd)

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. As at 31 December 2018, impairment loss on cash and cash equivalents is not significant.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount US$'000	Contractual cash flows US$'000	12 months or less US$'000	1-2 years US$'000	2-5 years US$'000	More than 5 years US$'000
Group						
31 December 2018						
Non-derivative financial liabilities						
Project finance debts	18,697	20,237	9,066	866	2,595	7,710
Loan from Zenith Cayco II, Ltd	49,179	50,511	1,332	49,179	–	–
Trade and other payables*	8,568	8,568	8,568	–	–	–
	76,444	79,316	18,966	50,045	2,595	7,710
Company						
31 December 2018						
Non-derivative financial liabilities						
Loan from Zenith Cayco II, Ltd	49,179	50,511	1,332	49,179	–	–
Trade and other payables*	42	42	42	–	–	–
	49,221	50,553	1,374	49,179	–	–

* Excludes non-financial liabilities

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

25 Financial instruments (cont'd)

Financial risk management (cont'd)

Currency risk

Foreign currency risk is a financial risk that exists when a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Company.

For the year ended 31 December 2018, the Group is not significantly exposed to foreign exchange risk as most transactions are denominated in the functional currency of the respective group entities.

The Group ensures that the net exposure to foreign currency risk is monitored on an ongoing basis and the Company endeavours to keep the net exposure at an acceptable level.

Interest rate risk

Interest rate risk refers to the risk faced by the Group as a result of fluctuations in interest rates. The Group continuously monitor the interest rate environment and assess the need to enter into interest rate swaps to hedge the fluctuation in interest rate.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the group are as follows:

	Group Nominal amount		Company Nominal amount	
	2018 US$'000	2017 US$'000 Unaudited	2018 US$'000	2017 US$'000 Unaudited
Fixed rate instruments				
Financial assets	14,000	–	–	–
Financial liabilities	(47,847)	–	(47,847)	–
	(33,847)	–	(47,847)	–
Variable rate instruments				
Financial assets	–	–	–	–
Financial liabilities	(18,660)	–	–	–
	(18,660)	–	–	–

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instrument a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity	
	100 bp increase US$'000	100 bp decrease US$'000	100 bp increase US$'000	100 bp decrease US$'000
Group				
31 December 2018				
Variable rate instruments	(187)	187	–	–

25 Financial instruments (cont'd)

Capital management

The Group's objective in managing capital is to ensure a stable and strong capital base to maximise returns for its shareholders.

The Group defines capital as including all components of equity. The Group's capital structure is regularly reviewed and managed in accordance with the capital management practices of the Group. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group, to the extent that these do not conflict with the directors' fiduciary duties towards the Group.

The Group is not subject to externally imposed capital requirements.

26 Fair value of financial instruments

Accounting classification and fair value

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

		Carrying amount		
	Note	Amortised Cost US$'000	Other financial liabilities US$'000	Total US$'000
Group				
31 December 2018				
Loans receivables	9	3,671	–	3,671
Trade and other receivables*	10	187	–	187
Cash and cash equivalents	12	37,145	–	37,145
		41,003	–	41,003
Loans and borrowings	15	–	67,876	67,876
Trade and other payables*	17	–	8,568	8,568
		–	76,444	76,444
Company				
31 December 2018				
Trade and other receivables	10	17,560	–	17,560
Cash and cash equivalents	12	8,835	–	8,835
		26,395	–	26,395
Loans and borrowings	15	–	49,179	49,179
Trade and other payables	17	–	42	42
		–	49,221	49,221

* Excludes non-financial assets and liabilities

27 Commitments

Non-cancellable operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2018	**2017**
	US$'000	**US$'000**
		Unaudited
Long-term land lease agreements		
Within one year	1,285	–
After one year but within five years	6,009	–
After five years	29,545	–
	36,839	–
Other operating lease agreements		
Within one year	13	–
After one year but within five years	54	–
After five years	34	–
	101	–
Total	36,940	–

The Group entered into several land lease agreements for a period of 25 years. In accordance with the land lease agreements, the Group has the right but not the obligation to renew the land lease twice for period of 25 years each.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2018 amounted to US$0.3 million (2017: US$Nil).

28 Acquisition of subsidiaries

On 19 January 2018, the Group announced the closing of the acquisition of 100% of the equity interest in Vena Energy (Taiwan) Ltd (formerly known as 'Vena Energy III') and Vena Energy Solar (Taiwan) Holdings (formerly known as 'Soleq Cayman') from Equis Funds, for an enterprise value of US$151.7 million (including assumed liabilities of US$3.1 million). The net transaction consideration has been settled in cash.

Consideration transferred and identifiable assets acquired and liabilities assumed

The following summarise the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Note	**Total US$'000**
Initial cash consideration		147,223
Cash consideration on closing adjustment		1,394
Total cash consideration		148,617
Property, plant and equipment	4	10,448
Intangible assets	5	18,609
Equity – accounted investees	7	65,425
Trade and other receivables		2,568
Prepayment and other assets		42
Cash and cash equivalents		21,543
Deferred tax liabilities	8	(5)
Trade and other payables		(3,064)
Total identifiable net assets		115,566

28 Acquisition of subsidiaries (cont'd)

Measurement of fair value

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

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

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Note	Total US$'000
Consideration transferred		148,617
Fair value of identifiable net assets		(115,566)
Goodwill	5	33,051

The goodwill is attributable mainly to the development pipeline expected to be achieved. None of the goodwill recognised is expected to be deductible for tax purposes.

29 Related parties

During the year, other than those disclosed elsewhere in the financial statements, there were no other significant transactions with related parties.

30 Non-controlling interest

Non-controlling interest denotes fully paid up equity shares of a subsidiary in Taiwan. It arises post-acquisition of subsidiaries and is a result of injection of share capital by the Group's material associate on 31 August 2018.

31 Adoption of new standards

IFRS 9

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' ('ECL') model and a new general hedge accounting model. The Company adopted IFRS 9 from 1 January 2018.

As the Company is dormant until the acquisition on 19 January 2018, the impact of adoption of IFRS 9 on the opening balances is insignificant. Accordingly, comparative figures have not been restated.

IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

As the Company is dormant until the acquisition on 19 January 2018, the impact of adoption of IFRS 15 on the opening balances is insignificant. Accordingly, comparative figures have not been restated.

