ANNUAL REPORT 2023

Africa Clean Energy Solutions Limited
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Ebene 72201
Mauritius
www.acesrenewables.com

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OUR MISSION

The Group develops, owns and operates clean energy power plants throughout Africa.

We strive to become a significant independent provider of clean energy; and at the same time make a positive impact on people's lives.

In pursuance of our mission, offering a sustainable return to our investors.

CHAIRMAN'S MESSAGE

It's an honour to present this year's Chairman's Report, which is particularly pivotal given the global urgency to fight climate change and align with international climate pacts, like the Conference of the Parties (COP) agreements. Recent high-level meetings, such as Africa Climate Week in Nairobi, have underscored the importance of this alignment. The United States and China both significantly increased their aid commitments to Africa at this event, signalling an increasing global consensus on the continent's strategic role in addressing climate change.

There's no question that climate change is a present and immediate global issue; it isn't a hypothetical future scenario. Not least in Africa, rising temperatures, extreme weather conditions, and environmental degradation are becoming increasingly evident. Africa bears a unique responsibility because of its relatively low contribution to greenhouse gas emissions and the severe impacts it faces.

A wide range of renewable energy resources are available in Africa, including solar, wind, hydro, and geothermal energy. These natural assets present an immediate and sustainable solution to two interlinked issues: energy poverty and climate change. Our company has been a frontrunner in tapping into these resources, developing them into viable, sustainable energy solutions that can uplift communities while reducing environmental footprints.

Our CEO has articulated our notable initiatives and accomplishments in renewable energy development across Africa, and it is crucial to emphasize our broad-spectrum approach. We are not working in isolation; rather, we have built strong alliances with governmental agencies, international organizations, and grassroots communities. These partnerships enable us to navigate the complexities of regional needs, legal frameworks, and cultural considerations.

However, the path to fully sustainable energy in Africa is fraught with challenges, including but not limited to financial limitations, regulatory obstacles, and gaps in local expertise. These are substantial barriers, yet they also serve as impetuses for innovation and investment. These challenges are calls to action, compelling us to be creative, efficient, and collaborative.

Looking ahead, we are not merely hopeful; we are staunchly committed. Our focus on innovation will remain unwavering as we continue to channel investments into groundbreaking technologies and scalable solutions. We are actively engaging with policymakers, pushing for an ecosystem that encourages renewable energy ventures through favorable incentives, easier regulatory pathways, and targeted capacity-building initiatives.

Our endeavor in Africa's renewable energy sector transcends business metrics; it embodies a moral and ethical imperative. We aim to be more than a profitable enterprise; we aim to be catalysts for enduring, positive change. Our ambition extends beyond the balance sheet, contributing significantly to Africa's sustainable development while setting a global example in proactive climate action.

I extend my deepest gratitude to each of you—our shareholders, our employees, our partners, and all stakeholders—for standing with us in this transformative journey. It’s your faith and support that strengthen our resolve to revolutionize Africa’s energy landscape and protect the planet for future generations.

Gaetan Siew
Chairman

CHIEF EXECUTIVE OFFICER’S REPORT

The year ending June 2023 has been eventful. The rise in global central bank policy rates to fight inflation, continues to weigh on worldwide economic activity. Global growth in 2022 was 3.5% and is expected to drop to 3.0% in 2023 and 2024. The positive is that global inflation is expected to fall to 6.8% in 2023, from 8.7% in 2022. The outlook for 2024 improves further, as inflation is expected to drop to 5.2%.

Kenya, Uganda and Zambia

Our projects in Kenya, Uganda and Zambia are denominated in US$ and as such are protected against any local currency fluctuations. Although the US federal reserve raised interest rates from 1.75% in July 2022 to 5.25% by the end of June 2023, it has had little impact on these east-African projects as they are in the permitting phase, meaning that construction has yet to begin and therefore no debt has yet been raised. We expect to have completed the permitting phase towards the end of 2024, beginning of 2025. At this point, capital will have been raised and the construction phase will begin.

Kenya has been delayed due to a new president being elected and the replacement of the key staff at Kenya Power and Lighting Company (KPLC). Our Kenyan subsidiary, Tana Biomass has commenced discussions with KPLC, who have advised Tana Biomass that the project is still required and the main issue in the discussion is a revision of the Tariff.

The Uganda Electricity Distribution Company (UEDCL) requires a detailed feasibility study to be finalized. Although the Tariff has been agreed the Power Purchase agreement will only be signed against a presentation of a feasibility study. This study has commenced and is expected to be completed in the second quarter of 2023.
I present to you the Group Annual Report for the year ended 30 June 2022.

The project in Zambia requires a feasibility study to be completed. Our partner in Zambia, The University of Fort Hare has obtained support from the Zambia Electricity Supply Corporation (Zesco) to proceed with the study.

South Africa

A similar economic picture is mirrored in South Africa. The prime interest rate rose from 8.25% to

11.25% over the twelve months. Together with the political uncertainty, this 3.0% rise has had a negative impact on the growth of the economy. The flip side is that inflation fell from 7.8% in July 2022 to 5.4% in June 2023 (a 19-month low). The interest rate hike hasn't helped the exchange rate. The majority of equipment used in rooftop and ground-mounted solar installations is imported and denominated in US$s. The rand slipped from R16.40 to the US$ at the beginning of the financial year, to R18.83 at the 30th June 2023, a depreciation of 14.8%. This makes costing of projects difficult. To mitigate this, all customer quotes are valid for a maximum period of 30 days and we strive to obtain up-to-date quotes from our suppliers on a continual basis.

During the financial year, we have continued with the implementation of our strategy. This is two-fold, being both a short-term and a long-term strategy. The short-term strategy is to concentrate on rooftop solar installations for commercial and industrial (C&I) clients. We installed a total of 800kW and have a number of proposals awaiting finalization. During the calendar year 2022, the country experienced 208 days in which power was curtailed. This is expected to increase to 49 weeks in 2023. We have noticed that there is a heightened demand for C&I installations, as it is estimated that Eskom is currently unable to meet demand by up to 9,000MW. This is reflected in the fact that we have 15 proposals being considered by various clients, to the tune of 8MW in total.