32 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Group has not early adopted them in preparing these financial statements.

The Group has the following standard issued but not yet effective that may have a significant impact on the Group's financial statements:

International Financial Reporting Standard ('IFRS') 16 *Leases* replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases to finance or operating leases.

The Group has completed an initial assessment of the potential impact on its financial statements but not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate at 1 January 2019, the composition of the Group's lease portfolio at that date, the Group's latest assessment of whether it will exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions.

Thus far, the most significant impact identified is that the Group will recognise new assets and liabilities for its operating leases for land and offices.

In addition, the nature of expenses related to those leases will now change because IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

i. Determining whether an arrangement contains a lease

On transition to IFRS 16, the Group can choose whether to:

- Apply the IFRS 16 definition of a lease to all its contracts; or
- Apply a practical expedient and not reassess whether a contract is, or contains, a lease.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases under IAS 17 and IFRIC 4.

ii. Determining whether an arrangement contains a lease

As a lessee, the Group can either apply the standard using a:

- Retrospective approach;
- Modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases.

The Group plan to apply IFRS 16 initially on 1 January 2019, using a modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

When applying a modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Group is assessing the potential impact of using these practical expedients.

Zenith Japan Holdings Trust (formerly known as GIP III Zenith Trust II) and its subsidiaries

Consolidated Financial Statements

Year ended 31 December 2018

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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

Independent auditors' report

The Trustee
Zenith Japan Holdings Trust
(formerly known as GIP III Zenith Trust II)

Report on the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Zenith Japan Holdings Trust (formerly known as GIP III Zenith Trust II) (the 'Trust') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statements of comprehensive income, changes in unitholders' fund and cash flows for the year then ended, and notes to the consolidated financial statements including significant accounting policies and other explanatory information, as set out on pages FS1 to FS37.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, its consolidated financial performance, changes in unitholders' fund and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Trust in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ('ACRA Code') together with the ethical requirements that are relevant to our audit of the consolidated 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.

Emphasis of matter – basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the consolidated financial statements, which describes the basis of preparation. Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to the trustee of the Trust on those matters strictly for the purpose of internal management reporting and/or obtaining financing from financial institutions. Our report is not to be circulated to parties other than trustee of the Trust. We do not assume responsibility to anyone other than the trustee of the Trust for our work, for our report, or for the conclusions we have reached in our report. Our opinion is not modified in respect of this matter.

Other matter

The financial statements for the period ended 31 December 2017 were unaudited.

Other information

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

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, 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 for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Trust's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
10 JUL 2019

Consolidated statement of financial position
As at 31 December 2018

	Note	2018 US$'000	2017 US$'000 Unaudited
Assets			
Property, plant and equipment	4	842,007	–
Intangible assets	5	1,479,304	–
Prepayment and other assets	6	14,859	–
Trade and other receivables	7	2,006	–
Derivative assets	8	267	–
Non-current assets		2,338,443	–
Prepayment and other assets	6	12,373	–
Trade and other receivables	7	47,955	–*
Cash and cash equivalents		127,172	–
Current assets		187,500	–*
Total assets		2,525,943	–*
Unitholders' fund			
Units in issue	9	1,416,051	–*
Accumulated losses		(8,838)	–
Advance from unitholder	10	13,131	–
Reserves	11	45,538	–
Equity attributable to unitholder of the Trust		1,465,882	–*
Non-controlling interests		15,075	–
Total unitholders' fund		1,480,957	–*
Liabilities			
Loans and borrowings	12	946,137	–
Derivative liabilities	8	8,512	–
Asset retirement obligation	13	26,870	–
Non-current liabilities		981,519	–
Loans and borrowings	12	5,147	–
Trade and other payables	14	57,347	–
Current tax liabilities		973	–
Current liabilities		63,467	–
Total liabilities		1,044,986	–
Total equity and liabilities		2,525,943	–*

* Less than US$1,000

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

Consolidated statement of comprehensive income
Year ended 31 December 2018

	Note	Year ended 31 Dec 2018 US$'000	Period from 18 Oct 2017 (date of incorporation) to 31 Dec 2017 US$'000 Unaudited
Revenue	15	101,709	–
Other income	15	1,172	–
Operating costs	16	(20,253)	–
Asset management fees	17	(3,884)	
Development costs	18	(1,259)	–
Depreciation expense	4	(25,715)	–
Amortisation expense	5	(25,226)	–
		26,544	–
Finance income	19	2	
Finance costs	19	(28,427)	–
Net foreign exchange gain		1,648	
Change in fair value of financial derivatives		(7,265)	–
		(34,042)	–
Impairment loss on trade and other receivables		(225)	–
Loss on write off of plant property & equipment		(961)	–
Loss before tax		(8,684)	–
Tax expense	20	(34)	–
Loss for the year/period		(8,718)	–
Loss attributable to:			
Unitholder of the Trust		(8,838)	–
Non-controlling interests		120	–
		(8,718)	–
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		45,908	–
Other comprehensive income for the year/period		45,908	–
Total comprehensive income for the year/period		37,190	–
Total comprehensive income attributable to:			
Owners of the Trust		36,700	–
Non-controlling interests		490	–
		37,190	–

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

Consolidated statement of changes in unitholders' fund
Year ended 31 December 2018

	Note	Attributable to unitholder of the Trust					
		Units in issue US$'000	Accumulated losses US$'000	Translation reserves US$'000	Total US$'000	Non-controlling interest US$'000	Total US$'000
18 October 2017 (date of incorporation) / 1 January 2018 (unaudited)		–	–	–	–	–	–
Total comprehensive income for the year							
Loss for the year		–	(8,838)	–	(8,838)	120	(8,718)
Other comprehensive income							
Foreign currency translation differences	11	–	–	45,538	45,538	370	45,908
Total comprehensive income for the year		–	(8,838)	45,538	36,700	490	37,190
Transactions with unitholder, recognised directly in equity							
Contributions by unitholder							
Issue of units		1,416,051	–	–	1,416,051	–	1,416,051
Advance from unitholder		13,131	–	–	13,131	–	13,131
Total contributions by unitholder		1,429,182	–	–	1,429,182	–	1,429,182
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries with non-controlling interest	24	–	–	–	–	14,585	14,585
Total changes in ownership interests in subsidiaries		–	–	–	–	14,585	14,585
Total transactions with unitholder		1,429,182	–	–	1,429,182	14,585	1,443,767
At 31 December 2018		1,429,182	(8,838)	45,538	1,465,882	15,075	1,480,957

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

Consolidated statement of cash flows
Year ended 31 December 2018

	Note	Year ended 31 Dec 2018 US$'000	Period from 18 Oct 2017 (date of incorporation) to 31 Dec 2017 US$'000 Unaudited
Cash flows from operating activities			
Loss before tax		(8,684)	–
Adjustments for:			
Depreciation expense	4	25,715	–
Amortisation expense	5	25,226	–
Loss on write off of property plant & equipment		961	–
Net changes in fair value of financial derivatives		7,265	–
Finance income	19	(2)	–
Finance costs	19	28,427	–
Impairment loss on trade and other receivables		225	–
Net foreign exchange gain		(1,648)	–
		77,485	–
Changes in:			
- Trade and other receivables		(33,040)	–
- Prepayments and other assets		5,719	–
- Trade and other payables		(60,899)	–
- Provisions and employee benefits		2,917	–
Cash used in operating activities		(7,818)	–
Tax paid		(28)	–
Net cash used in operating activities		(7,846)	–
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	24	(1,553,318)	–
Purchase of property, plant and equipment		(106,173)	–
Interest received		2	–
Net cash used in investing activities		(1,659,489)	–
Cash flows from financing activities			
Proceeds from issuance of units	9	1,416,051	–
Proceeds from advances from unitholder	10	13,131	–
Proceeds from drawdown of loans and borrowings:			
- Project finance debt		75,489	–
- Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)		373,205	–
- Loan from Vena Energy Solar (Japan) Pte. Ltd.		458	–
Repayment of loans and borrowings:			
- Project finance debt		(5,174)	–
- Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)		(64,234)	–
- Loan from Vena Energy Solar (Japan) Pte. Ltd.		(5)	–
Transaction costs related to loans and borrowings		(417)	–
Interest paid		(6,895)	–
Interest paid on acquisition		(7,269)	–
Net cash from financing activities		1,794,340	–
Net increase in cash and cash equivalents		127,005	–
Cash and cash equivalents at 1 January 2018/18 October 2017 (date of incorporation) (unaudited)		–	–
Effect of exchange rate fluctuations on cash held		167	–
Cash and cash equivalents at 31 December		127,172	–

1 Domicile and activities

(i) Trust

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

The consolidated financial statements of the Group as at and for the year ended 31 December 2018 comprise the Trust and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

The principal activity of the Group is to enter into and invest via Tokumei Kumiai agreements with various owners of renewable energy assets (each, an '**Operator**') in Japan.

Zenith Japan Ltd (formerly known as GIP III Zenith, Limited) in its capacity as Trustee of Zenith Trust (formerly known as GIP III Zenith Trust I), is the sole unitholder in the Trust.

(ii) Trustee

Zenith Japan Holdings Ltd (formerly known as GIP III Zenith 2, Limited) is the trustee (the '**Trustee**') of Zenith Japan Holdings Trust (formerly known as GIP III Zenith Trust II). The Trustee shall manage and administer the Trust and the Trust Fund in accordance with the trust instrument and shall exercise all powers, duties and discretions exercisable under the Trust or conferred by law.

(iii) Asset Management Agreement

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

(iv) Operations & Maintenance Agreement

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

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS').

2.2 Basis of measurement

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

2.3 Functional and presentation currency

Items included in the consolidated financial statements of each of the Group entity are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in United States dollars ('US$') which is the Trust's presentation currency and have been rounded to the nearest thousand, unless otherwise stated.

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgements

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

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

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

Note 5 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs; and

Note 24 – acquisition of subsidiaries: fair value of the assets acquired and liabilities assumed.

3 Significant accounting policies

Except for the changes applied in Note 28, the accounting policies set out below have been consistently applied by the Group entities and to all periods presented in these financial statements.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

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

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

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owner in their capacity as owner and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(ii) Subsidiaries

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

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

(iii) Transactions eliminated on consolidation

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

3.2 Foreign currency

(i) Foreign currency transactions

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to US$ at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US$ at monthly exchange rate. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

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

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

3 Significant accounting policies (cont'd)

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

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

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.
The estimated useful lives of property, plant and equipment are as follows:

Building and leasehold improvement	25 years
Electric generator equipment	25 years
Vehicle	5 years
Office equipment	3-5 years

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

No depreciation is provided for plants under construction.

3 Significant accounting policies (cont'd)

3.4 Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities acquired at the date of acquisition. Goodwill acquired in business combinations is not amortised but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is allocated to the cash-generating unit ('CGU') for the purpose of impairment testing.

(ii) Project-related agreements and licences

Project-related agreements and licences include the following items:

- licences, permits and approvals to develop and operate an energy project, including governmental authorisations; land rights and environmental consents;
- connection rights; and
- power purchase agreements.

Project-related agreements and licences are carried at cost less accumulated amortisation and impairment expenses. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives, which are based on the useful life of the related wind or solar assets.

3.5 Financial instruments

(i) Recognition and initial measurement

The Group initially recognises loans and receivables, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised costs; FVOCI – debt investment; FVOCI – equity instrument or fair value through profit or loss ('FVTPL'). The classification of financial assets under IFRS 9 is generally based on the business model which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset are never separated. Instead, the hybrid financial instruments as a whole is assess for classification.

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

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

3 Significant accounting policies (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets (cont'd)

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost of at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measure at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gain and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

3 Significant accounting policies (cont'd)

3.5 Financial instruments (cont'd)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting

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

3.6 Cash and cash equivalent

Cash and cash equivalents comprise cash balances that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

3.7 Unitholders' Fund

Units in issue

Units in issue are classified as equity. Incremental costs directly attributable to the issuance of units are recognised as a deduction from equity, net of any tax effects.

3.8 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ('ECLs') on:

- financial assets measured at amortised costs; and
- contract assets (as defined in IFRS 15).

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

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

Simplified approach

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

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

General approach

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

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

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

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

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

- significant financial difficulty of the borrower or counterparty;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; and
- a breach of contract such as a default.