In addition to rooftop solar, in implementing our long-term strategy, we have begun to develop 3 ground-mounted solar (GMS) projects; which when completed, will produce 369MW DC. This is phase 1 of our GMS pipeline. Our subsidiary, SACE Projects has secured appropriate land with an appropriate Eskom connection, under a 25-year lease. We are currently in the permitting phase. Consultants have been appointed to obtain the necessary permits and licences, such as the EIA, water licence, topographical and geological surveys and Eskom grid studies, to name a few. This is a timely and costly process. We expect to complete this phase by Q1 2024. On completion, the projects are deemed 'shovel ready'. Each project will either be sold, or capital will be raised in order for us to begin the development and construction of the solar farm. Each project will generate a development fee, whether we decide to sell the projects or keep them. This development fee will facilitate the ability for us to begin the permitting phase on our planned GMS phase 2; which will again be 3 projects with a total of 300MW. We have a number of interested parties in the energy that these GMS projects will produce and are in the process of finalizing letters of interest (LOI) from these potential off-takers. These LOIs will be converted into power purchase agreements (PPA) the closer the projects become to shovel ready.

Fund raising

During the year, we raised capital by an issue of new shares in ACES. In addition, we have a number of lines in the water with various interested parties, who are keen to invest in the company by acquiring equity or providing debt, or both. This is a direct result of the strategy we adopted at the beginning of the financial year, where we decided to grow into the GMS space. As stated above, not only will this strategy allow us to receive development fees, but in the instance where we retain an equity stake in the GMS, it will provide strong annuity income flows.

I am optimistic that the next twelve months will positively shape the future of the company.

Andrew Cox
Chief Executive Officer

PROJECTS

We continue to install rooftop solar PV solutions to our customers. In addition, we have adopted a long-term strategy that will provide sustainable annuity income. During the financial year, the government removed the 100MW licensing threshold for private power generation projects. In other words, wind and solar projects of any size can now be built without the requirement of a licence. As a result, we are currently developing two ground-mounted solar projects.

Rooftop Solar PV Installation

Rooftop Hybrid Installation

Successfully completed

365kW PV installation at P L Steel

Hybrid installation at Eastgate Office Park

Commenced with rooftop solar of 4 buildings for Growthpoint Property

Ground Mounted Solar PV Installation

Successfully completed 10MW Ground Mounted PV installation

Similar projects ranging from 10MW to 100MW are in the pipeline.

Commenced with the development of the pipeline and secured land and off-Takers for 127MW solar project.

INVESTORS

The share last traded at 78 US cents.

As the South African energy market has opened up to the private sector the possibilities of the Group achieving its objective for 2024 has increased substantially which will be beneficial to investors. By meeting its 2024 objectives the market will gain more confidence, ACES Renewables investors can expect:

- Internal Rate of Returns for ground-mounted solar projects range from 15% to 18%, depending on the country and the technology;
- Income is denominated in USD currency in all African countries apart from South African;
- Sustainable returns over duration of operations of projects;
- Clear exit opportunity through listing on stock exchange;

HUMAN RESOURCES

As the company is developing further projects it has needed to increase its technical and research expertise:

The South African operations has promoted Tumelo Lekalakala to General Manager and is recruiting for a new member for the Technical Team.

These roles will assist with our local commercial projects, together with investigating and researching new opportunities.

The company has grown and while developing further it will need to increase its work force.

REVIEW OF RESULTS

The strategy implemented in the 2023 financial year has resulted in an increase in turnover in the group, mainly attributed to additional roof top installations.

The developments in South Africa together with the Ukraine Russian conflict, and more recently the Israeli and Palestinian conflict - which has resulted in an international energy crisis – has allowed the Group to increase its presence in South Africa and reduce the development time for its African projects.

During the year the company acquired additional shares in SACE Projects (Pty|) Limited, resulting in SACE Projects becoming a subsidiary company (56.6%) of the Company.

The directors have decided to increase provisions against certain loans on the advice of the auditors and an extraordinary impairment of assets ofUS$403,453 resulted in the loss for the year being increase by that level.

The company will continue with its efforts to raise new equity finance to provide it with the platform to meet the financial close requirements of our projects and continue to develop new projects.

As is the case with long term projects such as our South African, Ugandan, and Kenyan plants, the Company's profitability will increase once each of the projects reaches financial close.

During the year income was generated into ACES Mauritius from its subsidiaries and associates in the form of management fees received. This will continue as we move forward and increase as the projects reach COD.

FINANCIAL STATEMENTS

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
MANAGEMENT AND ADMINISTRATION FOR THE YEAR ENDED 30 JUNE 2023

Directors	Melvyn Joseph Antonie (Appointed 8 December 2017) Johan David Kruger (Appointed 8 December 2017) Toorisha Nakey-Kurnauth (Appointed 8 December 2017) Gaetan Michel Siew Hew Sam (Appointed 6 November 2018) Antoine Kon-Kam King (Appointed 28 August 2019) Andrew Lloyd Cox (Appointed 1 September 2022)	
Company Secretary	Intercontinental Trust Limited Level 3, Alexander House 35 Cybercity Ebène, 72201 Mauritius	
Registered Office	Level 3, Alexander House 35 Cybercity Ebène, 72201 Mauritius	
Auditors	BDO & Co Chartered Accountants 10, Frère Félix de Valois Street Port Louis, Mauritius	
Bankers	AfrAsia Bank Limited Bowen Square 10, Dr Ferriere Street Port Louis, Mauritius	Mercantile Bank Limited 142 West Street Sandown Johannesburg, South Africa
SEM authorised representative and SEM sponsor:	Perigeum Capital Ltd Level 3, Alexander House 35 Cybercity Ebène, 72201 Mauritius	
Legal adviser	C&A Law Level 1 Alexander House 35 Cybercity Ebène, 72201 Mauritius	

DIRECTORS' COMMENTARY

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2023

The directors are pleased to present their report together with the audited financial statements of Africa Clean Energy Solutions Limited ("the Company" or "ACES Renewables") and its subsidiaries (collectively "the Group") for the year ended 30 June 2023.

Incorporation
Africa Clean Energy Solutions Limited, referred to as the "Company", was incorporated in the Republic of Mauritius on 8 December 2017 under the Companies Act 2001 as a private company limited by shares. The Company has, by special resolution, converted itself into a public company on 7 March 2018. The Company holds a Global Business Licence issued by the Financial Services Commission. On 31 May 2019, the Company was listed on the Stock Exchange of Mauritius Limited.

Principal Activity
The principal activity of the Company is to provide clean energy solutions through its subsidiaries, joint ventures and associates.