The Group considers the counterparty to be in default if the counterparty is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

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

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3 Significant accounting policies (cont'd)

3.9 Provisions

Provisions for environmental restoration and restructuring are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions are comprised of lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at 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.

3.10 Revenue

Sale of electricity

Revenue from sale of electricity in the ordinary course of business is recognised in profit or loss when the Group satisfies a performance obligation ('PO') by transferring control of the electricity generated to the customer. The amount of revenue recognition is the amount of the transaction price allocated to the satisfied PO.

The transaction price is based on the applicable tariff rates. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised service. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

3.11 Operating costs

Operating costs include expenditure that are incurred by the Group's renewable energy assets after these assets becomes operationally ready, as determined by management.

3.12 Development costs

Development costs include expenditure that are incurred by the Group's renewable energy assets before these assets becomes operationally ready, as determined by management.

3.13 Finance income and finance costs

Finance income is comprised of interest income. Finance costs are comprised of interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets (other than trade receivables).

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3 Significant accounting policies (cont'd)

3.14 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total expense, over the term of the lease.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

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

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

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

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

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

Deferred tax is measured tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

4 Property, plant and equipment

	Note	Freehold land US$'000	Building and leasehold improvements US$'000	Electric generator equipment US$'000	Assets under construction US$'000	Total US$'000
Cost						
At 18 October 2017 (date of incorporation)/31 December 2017/ 1 January 2018 (unaudited)		–	–	–	–	–
Acquisition through business combination	24	39,909	15,921	546,227	119,600	721,657
Additions		7,735	1,376	75,182	42,888	127,181
Write off		–	–	(218)	(762)	(980)
Effect of exchange rate changes		987	460	17,096	2,638	21,181
At 31 December 2018		48,631	17,757	638,287	164,364	869,039
Accumulated depreciation						
At 18 October 2017 (date of incorporation)/31 December 2017/ 1 January 2018 (unaudited)		–	–	–	–	–
Depreciation charge for the year		–	1,314	24,401	–	25,715
Write off		–	–	(19)	–	(19)
Effect of exchange rate changes		–	9	1,327	–	1,336
At 31 December 2018		–	1,323	25,709	–	27,032
Carrying amounts						
At 18 October 2017 (date of incorporation)/31 December 2017/ 1 January 2018 (unaudited)		–	–	–	–	–
At 31 December 2018		48,631	16,434	612,578	164,364	842,007

At 31 December 2018, properties of the Group with carrying amounts of US$590 million are pledged as security to secure bank loans.

5 Intangible assets

	Note	Goodwill US$'000	Project-related agreements & licences US$'000	Total US$'000
Cost				
At 18 October 2017 (date of incorporation)/ 31 December 2017/1 January 2018 (unaudited)		–	–	–
Acquisition through business combination	24	344,841	1,082,012	1,426,853
Effect of exchange rate changes		10,142	67,530	77,672
At 31 December 2018		354,983	1,149,542	1,504,525
Accumulated amortisation				
At 18 October 2017 (date of incorporation)/ 31 December 2017/ 1 January 2018 (unaudited)		–	–	–
Amortisation expense for the year		–	25,226	25,226
Effect of exchange rate changes		–	(5)	(5)
At 31 December 2018		–	25,221	25,221
Carrying amounts				
At 18 October 2017 (date of incorporation)/ 31 December 2017/ 1 January 2018 (unaudited)		–	–	–
At 31 December 2018		354,983	1,124,321	1,479,304

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

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows:

	2018 US$'000	2017 US$'000 Unaudited
Group		
Japan	354,983	–

Operations in Japan

The recoverable amount of the CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The discounted cash flows valuation is based on management's latest business plan for forecast horizon of 30 years and no long term growth is assumed for terminal value. The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital, and applying a risk premium for under construction, shovel ready and development assets.

As at 31 December 2018, any reasonably possible change to the key assumptions applied are not likely to cause the recoverable amount to be below the carrying amount of the CGU.

6 Prepayments and other assets

	2018 US$'000	2017 US$'000 Unaudited
Non-current		
Prepaid land rent	7,560	–
Prepaid asset management fees	4,861	–
Prepaid O&M mobilisation fees	2,423	–
Other prepayments	15	–
	14,859	–
Current		
Prepaid land rent	3,475	–
Prepaid Insurance	1,574	–
Advance payments for construction costs	6,164	–
Other assets	1,160	–
	12,373	–
	27,232	–

7 Trade and other receivables

	2018 US$'000	2017 US$'000 Unaudited
Non-current		
Deposits	2,006	–
	2,006	–
Current		
Trade receivables	5,337	–
Amounts due from:		
- Vena Energy II	175	–
- Asset Managers	32,709	–
- O&M Provider	48	–
- Other third parties	5	–
VAT receivables	7,744	–
Deposits	2,162	–
	48,180	–
Less: Impairment loss	(225)	–
	47,955	–
	49,961	–

8 Derivative assets and liabilities

	2018 US$'000	2017 US$'000 Unaudited
Derivative assets:		
Interest rate swaps	267	–
Derivative liabilities:		
Interest rate swaps	8,512	–

The Group hedges its floating interest rate risk of long-term loans to fixed rate by entering into interest rate swap contracts with a financial institution.

9 Units in issue

	2018 No. of units ('000)	2017 No. of units ('000) Unaudited
Issued and fully paid		
At 1 January/18 October 2017 (date of incorporation) (unaudited)	–*	–*
Issued during the year/period	1,416,051	–*
At 31 December	1,416,051	–*

*Amount less than US$1,000.

As at 31 December 2018, 1,416,050,925 (2017: 1) units were issued and fully paid.

Units

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

10 Advance from unitholder

	2018 US$'000	2017 US$'000 Unaudited
Advance from unitholder	13,131	–

The advance received from unitholder represents the excess amount over the par of units issued, or contributions from unitholder for which units have yet to be issued.

11 Reserves

The reserves of the Group comprise the following balances:

	2018 US$'000	2017 US$'000 Unaudited
Translation reserve	45,538	–

Translation reserve

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

12 Loans and borrowings

	2018 US$'000	2017 US$'000 Unaudited
Non-current		
Project finance debt	629,503	–
Deferred financing cost	(9,095)	–
Bond issued by O&M Provider	318	–
Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)	306,508	–
Loan from Vena Energy Solar (Japan) Pte. Ltd.	4,919	–
Interest payable on loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)	13,984	–
	946,137	–
Current		
Project finance debt	5,375	–
Deferred financing cost	(593)	–
Interest payable on:		
- Project Finance Debt	77	–
- Bond issued by O&M Provider	3	–
- Loan from Vena Energy Solar (Japan) Pte. Ltd.	285	–
	5,147	–
	951,284	–

Project finance debt

Project finance debt are entered into with Sumitomo Bank by respective Group entities and are repayable over the loan tenor of 16.75 to 18.33 years on quarterly basis. The interest rates on these borrowings ranges between 3-month TIBOR + 0.62% to 0.70%.

The project finance debt contains debt covenants which are tested on a regular basis. A future breach of these covenants may require the Group to repay the loans and borrowings earlier than its year of maturity.

Loan

The unsecured loan with Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd) has an annual interest of 5.0% on the principal outstanding and is repayable on demand. Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd) has agreed in writing not to recall the loan and interest in the next 12 months.

The unsecured loan with Vena Energy Solar (Japan) Pte. Ltd. has an annual interest of 6.0% on the principal outstanding and will be paid within 20 years in equal and consecutive instalments of 33.33% with a first payment 17 years from the date signed and the same amount on the same day every year thereafter, or earlier upon demand. Vena Energy Solar (Japan) Pte. Ltd. does not have the intention to recall the loan in the next 12 months.

12 Loans and borrowings (cont'd)

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

	Note	Liabilities					
		Project finance debt US$'000	Bond issued by O&M provider US$'000	Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd) US$'000	Loan from Vena Energy Solar (Japan) Pte. Ltd. US$'000	Others US$'000	Total US$'000
Restated balance at 1 January 2018		–	–	–	–	–	–
Changes from financing cash flows							
Proceeds from borrowings		75,489	–	373,205	458	–	449,152
Repayment of borrowings		(5,174)	–	(64,234)	(5)	–	(69,413)
Transaction costs related to loans and borrowings		(417)	–	–	–	–	(417)
Interest paid		(6,895)	–	–	–	(7,269)	(14,164)
Total changes from financing cash flows		63,003	–	308,971	453	(7,269)	365,158
Changes arising from obtaining of subsidiaries	24	540,565	309	–	4,345	–	545,219
The effect of changes in foreign exchange rates		14,934	9	(2,431)	121	–	12,633
Other changes							
Liability-related							
Interest expense		6,765	3	13,952	285	7,269	28,274
Total liability-related other changes		6,765	3	13,952	285	7,269	28,274
Balance at 31 December 2018		625,267	321	320,492	5,204	–	951,284

13 Asset retirement obligation

	Note	2018 US$'000	2017 US$'000 Unaudited
At 1 January/18 October 2017 (date of incorporation) (unaudited)		–	–
Acquisitions through business combinations	24	23,269	–
Provision made during the year		2,773	–
Unwinding of discount		144	–
Effect of exchange rate changes		684	–
At 31 December		26,870	–

Asset retirement obligation relates to the cost to reinstate the land at the end of useful life of the renewable asset.

14 Trade and other payables

	2018 US$'000	2017 US$'000 Unaudited
Trade payables	14,958	–
Other tax payables	676	–
Advances received	850	–
Accrued expenses	41	–
Amounts due to:		
- Asset Managers	38,897	–
- O&M Provider	1,675	–
- Vena Energy Pte. Ltd.	27	–
- Vena Energy Solar (Japan) Pte. Ltd.	5	–
- Other third parties	218	–
	57,347	–

15 Revenue and other income

The Group's revenue and other income comprises:

	Year ended 31 Dec 2018 US$'000	Period from 18 Oct 2017 (date of incorporation) to 31 Dec 2017 US$'000 Unaudited
Sale of energy	101,709	–
	101,709	–
Other income:		
Insurance claims	998	–
Others	174	–
	1,172	
	102,881	–

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

FS22

15 Revenue and other income (cont'd)

Sale of energy

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

16 Operating costs

	Year ended 31 Dec 2018 US$'000	Period from 18 Oct 2017 (date of incorporation) to 31 Dec 2017 US$'000
Operations and maintenance costs	6,263	–
Asset related tax and levies	6,402	–
Rental - land & site office	4,522	–
Professional fees	1,117	–
Asset related insurance	1,020	–
Utilities and transmission costs	630	–
Other general and administrative costs	299	–
	20,253	–

17 Asset management fee

	Year ended 31 Dec 2018 US$'000	Period from 18 Oct 2017 (date of incorporation) to 31 Dec 2017 US$'000
Asset management fees	3,884	–

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

(i) The actual reasonable expenses incurred by the Asset Manager on its own account for the performance of the Services (as opposed to expenses incurred on behalf of the GK) to the extent falling within the Operating Budget, and

(ii) 10% of the amount in (i) or the maximum asset management, as agreed.

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

18 Development costs

	Year ended 31 Dec 2018 US$'000	Period from 18 Oct 2017 (date of incorporation) to 31 Dec 2017 US$'000 Unaudited
Professional fees	718	–
Business related taxes	219	–
Insurance	215	–
Occupancy costs	59	–
Other general and administrative costs	48	–
	1,259	–

19 Finance income and finance costs

	Year ended 31 Dec 2018 US$'000	Period from 18 Oct 2017 (date of incorporation) to 31 Dec 2017 US$'000 Unaudited
Finance income		
Interest income	2	–
Total finance income	2	–
Finance costs		
Interest expense on:		
- Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)	13,982	–
- Loan from Vena Energy Solar (Japan) Pte. Ltd.	258	–
- Acquisition of subsidiaries	7,269	–
- Project finance debt	6,765	–
Other finance costs	153	–
Total finance cost	28,427	–

20 Tax expense

	Year ended 31 Dec2018 US$'000	Period from 18 Oct 2017 (date of incorporation) to 31 Dec 2017 US$'000 Unaudited
Current tax expense		
Current year	34	–

20 Tax expense (cont'd)

	Year ended 31 Dec2018 US$'000	Period from 18 Oct 2017 (date of incorporation) to 31 Dec 2017 US$'000 Unaudited
Reconciliation of effective tax rate		
Loss before tax	(8,684)	–
Tax using Japan tax rate of 30.86%	(2,680)	–
Effect of tax rates in foreign jurisdiction		
Expenses non-deductible for tax purposes	3,002	–
Tax-exempt income	(322)	–
Others	34	–
	34	–

21 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

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

The carrying amount of financial assets in the statement of financial position represents the Group and the Trust's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Trust does not hold any collateral in respect of its financial assets.