The subsidiaries are namely:

	% Holding		Country of incorporation
Name	**Direct**	**Indirect**	**and operation**
Africa Clean Energy Solutions (ACES) Limited	100	-	England
Tana Biomass Generation Limited	-	70	Kenya
Tana Solar Limited	-	70	Kenya
VFU - Clean Energy Limited	-	70	Zambia
SACE Projects (Pty) Ltd	56.6	-	South Africa
SA Clean Energy Finance (Pty) Ltd	100	-	South Africa
Unergy Limited	-	75	Uganda

The associates are namely:

	% Holding		Country of incorporation
Name	**Direct**	**Indirect**	**and operation**
Sturrock Investment Number Eight (Pty) Ltd	35	-	Namibia

On 30 June 2022, the company capitalised a portion of the loan account in SACE Projects (Pty) Ltd into equity shares.

Effective 1 October 2022, the group obtained control over SACE Projects (Pty) Ltd. The Company owns directly 56.6%, of SACE Projects (Pty) Ltd, and is represented by a majority on the subsidiary's board of directors and has common key management personnel. The relevant activities of the subsidiary are determined by their boards of directors based on a majority of votes. Therefore, the directors conclude that it has control over the investee and the investee is consolidated in these financial statements.

On 30 June 2023, the investments in Kalkuil Solar (Pty) Ltd and Matla A Letsatsi (RF) (Pty) Ltd were written off.

Review and Dividend
The results of the Company for the year ended 30 June 2023 are as shown in the statement of profit or loss and other comprehensive income.

The directors did not recommend any payment of dividend for the year under review.

Auditors
The auditors, BDO & Co, have indicated their willingness to continue in office and their re-appointment will be tabled for consideration at the next annual meeting of the shareholders.

CORPORATE GOVERNANCE REPORT

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2023

COMPLIANCE STATEMENT

Corporate governance is a system of structuring, operating and controlling a company and involves a set of relationships between all the company's stakeholders. Sound principles of corporate governance are essential to ensure fairness, integrity, transparency and to achieve a high level of stakeholders' trust and confidence in the organisation.

Africa Clean Energy Solutions Limited (the "Company" or "ACES Renewables") was incorporated in Mauritius on 8 December 2017 and holds a Global Business Licence issued by the Financial Services Commission (the "FSC"). The Company is listed on the Official Market of the Stock Exchange of Mauritius Limited (SEM) since 31 May 2019.

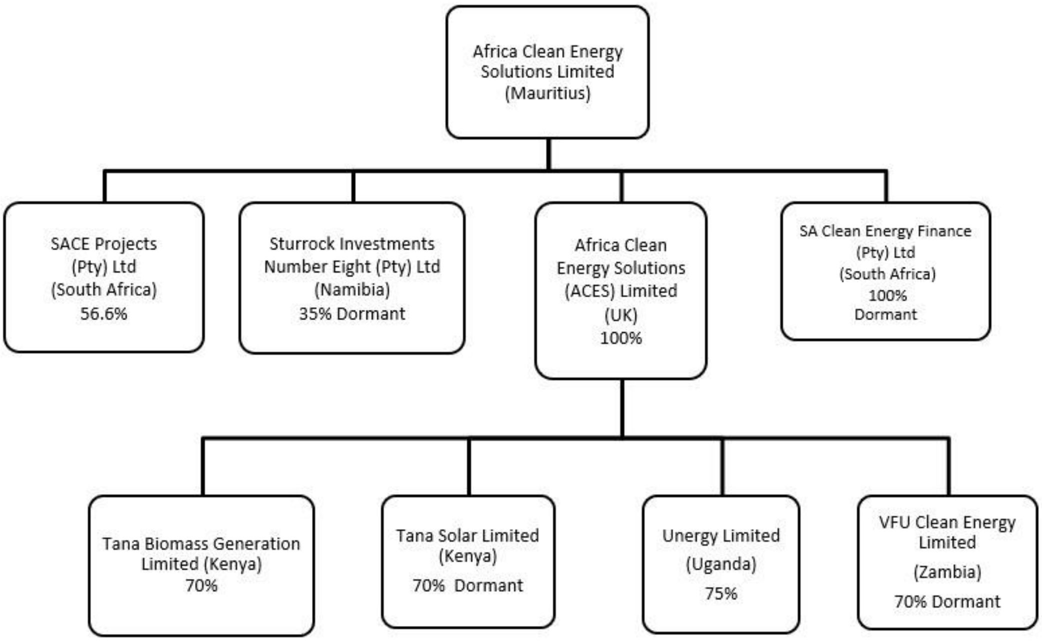
Africa Clean Energy Solutions Limited, through its subsidiary companies, is a Renewable Energy Group and Independent Power Producer which focuses on the African continent where there is a compelling case for power generation. ACES Renewables focuses on developing, financing, building and owning projects for long term cash flow in USD. The Company is currently targeting growth in Kenya, Uganda, South Africa, Zambia and other business friendly jurisdictions. ACES Renewables is becoming a utility, operating renewable energy plants in Africa. ACES Renewables' objective is to own and operate the projects in various countries and generate cash flow.

The Board of Directors of the Company recognises that The National Code of Corporate Governance for Mauritius (2016) (the "Code") is regarded as best practice and therefore uses its best endeavours to ensure that the principles of good corporate governance, as applicable in Mauritius, are fully adhered to and form an integral part of the way in which the Company's business is conducted. The Company also endeavours to apply the recommendations of the Code.

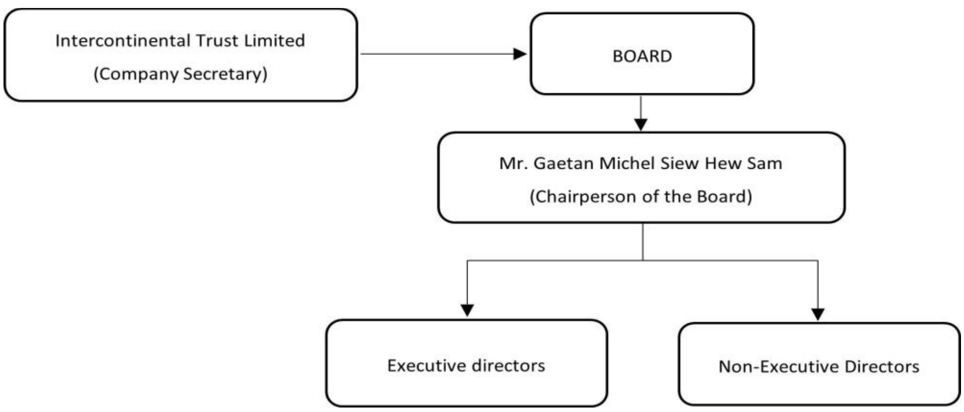
SHAREHOLDERS

Holding Structure

The holding structure of the Company is as follows:



Organisational Chart



SHAREHOLDERS (CONTINUED)
Description of Subsidiaries' and Associates' Activities

Name of subsidiary or associated company	Activity
Africa Clean Energy Solutions (ACES) Limited	Provision of clean energy through its subsidiaries
Tana Biomass Generation Limited	Generating, operating and owning renewable energy power plants in Kenya
Tana Solar Limited	Dormant
Unergy Limited	Generating, operating and owning renewable energy power plants in Uganda
VFU-Clean Energy Limited	Dormant
SACE Projects (Pty) Ltd	Generating, operating and owning renewable energy power plants, and installing roof top solar solutions in South Africa
SA Clean Energy Finance (Pty) Ltd	Dormant

Common Directors

Mr Andrew Lloyd Cox; Mr Melvyn Joseph Antonie and Mr Johan David Kruger are common directors in the following subsidiary companies:

Melvyn Joseph Antonie	Johan David Kruger
Africa Clean Energy Solutions (ACES) Limited	Africa Clean Energy Solutions (ACES) Limited
Tana Biomass Generation Limited	Tana Biomass Generation Limited
Tana Solar Limited	Tana Solar Limited
VFU-Clean Energy Limited	VFU-Clean Energy Limited
SACE Projects (Pty) Ltd	SACE Projects (Pty) Ltd
SA Clean Energy Finance (Pty) Ltd	Unergy Limited

Andrew Lloyd Cox
SACE Projects (Pty) Ltd

SHAREHOLDERS (CONTINUED)
Substantial shareholders

The following shareholders held more than 5% of the stated capital of the Company as at 30 June 2023:

Name of shareholder	Number of ordinary shares	% Holding
ITL Trustees Ltd as trustee of the Nemesis Trust	5,385,531	17.61%
ITL Trustees Ltd as trustee of the Topolino Trust	6,294,537	20.59%
ITL Trustees Ltd as trustee of the Wenda Trust	4,639,922	15.17%
South Africa Clean Energy Solutions Limited	2,000,000	6.53%

Shareholders' Agreement affecting governance of the Company by the Board

During the year under review, the Company has not entered into any Shareholders' Agreement.

Dividend Policy

The Company intends to pay dividends to shareholders when it has surplus cash to do so. However, as the objective of the Company is long-term capital growth, there may be periods in respect of which dividends may be low or not paid at all. The amount of any dividend will be at the complete discretion of the board and will depend on a number of factors, including expectation of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends and other factors that the board deems relevant.

Notwithstanding the above, and subject to the SEM Rules, the Company in a general meeting may declare dividends but may not declare a larger dividend than that declared by the directors.

No dividend shall be declared and paid except out of retained earnings and unless the directors determine that immediately after the payment of the dividend:

(i) The Company will be able to satisfy the solvency test in accordance with Section 6 of the Mauritius Companies Act; and
(ii) The realisable value of the assets of the Company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account, and its capital.

No dividend has been declared for the year under review.

No shares of the Company are currently in issue with a fixed date on which entitlement to dividends arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

SHAREHOLDERS (CONTINUED)
APPLICATION OF THE CODE OF CORPORATE GOVERNANCE

The Board assessed its corporate governance in terms of the eight corporate governance principles:

PRINCIPLE 1: GOVERNANCE STRUCTURE

The Board is ultimately accountable and responsible for the performance and affairs of the Company, whilst meeting the appropriate interests of its shareholders and stakeholders. To achieve this, the Board is responsible for establishing the objectives of the Company and setting a philosophy for investments, performance and ethical standards. In addition, the Board ensures that the Company complies with the relevant rules and regulations. Quarterly board meetings are held every year.

The Board collectively considers and implements the measures in respect of the Code and this is further strengthened by the presence of independent intermediaries like Auditors, who act as additional safeguards in meeting this principle. The main objects and functions of the Board are inter alia to:

- determine, agree and develop the Company's general policy on corporate governance in accordance with the Code;
- prepare the Corporate Governance Report; and
- review the terms and conditions of all service agreements between the Company and its service providers.

The Board acknowledges that it should lead and control the organisation and be collectively responsible for its long-term success, reputation and governance. In so doing, the Board assumes responsibility for meeting all regulatory and legal requirements.

The Board is responsible and accountable for all decisions of the Company where the duties of the directors are carried out in line with the Mauritian Companies Act 2001. The Company has delegated the day-to-day administrative functions to its Management Company and Company Secretary.

The Board is governed by its constitution which sets out the powers and duties of the directors, proceedings, operation and governance of the Board as well as the rules and regulations which it needs to abide along with other local laws and regulations. It has also adopted a board charter which sets out the composition, responsibilities, duties, procedures, powers, authority and accountability of the Board of Directors of ACES Renewables ensuring that the company's governance processes and structures comply with the Mauritius Code of Corporate Governance and international best practice. The Company also adopted a code of ethics at the board meeting held on 30 September 2019.

The Company's organisational chart is commensurate with the sophistication and scale of the organisation. The Company has six directors in appointment.

The Board is satisfied that it has suitably discharged its responsibilities for the year under review, in respect of corporate governance.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONTINUED)

The Company is committed to providing shareholders and its stakeholders with timely and relevant information. The Company has designed a website which can be accessed at www.acesrenewables.com. The website provides access to information about the Company as well as investor relation information.

Role of the Chairperson, Chief Executive Officer, Non-Executive and Independent Directors

The Board is headed by the Chairperson, Mr. Gaetan Michel Siew Hew Sam, an independent non-executive director. The role and function of the Chairperson is to preside over meetings of directors and to ensure that appropriate time is spent on the key issues facing the Company. The Chairperson ensures that:

- The Board meetings are chaired in an effective manner;
- Minutes of Board and Committee meetings are kept;
- The Committees function properly;
- The performance of the Board members is evaluated every year and they address any problems;
- Internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result thereof are addressed; and
- The Board has proper contact with the executive members.