Impairment loss on financial assets included in the statement of comprehensive income

	Year ended 31 Dec 2018 US$'000	Period from 18 Oct 2017 (date of incorporation) to 31 Dec 2017 US$'000 Unaudited
Impairment loss on trade receivables	5	–
Impairment loss on other receivables	220	–
	225	–

21 Financial instruments (cont'd)

Credit risk (cont'd)

Trade receivables

The Group's customers comprises mainly government or quasi-government offtakers of electricity, and a small number of private offtakers. Exposure to credit risk is influenced mainly by the individual characteristics of the offtaker and/or the government entity supporting the offtaker.

Most of the Group's customers have been transacting with the respective Group Entities for over 1 year, and no impairment loss has been recognised against these customers.

The Group does not require collateral in respect of trade receivables.

Exposure to credit risk

The maximum exposure to credit risk for trade receivables at the reporting date is represented by the carrying amount on the statement of financial position.

	Carrying amount	
	2018	**2017**
	US$'000	**US$'000**
		Unaudited
Japan	5,337	–

Impairment

A summary of the exposure to credit risk for trade receivables is as follows:

	2018	
	Not credit-impaired	**Credit-impaired**
	US$'000	**US$'000**
Japan	5,337	–
Total gross carrying amount	5,337	–
Loss allowance	(5)	–
	5,332	–

Expected credit loss assessment for corporate customers as at 1 January and 31 December 2018

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

21 Financial instruments (cont'd)

Credit risk (cont'd)

Expected credit loss assessment for corporate customers as at 1 January and 31 December 2018 (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables for customers as at 31 December 2018:

	Group			
Credit risk grade	**Loss rate %**	**Gross carrying amount US$'000**	**Impairment loss allowance US$'000**	**Credit impaired**
Government or government-linked				
Low	0.00	4,506	–	No
Utilities industry				
Low	0.45	818	5	No
Real estate industry				
Low	0.72	13	–	No
		5,337	5	

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	US$'000
At 1 January 2018 per IAS 39 (unaudited)	–
Adjustment on initial application of IFRS 9	–
Impairment loss from acquisition of subsidiaries	–
At 1 January 2018 per IFRS 9 (unaudited)	–
Impairment loss recognised	5
At 31 December 2018 per IFRS 9	5

Other receivables

Other receivables comprises mainly balances due from affiliates of the Group to which the Group has provided short term liquidity for strategic purposes.

Most of the Group's counterparties have been transacting with the respective Group entities for over 1 year, and no impairment loss has been recognised against these counterparties.

The Group does not require collateral in respect of other receivables.

Exposure to credit risk

The maximum exposure to credit risk for other receivables at the reporting date by geographic region was as follows:

	Carrying amount	
	2018 US$'000	**2017 US$'000 Unaudited**
Cayman Islands	175	–
Japan	44,674	–
	44,849	–

21 Financial instruments (cont'd)

Credit risk (cont'd)

Impairment

A summary of the exposure to credit risk for other receivables is as follows:

	2018	
	12 months ECL US$'000	**Credit-impaired US$'000**
Group		
Cayman Islands	175	–
Japan	44,674	–
Total gross carrying amount	44,849	–
Loss allowance	(220)	–
	44,629	–

Expected credit loss assessment for customers as at 1 January and 31 December 2018

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Credit risk grades include "Low", "Medium" and "High".

Exposures within each credit risk grade are segmented by geographic region and an ECL rate is calculated for each segment.

The following table provides information about the exposure to credit risk and ECLs for other receivables for customers as at 31 December 2018:

		Group		
Credit risk grade	**Loss rate %**	**Gross carrying amount US$'000**	**Impairment loss allowance US$'000**	**Credit impaired**
Government or government-linked				
Low	0.00	7,751	–	No
Utilities industry				
Low	0.45	34,501	200	No
Real estate industry				
Low	0.72	2,524	18	No
Forest & building industry				
Low	2.56	73	2	No
		44,849	220	

21 Financial instruments (cont'd)

Credit risk (cont'd)

Movements in allowance for impairment in respect of other receivables

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

	Group US$'000
At 1 January 2018 per IAS 39 (unaudited)	–
Adjustment on initial application of IFRS 9	–
Impairment loss from acquisition of subsidiaries	–
At 1 January 2018 per IFRS 9 (unaudited)	–
Impairment loss recognised	220
At 31 December 2018 per IFRS 9	220

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated AA- to AA+, based on Rating Agency S&P global ratings.

Cash and cash equivalents

The Group and the Trust held cash and cash equivalents of US$127.1 million at 31 December 2018 – the figure represent its maximum credit exposures on these assets. The cash and cash equivalents are held with bank and financial institution counterparties which are rated AA- to AA+, based on Rating Agency S&P global ratings.

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

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt investments.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Asset Managers to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

21 Financial instruments (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount US$'000	Contractual cash flows US$'000	12 months or less US$'000	1-2 years US$'000	2-5 years US$'000	More than 5 years US$'000
31 December 2018						
Non-derivative financial liabilities						
Project Finance Debt	634,955	(699,676)	(5,451)	(12,296)	(85,596)	(596,333)
Bond issued by O&M Provider	321	(321)	–	–	–	(321)
Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd) and Vena Energy Solar (Japan) Pte. Ltd.	325,696	(344,693)	(14,273)	(320,780)	(885)	(8,755)
Trade and other payables*	55,821	(55,821)	(55,821)	–	–	–
	1,016,793	(1,100,511)	(75,545)	(333,076)	(86,481)	(605,409)
Derivative financial instruments	8,512	(8,082)	(2,324)	(2,283)	(6,100)	2,625
	1,025,305	(1,108,593)	(77,869)	(335,359)	(92,581)	(602,784)

* *Excludes non-financial liabilities*

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Foreign currency risk is a financial risk that exists when a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the Trust.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Trust.

The Group is not significantly exposed to foreign exchange risk as most transactions are denominated in the functional currency of the respective Group entities.