Given that the Chairperson has no directorship in other listed companies, he has sufficient time devoted to the Company. The Chairperson ensures that the corporate strategy and the related execution are aligned with operational efficiencies. He is also responsible for ensuring that the Directors receive accurate, timely and clear information and he encourages the active participation of all Board members in discussions and decisions. With his experience and strong knowledge of the Company, the Chairman is in an excellent position to oversee the affairs of the Company while ensuring that value is being created for all stakeholders.

The roles of the Chairman and Chief Executive Officer are separate and each of them has clearly defined responsibilities. These ensure a proper balance of power, increased accountability and greater capacity of the Board for independent decision making.

The board has appointed Mr. Andrew Cox to assume the role of Chief Executive Officer effective as from 1st September 2022. He will be responsible for the executive management of the Company's operations and for developing the long-term strategy and vision of the Company. Mr Cox will also ensure effective communication with the stakeholders.

Non-executive and independent directors play a vital role in facilitating the exercise of independent and objective judgement on corporate affairs and to ensure that constructive discussion takes place on key issues. All directors are bound by fiduciary duties and duties of care and skill.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES

Board Composition

The Board has a unitary structure and comprises of three executive directors, one non-executive director and two independent non-executive directors. The independence of the non-executive members is determined as per the Code. The roles of the Chairman and the CEO are separate to ensure balance of power and authority. There are currently three resident directors from Mauritius and one female director on the Board. Board appointments are made upon recommendation of the Corporate Governance committee, which is responsible for the nominations and appointments. Board appointments are done through a transparent selection process, which ensures the right balance of skills, experience and competencies in order to achieve the objectives of the Company. The Directors do not have a relationship with the majority shareholders of the Company. Given the current geographical spread of the markets, the size and activity of the Company, the Board is of the view that it is of sufficient size and balanced.

The Board of Directors and Structure

Name & Date of Appointment	Gender	Country of Residence	Designation	Directorships in other listed companies
Andrew Lloyd Cox (1 September2022)	M	South Africa	Executive Director and Chief Executive Officer	None
Melvyn Joseph Antonie (8 December 2017)	M	South Africa	Executive Director and Chief Financial Officer	None
Johan David Kruger (8 December 2017)	M	South Africa	Executive Director and Chief Operational Officer	None
Antoine Kon-Kam King (28 August 2019)	M	Mauritius	Independent Non-executive Director	None
Gaetan Michael Siew Hew San (6 November 2018)	M	Mauritius	Independent Non-executive Director	None
Toorisha Nakey-Kurnauth (8 December 2017)	F	Mauritius	Non-Executive Director	None

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)
Board Composition (continued)

The committees are as follows:

Sub-committee	Members appointed
Audit and Risk Committee	• Mr. Antoine Kon-Kam King (Independent Non-executive Director & Chairman) • Mrs. Toorisha Nakey-Kurnauth (Non-Executive Director)
Investment Committee	• Mr. Johan David Kruger (Executive Director & Chairman) • Mr. Gaetan Michael Siew Hew San (Independent Non-executive Director) • Mr. Melvyn Joseph Antonie (Executive Director) • Mrs. Toorisha Nakey-Kurnauth (Non-Executive Director)
Corporate Governance Committee	• Mr. Antoine Kon-Kam King (Independent Non-executive Director & Chairman) • Mr. Melvyn Joseph Antonie (Executive Director) • Mr. Gaetan Michel Siew Hew Sam (Independent Non-executive Director)

The names of all directors, their profile and their categorisation as well as their directorship details in listed companies are provided thereafter.

Directors Profile

MELVYN JOSEPH ANTONIE
BA, LLB Diploma from Manchester University (Finance)
(South African, Executive Director)

Mr. Antonie and Mr. Kruger formed South Africa Clean Energy Solutions Limited in 2007 to take advantage of the growing renewable energy market. In 2017 the Group was restructured, and ACES Renewables was formed in Mauritius. ACES Renewables became the holding company. Mr. Antonie became the Chief Financial Officer on formation in 2017.

Mr. Antonie is an admitted attorney. In 1973, he joined Barclays National Merchant Bank where he became senior general manager, responsible for mergers, acquisitions, listings, bank syndicated positions and project financing. Mr. Antonie became a director of Hill Samuel SA in 1986 and he was responsible for the corporate finance department. He formed The Janus Corporation as a shareholder and director in 1987 and between 1996 and 1998, as part of a joint venture, he was a director of SG Corporate Finance (SA) (Pty) Limited. Mr. Antonie has extensive experience in the financial field and heads up the ACES Renewables finance team.

JOHAN DAVID KRUGER
(South African, Executive Director)

Mr. Kruger and Mr. Antonie formed South Africa Clean Energy Solutions Limited in 2007 to take advantage of the growing renewable energy market. In 2017 the Group was restructured, and ACES Renewables was formed in Mauritius. ACES Renewables became the holding company.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)
Directors Profile (continued)

Mr. Kruger previously managed a successful commercial property development company in South Africa. Mr. Kruger is responsible for the negotiations of the Group business partners in Africa, including negotiations with government. He has more than 14 years of experience in the renewable energy industry and has concluded numerous projects in Africa, as well as the commissioning of two solar plants in Namibia.

ANTOINE KON-KAM KING
BA, FCA, MBA, FMIoD
(Mauritian, Independent Non-executive director)

Mr. King has worked as a Senior Manager and Advisor internationally in Kenya, USA, China and UK on Projects, Finance, Administration, Strategic Planning and Organisational Development. Mr. King has worked as a supervisor at Deloitte, London and as a consultant to listed companies on Strategy and Finance at the London Business School. From 1993-1998, Mr. King was Deputy Representative at UNDP China Office, 1998-2003 as Senior Planning Advisor of the UNDP Bureau of Management, UNDP New York. From 2003-2012, Mr. King was Director of Programme Planning, Finance and Administration at UN-Habitat, Nairobi. He is currently an Independent Board Member and Chairperson of the Audit and Risk Committee at Jubilee Insurance (Mauritius), Director of Antela Consulting, Board Member and Past President of the Chinese Business Chamber, President of We-Recycle and President of 'conseil syndical', Le Bout du Monde. He is also currently a member of the Audit Committee Forum of the Mauritius Institute of Directors (MIOD).

GAETAN MICHEL SIEW HEW SAM
(Mauritian, Non-executive Independent Director)

Mr. Siew was president of the International Union of Architects and Secretary General of the African Union of Architects. He is an avid world traveler, having experienced over 500 cities across 105 countries, mostly in Africa. For his contributions to the Architectural and Urban world, Mr. Siew was awarded several honorary membership and fellowships and elevated to the rank of Grand Officer of the Order of the Star and Key of the Indian Ocean by the Government of Mauritius. He also elevated to the ranks of Chevalier de l'Ordre National du Mérite, and de l'Ordre des Arts et des Lettres by the French Republic.

Mr. Siew has been a Board Director of Futures Cities UK, the chairperson of State Land Development Company (Smart Mauritius) and the chairperson of Construction Industry Board. He is currently the chairperson of the Port Louis Development Initiative and Special Envoy for UN Habitat. Mr Siew advocates for sustainable approaches towards urbanism aimed to socially and economically regenerate urban fabrics.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)
Directors Profile (continued)

ANDREW LLOYD COX
B.Sc, CA
(South African, Executive Director)

Mr. Cox holds a B.Sc Mathematics (Hons) Degree from Salford University, Manchester, United Kingdom and a ICAEW from Coopers & Lybrand, Leeds, UK. Mr. Cox has over 30 years of experience in business across a number of different industries, including the FMCG, banking, property and fuel industries. He has particularly strong skills in business turn-around and integration strategies.

Prior to his appointment with ACES Renewables, he was an owner and CEO of Oilstar (Pty) Ltd, a petrol station owning company. In addition, he has worked for companies such as Panasonic, Investec Bank and Growthpoint Properties.

TOORISHA NAKEY-KURNAUTH
B.Sc (Hons)
(Mauritian, Non-executive Director)

Mrs. Nakey-Kurnauth joined Intercontinental Trust Limited ("ITL") in the year 2008 and is currently Manager in the Listing Division of ITL. She oversees the operation of the listing team and advises clients on incorporation of companies, attends board meeting and advises the board with regards to company secretarial and corporate governance matters and ensures compliance with ongoing obligations in relation to regulatory matters and is the direct point of contact for clients.

She also worked in the Fund administration department for five years where she gained extensive experience by administering fund structures. She advised clients on the fund structures, reviewed fund documents and was also involved in fund accounting. Over the years, Toorisha has gained experience to manage people and to service clients. She has attended several seminars, conferences and workshops in relation to leadership, presentation skills, company secretarial matters, AML/CFT and compliance with ongoing SEM obligations. She also acts as director and MLRO for several companies under her administration.

Toorisha graduated from the University of Mauritius with a B.Sc (Hons) in Finance with Law.

Board Meetings

The Board meetings are held once each quarter and at any additional times as the Company requires. Decisions taken between meetings are confirmed by way of resolutions in writing, agreed and signed by all directors then entitled to receive notice.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)
Board Meetings (continued)

The Board meetings are conducted in accordance with the Company's Constitution and the Mauritius Companies Act 2001 and are convened by giving appropriate notice to the directors. Detailed agenda, as determined by the Chairman, together with other supporting documents are circularised in advance to the directors to enable them to participate meaningfully in the decision-making process and make informed deliberations at Board meetings. In order to address specific urgent business needs, meetings are at times called at shorter notice. Furthermore, the directors have the right to request independent professional advice at the Company's expense.

A quorum of three (3) directors is currently required for a Board Meeting of the Company and in case of equality of votes, the Chairman does not have a casting vote.

A director of the Company who has declared his/her interest shall not vote on any matter relating to a transaction or proposed transaction in which he/she is interested and shall not be counted in the quorum present for the purpose of that decision.

A list of directors' interests is maintained by the Company Secretary and is available to shareholders upon request to the Company Secretary. The directors confirm that the list is correct at each quarterly Board meeting.

During the year under review, the Board met six (6) times. Decisions were also taken by way of resolutions in writing, agreed and signed by all directors then entitled to receive notice of the meeting.

The minutes of the proceedings of each Board meeting are recorded by the Company Secretary, Intercontinental Trust Limited and are entered in the Minutes Book of the Company. The minutes of each Board meeting are submitted for confirmation at the next meeting and these are then signed by the Chairman.

Board Committee

The audit and risk committee, investment committee and corporate governance committee have been set up to assist the Board in the effective performance of its duties. All the committees are governed by their charters which have been approved by the board of directors and the charters will be made available on the website of the Company. As the focal point, the Board is ultimately responsible and accountable for the performance and affairs of the Company. Committees are a mechanism for assisting the Board and its directors in discharging their duties through a more comprehensive evaluation of specific issues. Delegating authority to Board committees or management does not in any way absolve the Board of its duties and responsibilities.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)
Investment Committee

The Investment Committee is a committee of the Board of Directors of the Company established to assist the Board in discharging its responsibilities as follows:

- The Committee shall set investment policies, subject to approval of the Board and guidelines;
- The Committee shall review and make recommendations to the Board regarding:
- the investment policies and guidelines, their implementation, and compliance with those policies and guidelines
- advising the Operations team, who manage the day to day operations, on debt and/or loan structures;
- risk management with regard to investment activities.
- The Committee shall review the performance of the local Project Managers, and shall in appropriate circumstances recommend to the Board the termination of the services of the Project Managers, and the appointment of any other external managers, in conjunction with the Operations team.
- The Committee shall help the Board to ensure that responsible investment is practiced by the Company to promote good governance and creation of value by the projects and countries in which the Company invests.
- The Committee will set the direction for how responsible investing will be approached and conducted by the Company. The Committee shall therefore assist the Board in approving a policy that articulates the Company's direction on responsible investment. This policy should provide for the adoption of a recognised responsible Investment code, principles and practices.
- The Committee shall assist the Board in holding any outsourced service providers accountable for complying with the responsible investment principles incorporated in the Company's Investment Principles. To give effect to this, the Committee will from time to time consider reports from the outsourced providers regarding their compliance with the responsible Investment Principles.

The Committee shall meet as and when there are investment opportunities to be discussed. The Committee's responsibilities and duties are governed by the Investment Committee charter that was approved by the Board and which will be reviewed at least each year. The Committee shall provide feedback to the Board following all meetings.