The Group ensures that the net exposure to foreign currency risk is monitored on an ongoing basis and the Trust endeavours to keep the net exposure at an acceptable level.

Interest rate risk

Interest rate risk refers to the risk faced by the Group as a result of fluctuations in interest rates. The Group manages some of its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

21 Financial instruments (cont'd)

Interest rate risk (cont'd)

Exposure to interest rate risk

At the reporting date, the variable rate interest-bearing financial instruments that are subject to interest rate risk were as follows:

	Nominal amount	
	2018	**2017**
	US$'000	**US$'000**
		Unaudited
Fixed rate instruments		
Financial liabilities	–	–
- Bond issued by O&M Provider	(321)	–
- Loan from Vena Energy Holdings Ltd (formerly known as GIP Zenith Cayco II, Ltd)	(320,492)	–
- Loan from Vena Energy Solar (Japan) Pte. Ltd.	(5,304)	–
	(326,117)	–
Variable rate instruments		
Financial liabilities		
- Project finance debt	(634,955)	–
Effect of interest rate swaps	511,345	–
	(123,610)	–

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate instrument a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity	
	100 bp increase US$'000	**100 bp decrease US$'000**	**100 bp increase US$'000**	**100 bp decrease US$'000**
31 December 2018				
Variable rate instruments	6,349	(6,349)	–	–
Interest rate swap	(5,113)	5,113	–	–
Cash flow sensitivity (net)	1,236	(1,236)	–	–
31 December 2017 (unaudited)				
Variable rate instruments	–	–	–	–
Interest rate swap	–	–	–	–
Cash flow sensitivity (net)	–	–	–	–

Capital management

The Group's objective in managing capital is to ensure a stable and strong capital base to maximise returns for its shareholders.

The Group defines capital as including all components of unitholders' fund. The Group's capital structure is regularly reviewed and managed in accordance with the capital management practices of the Group. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group, to the extent that these do not conflict with the directors' fiduciary duties towards the Group.

The Group is not subject to externally imposed capital requirements.

22 Fair value of financial instruments

Fair value measurement

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

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

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

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

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

Accounting classification and fair value

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

		Carrying amount			Fair value			
	Note	Mandatorily at FVTPL US$'000	Amortised cost US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group								
31 December 2018								
Derivative assets	8	267	–	267		267		267
Trade and other receivable*	7	–	48,180	48,180				
Cash and cash equivalents		–	127,172	127,172				
		267	175,352	175,619				
Loans and borrowings	12	–	932,153	932,153		932,153		932,153
Derivative liabilities	8	8,512	–	8,512		8,512		8,512
Trade and other payables (net of advances)*	14	-	56,497	56,497				
		8,512	988,650	997,162				

22 Fair value of financial instruments (cont'd)

Accounting classification and fair value (cont'd)

	Note	Carrying amount			Fair value			
		Mandatorily at FVTPL US$'000	Amortised cost US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group								
31 December 2017 (unaudited)								
Derivative assets		–	–	–				
Trade and other receivable		–	–	–				
Cash and cash equivalents		–	–	–				
		–	–	–				
Loans and borrowings		–	–	–				
Derivative liabilities		–	–	–				
Trade and other payables (net of advances)		–	–	–				
		–	–	–				

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

* Excludes non-financial assets and liabilities

23 Commitments

Operation and maintenance agreements

The future aggregate minimum payments for operation and maintenance agreements are as follows:

	2018 US$'000	2017 US$'000 Unaudited
Within one year	6,362	–
After one year but within five years	25,450	–
After five years	86,311	–
Total	118,123	–

The Group entered into O&M agreements with the O&M Provider for a period 20 years and may be terminated by mutual agreement.

Non-cancellable operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2018 US$'000	2017 US$'000 Unaudited
Long-term land lease agreements		
Within one year	3,564	–
After one year but within five years	14,251	–
After five years	74,189	–
Total	92,004	–

23 Commitments (cont'd)

Non-cancellable operating lease commitments (cont'd)

The Group entered into several land lease agreements with various land owners across Japan for a period range between 20 to 35 years. The Group has the right to extend the terms either by letter of notification or by agreement from both parties and obligations to restore the land to the original state at the end of the commitment.

During the year, an amount of US$3.6 million was recognized as an expense in profit or loss in respect to operating lease.

24 Acquisition of subsidiaries

On 19 January 2018, the Group announced the closing of the acquisition of 100% of the equity interest in Vena Energy II (formerly known as 'Equis Energy II') and interest in Tokumei Kumial investments in Solar and Wind assets in Japan from Equis Funds and its affiliates, for an enterprise value of US$2.3 billion (including assumed liabilities of US$0.6 billion). The net transaction consideration has been settled in cash.

Consideration transferred and identifiable assets acquired and liabilities assumed

The following summarises the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Note	Total US$'000
Initial cash consideration		1,677,410
Cash consideration on closing adjustment		(42,396)
Total cash consideration		1,635,014
Property, plant and equipment	4	721,657
Intangible assets	5	1,082,012
Derivatives assets		654
Trade and other receivables		24,247
Prepayment and other assets		24,880
Cash and cash equivalents		81,696
Loans and borrowings		(545,219)
Derivative liabilities		(1,640)
Asset retirement obligation	13	(23,269)
Trade and other payables		(59,389)
Current tax liabilities		(871)
Total identifiable net assets		1,304,758

Measurement of fair value

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

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

24 Acquisition of subsidiaries (cont'd)

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Note	Total US$'000
Consideration transferred		1,635,014
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquirees		14,585
Fair value of identifiable net assets		(1,304,758)
Goodwill	5	344,841

The goodwill is attributable mainly to the development pipeline in Japan expected to be achieved. None of the goodwill recognised is expected to be deductible for tax purposes.