Audit and Risk Committee

The Audit and Risk Committee is a committee of the Board of Directors of the Company established to assist the Board in discharging its responsibilities as follows:

- The Committee shall review the quality and integrity of the financial statements of the Company, including its annual and interim reports and any formal announcement relating to the Company's financial performance;
- The Committee shall report to the Board on significant financial reporting issues and judgements which these financial statements contain having regard to matters communicated to the Committee by the auditor;

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)
Audit and Risk Committee (continued)

- The Committee shall review and challenge where necessary:
  - Any changes to significant accounting or significant adjustments resulting from the audit;
  - compliance with accounting standards, local and international, compliance with stock exchange and legal requirements;
  - methods used to account for significant or unusual transactions where different approaches are possible;
  - whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the external auditor;
  - the basis on which the Company has been determined a going concern;
  - capital adequacy and internal controls;
  - compliance with the financial conditions of any loan covenants.
- The Committee shall be responsible for monitoring and evaluating the operational, financial and strategic risk of the Company.

The Committee shall meet at least four times a year. The Committee's responsibilities and duties are governed by the Audit Committee charter that was approved by the Board and which will be reviewed at least each year. The Committee provides feedback to the Board following all meetings.

Corporate Governance Committee

The Corporate Governance committee is a committee of the Board of Directors of the Company established to assist the Board in discharging its responsibilities as follows:

- To determine, develop and recommend to the Board the company's general policy on Corporate Governance in accordance with the Code of Corporate of Mauritius;
- To ensure that the reporting requirements on Corporate Governance, on an ongoing basis, are in accordance with the principles of the Code;
- To ensure that an adequate process is in place for the Board;
- To monitor the ethical conduct of the Company, its executives and senior officials;
- To review and recommend the implementation of structures and procedures to facilitate the Board's independence from management;
- To give recommendations on any potential conflict of interest or questionable situation of a material nature;
- To develop Charters for any new Committees established by the Board and review the Charters of each existing Committee and recommend any amendments or elimination to the Charters or Committees;
- To review all related party transactions and situations involving Board members and refer where appropriate to the Board or the shareholders general meeting;
- To regularly review the structure, size and composition (including skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)
Corporate Governance Committee (continued)

- To give consideration to succession planning for directors and senior executives, taking into account the challenges and opportunities facing the Company, and future expertise needed;
- To make recommendations for membership of the Audit and Risk Committee and Investment Committee, and any other Board Committees as appropriate in consultation with the Chairperson of those Committees to the Board;
- To make recommendations for the re-election, by shareholders, of directors or the retirement by rotation, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board;
- To within the terms of the agreed Remuneration Policy and in consultation with the Chairperson and or/the CEO, determine specific remuneration packages of the Board and senior management, including bonuses, incentive payments and share options or other share awards;
- To ensure the objective of the Remuneration Policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The Remuneration Policy should have regard to the risk appetite of the Company and alignment to the Company's long term strategic goals;
- To review the on-going appropriateness and relevance of the Remuneration Policy.

The Committee shall meet at least once a year. The Committee's responsibilities and duties are governed by Corporate Governance Committee charter that was approved by the Board and which will be reviewed at least each year. The Committee provides feedback to the Board following all meetings.

Board Attendance at meetings

The Board meets as and when required to discuss routine and other significant matters to ensure that the directors maintain overall control and supervision of the Company's affairs.

The following table gives the record of attendance at Board meetings and Committee meetings of the Company for the year under review:

	Board Meeting	Audit and Risk Committee	Corporate Governance Committee	Investment Committee
Andrew Lloyd Cox	5/6	N/A	N/A	N/A
Melvyn Joseph Antonie	6/6	N/A	1/1	2/2
Johan David Kruger	6/6	N/A	N/A	2/2
Antoine Kon-Kam King	6/6	6/6	1/1	N/A
Gaetan Michael Siew Hew San	6/6	N/A	1/1	2/2
Toorisha Nakey-Kurnauth	6/6	6/6	N/A	2/2

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Contracts of Significance

During the year under review, there was no contract of significance to which the Company was a party and in which a director of the Company was materially interested either directly or indirectly, except as disclosed otherwise.

Directors' interest in the share capital of the Company as at 30 June 2023

Dealing in the Company's securities by directors is regulated and monitored as required by the SEM listing rules. The directors follow the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the SEM Listing Rules.

Directors shall act in the best interest of the Company and its business, taking into consideration the interests of the stakeholders. The directors shall consider addressing any conflicts of interest issues between the Company and members of the Board. Any conflict of interest or potential conflict of interest shall be reported to the Chairperson of the Board and all relevant information shall be provided. A register of directors' interests is maintained by the Company Secretary. The interests register is available to shareholders upon written request to the Company Secretary.

The directors' interests in the shares of the Company as at 30 June 2023 are as follows:

Directors	Direct Holding	Indirect Holding	Total Shares Held
Andrew Lloyd Cox	160,000		160,000
Melvyn Joseph Antonie	5	5,385,531	5,381,536
Johan David Kruger	5	6,294,537	6,294,542
Antoine Kon-Kam King	-	-	-
Gaetan Michael Siew Hew San	-	-	-
Toorisha Nakey-Kurnauth	-	-	-

As per the SEM approval letter, the shareholders of ACES Renewables whose names appear in the share register as at 28 May 2019 are not allowed to dispose during the first two years of listing, of more than 10% of their initial shareholding in the Company.

Company Secretary

Intercontinental Trust Limited (ITL) is a suitably qualified, experienced and competent company secretary that is appropriately empowered to fulfil duties and provide assistance to the Board.

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES
Company Secretary (continued)

The Company Secretary is responsible to the Board for ensuring that procedures and regulations are complied with and that directors are conversant with their duties and responsibilities. The Company Secretary provides the Board as a whole and directors individually with detailed guidance on the discharging of their responsibilities in the best interest of the Company.

The Board has considered the competence, qualifications and experience of the company secretary, and deemed it fit to continue in the role as company secretary for the Company.

The Company Secretary also acts as Secretary to the different board committees.

The Company Secretary is subject to annual evaluation by the Board.

Director Appointment Procedures

The Board, through the Corporate Governance Committee, follows a rigorous, formal and transparent procedure to select and appoint new directors. The Corporate Governance Committee leads the process according to the Company's Constitution and makes recommendations to the Board.

Shareholders are ultimately responsible for electing or removing Board members upon recommendation of the Corporate Governance Committee. The directors have been appointed by the Board and submitted themselves for re-appointment at the Annual Meeting. Board members are selected to achieve a mix of skills and knowledge appropriate to the Company's business.

Succession Planning

The directors identified that suitable succession plans should be put in place in order to ensure progressive refreshing of the board. The Board is of the view that given the nature of the business, it is not imperative to have individuals with specific skills. Therefore, it should not be an issue to find new members to replace existing ones, if required.