25 Group entities

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

Name of subsidiaries	Sector	Project Name/ Activities	Status	Principal place of business	Ownership interest 2018 %
Zenith Japan Trust (formerly known as GIP III Zenith Holding Trust III)	Investment Holding Company	-	Operating	Guernsey	100
Kuni Umi Wind (No.1) LLC	Wind	Nakamadori	Development	Japan	99
GK KC-01 Investment	Solar	Sotsukozawa	Construction	Japan	99
GK NRE Kunisaki	Solar	Kunisaki	Operating	Japan	99
GK NRE Kurisu	Solar	Kurisu	Operating	Japan	99
GK NRE Sannan	Solar	Sannan	Operating	Japan	99
GK NRE-01 Investment	Solar	Aomori	Operating	Japan	99
GK NRE-03 Investment	Solar	Kunimi	Operating	Japan	99
GK NRE-04 Investment	Solar	Shichinohe 1,5,7	Operating	Japan	99
GK NRE-05 Investment	Solar	Shichinohe 3,6,8	Operating	Japan	99
GK NRE-06 Investment	Solar	Nihonmatsu	Operating	Japan	99
GK NRE-13 Investment	Solar	Enokibayashi	Operating	Japan	99
GK NRE-15 Investment	Solar	Noheji	Operating	Japan	99
GK NRE-16 Investment	Solar	Tokai	Operating	Japan	99
GK NRE-17 Investment	Solar	Mito1	Operating	Japan	99
GK NRE-18 Investment	Solar	Yaita	Operating	Japan	99
GK NRE-19 Investment	Solar	HitachiOmiya	Construction	Japan	99
GK NRE-36 Investment	Solar	Towada	Construction	Japan	99

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

The Trust has assessed the economic reality of the Group and its investment activities through the TK Operators and concluded that the TK Operators meet the definition of subsidiaries of the Group (as defined by IFRS).

26 Related parties

During the year, other than those disclosed elsewhere in the consolidated financial statements, there were no other significant transactions with related parties.

27 Non-controlling interest

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

28 Adoption of new standards

IFRS 9

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' ('ECL') model and a new general hedge accounting model. The Group adopted IFRS 9 from 1 January 2018.

As the Trust is dormant until the acquisition on 19 January 2018, the impact of adoption of IFRS 9 on the opening balances is insignificant. Accordingly, comparative figures have not been restated.

IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

As the Trust is dormant until the acquisition on 19 January 2018, the impact of adoption of IFRS 15 on the opening balances is insignificant. Accordingly, comparative figures have not been restated.

29 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Group has not early adopted them in preparing consolidated financial statements.

The Group has the following standard issued but not yet effective that may have a significant impact on the Group's consolidated financial statements:

International Financial Reporting Standard ('IFRS') 16 *Leases* replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases to finance or operating leases.

29 Standards issued but not yet effective (cont'd)

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but no yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate at 1 January 2019, the composition of the Group's lease portfolio at that date, the Group's latest assessment of whether it will exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions.

Thus far, the most significant impact identified is that the Group will recognise new assets and liabilities for its operating leases for land and offices.

In addition, the nature of expenses related to those leases will now change because IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

i. Determining whether an arrangement contains a lease

On transition to IFRS 16, the Group can choose whether to:

- Apply the IFRS 16 definition of a lease to all its contracts; or
- Apply a practical expedient and not reassess whether a contract is, or contains, a lease.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases under IAS 17 and IFRIC 4.

ii. Determining whether an arrangement contains a lease

As a lessee, the Group can either apply the standard using a:

- Retrospective approach;
- Modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases.
The Group plan to apply IFRS 16 initially on 1 January 2019, using a modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

When applying a modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Group is assessing the potential impact of using these practical expedients.

30 Subsequent Event

Subsequent to year-end, the Group entered into an agreement to transfer its TK interests in GK NRE-01 Investment, GK NRE-03 Investment, NRE Kunisaki GK and NRE Kurisu GK to a third party. This transaction was closed in June 2019.

REGISTERED OFFICE OF THE ISSUER

Vena Energy Capital Pte. Ltd.
80 Robinson Road, #02-00
Singapore 068898

REGISTERED OFFICES OF THE GUARANTORS

Vena Energy Holdings Ltd
Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Vena Energy (Taiwan) Holdings Ltd
Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Zenith Japan Holdings Ltd
1st Floor, Les Echelons Court
Les Echelons, St Peter Port
Guernsey GY1 6JB

ARRANGERS

Crédit Agricole Corporate and Investment Bank, Singapore Branch
168 Robinson Road
#23-00 Capital Tower
Singapore 068912

DBS Bank Ltd.
12 Marina Boulevard, Level 42
Marina Bay Financial Centre
Tower 3
Singapore 018982

ING Bank N.V., Singapore Branch
1 Wallich Street
#12-01 Guoco Tower
Singapore 078881

MUFG Securities Asia (Singapore) Limited
Marina One East Tower
7 Straits View, #23-01
Singapore 018936

INITIAL DEALERS

ABN AMRO Securities (USA) LLC
100 Park Ave –
17th Floor,
New York,
NY 10017

Banca IMI S.p.A.
Largo
Mattioli 3,
20121 Milan

BNP Paribas
31-01 Ocean
Financial Center
10 Collyer Quay
Singapore 049315

Crédit Agricole Corporate and Investment Bank, Singapore Branch
168 Robinson
Road
#23-00 Capital
Tower
Singapore 068912

DBS Bank Ltd.
12 Marina
Boulevard,
Level 42
Marina Bay
Financial Centre
Tower 3
Singapore 018982

ING Bank N.V., Singapore Branch
1 Wallich Street
#12-01 Guoco
Tower
Singapore 078881

MUFG Securities Asia (Singapore) Limited
Marina One East
Tower
7 Straits View,
#23-01
Singapore 018936

SMBC Nikko Capital Markets Limited
One New
Change,
London
EC4M 9AF

ISSUING AND PAYING AGENT AND CALCULATION AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris 2-4
rue Eugène Ruppert
L-2453
Luxembourg

CDP ISSUING AND PAYING AGENT, CDP CALCULATION AGENT, CDP REGISTRAR AND CDP TRANSFER AGENT

The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

TRUSTEE

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

LEGAL ADVISERS

to the Issuer and the Guarantors as to Singapore and English law

Clifford Chance Pte. Ltd.
Marina Bay Financial Centre
25th Floor, Tower 3
12 Marina Boulevard
Singapore 018982

to the Arrangers and the Dealers as to English law

Allen & Overy LLP
50 Collyer Quay #09-01
OUE Bayfront
Singapore 049321

to the Trustee as to English law

Allen & Overy LLP
50 Collyer Quay #09-01
OUE Bayfront
Singapore 049321

INDEPENDENT AUDITORS

KPMG LLP
16 Raffles Quay
Hong Leong Building #22-00
Singapore 048581