Board Orientation and Induction

The Company has put in place procedures to ensure that newly appointed directors receive an induction upon joining the Board to familiarise them with the Company's operations, senior management and its business environment and to induct them in their fiduciary duties and responsibilities.

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES (CONTINUED)
Board Orientation and Induction (continued)

The Chairperson arranges for a meeting with any new director to brief on the company's activities and governance requirements and expectations. All new directors participate in an induction and orientation process. The Corporate Governance Committee assumes the responsibilities for succession planning and shall make recommendation to the Board accordingly. The Board shall review the professional development and ongoing education of directors as from the next financial year.

Professional Development and Training

Directors are encouraged to keep themselves up to date with the latest workplace trends and professional development. The Board conducts annual reviews to identify areas where the Board members require further training or education

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

The directors of the Company are aware of their duties under the Companies Act 2001 and the Constitution of the Company and exercise sufficient care, diligence and skills for the good conduct of the business. The Board meets regularly (frequency depending on nature of business and operations) to discuss and approve the Company's operational, regulatory and compliance matters. The directors are provided appropriate notice and materials to help them in their decision-making.

Directors' interests

Directors inform the Company as soon as they become aware that they have an interest in a transaction. The Company Secretary keeps a register of directors' interests and ensures that the register is updated regularly. The interest register is available to the shareholders of the Company upon request to the Company Secretary.

Directors' Remuneration

Non-Executive directors	Directors Remuneration (USD)
Intercontinental Trust Ltd	USD 7,000
Gaetan Michael Siew Hew San	USD 12,000
Antoine Kon-Kam King	USD 9,000

The salaries of the executive directors during the year are as follows:

Executive directors	Salary (USD)
Andrew Lloyd Cox	USD 155,000
Melvyn Joseph Antonie	USD 138,000
Johan David Kruger	USD 186,000

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)
Directors' Remuneration (continued)

The directors have not received remuneration in the form of share options or bonuses associated with the Company's performance. The director fees for the non-executive are included in the fees paid to the Company Secretary, i.e. Intercontinental Trust Ltd.

Remuneration Philosophy

- In relation to Remuneration the Corporate Governance Committee shall:
- Within the terms of the agreed Remuneration Policy and in consultation with the Chairperson and or/the CEO, determine specific remuneration packages of the Board and senior management, including bonuses, incentive payments and share options or other share awards.
- Ensure the objective of the Remuneration Policy shall be to attract, retain and motivate executive management of the quality required to run the Group successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The Remuneration Policy should have regard to the risk appetite of the Group and alignment to the Group's long term strategic goals.
- Review the on-going appropriateness and relevance of the Remuneration Policy.
- Oversee any major changes in employee benefits structures throughout the Group.
- Agree the policy for authorising claims for expenses from the directors.

Employee Share Option Plan

The Company does not have an employee share option scheme.

Related Party Transactions

The related party transactions have been set out in note 29 of these financial statements.

Board Evaluation and development

The Corporate Governance Committee conducted an evaluation exercise of the Board, the individual directors and the Audit Committee and the results were presented and discussed at the board meeting held on 9th February 2023. The Company Secretary used the survey method to conduct the evaluation process. Necessary measures will be taken based on the results of the evaluation.

The directors forming part of the Board of the Company, especially those who are members of Board Committees, have been appointed in the light of their wide range of skills and competence acquired through several years of working experience and professional background.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

Directors' ethics and code of conduct

The Board of Directors is mindful of the interest of other stakeholders such as suppliers, clients and the public at large when running its operations and is committed to high standards of integrity and ethical conduct in dealing with them.

Furthermore, the Company and its employees must, at all times, comply with all applicable laws and regulations. The Company will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. The Company does not permit any activity that fails to stand the closest possible public scrutiny.

All business conduct should be above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the Company's operations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice of someone at the highest level of the Company's hierarchy.

The Company is committed to the highest standards of integrity and ethical conduct when dealing with all its stakeholders. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally. Given the size and activity of the Company, it does not have a significant footprint with regards to environmental, health and safety and social issues. No reporting is therefore required.

Information policy

The Board is ultimately responsible for information and technology ("IT") governance. The Board relies on the IT framework of the different service providers.

The Company Secretary ensures that the correct information flows within the Board and provides accurate, timely and clear information to the Board as and when required. The Directors ensure strict confidentiality with respect to information obtained while exercising their duties. The Company Secretary keeps all records of the Company and has proper information technology policies in place. Accordingly, the Company places reliance on the controls implemented by the Company Secretary and deems that it is not necessary for the Company to have its own frameworks. Therefore, there is no cost associated to any expenditure by the Company on information technology.

The Directors ensure strict confidentiality with respect to information obtained and shared while exercising their duties.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

Risk management is the discipline by which risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risks in order to manage them effectively, with the aim of increasing shareholder value.

The directors are responsible for maintaining an effective system of internal control and risk management. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

Day to day activities are undertaken by the Secretary, ITL, which needs to ensure that the necessary structures, processes and methods for identifying and monitoring any risks are in place. Hence, the Company relies on the internal controls of ITL which is subject to an internal control review and reporting by external auditors. On a yearly basis, an ISAE 3402 Type II Audit is conducted and the latest report was issued on 6 March 2023.

The directors make an assessment of the Company's ability to continue as a going concern and same is disclosed in the financial statements every year.

Risk management is an integral part of the Company's strategic management and is the mechanism through which risks associated with the Company's activities are addressed. The key objectives of the risk management system include:

- the identification, assessment and mitigation of risks on a timely basis;
- the provision of timely information on risk situations and appropriate risk responses;
- the identification of potential opportunities which would result in increasing firm value; and
- the installation of a culture of risk management throughout the Company.

Internal audit

The Board does not consider that the Company needs to have an internal audit function given the size and nature of its business. Internal audit work will be outsourced to external audit firms on an ad hoc basis should the Audit Committee deem it necessary.

Internal control and risk management

The Company recognises that proper risk management and internal control help organisations understand the risks they are exposed to, put controls in place to counter threats, and effectively pursue their objectives. They are therefore an important aspect of an organisation's governance, management and operations.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)
Internal control and risk management (continued)

The Board has delegated to the Audit and Risk Committee (AC) its overall responsibility to translate its vision on risks management. In relation to Internal Control, the Audit and Risk Committee will:

1. Review the adequacy of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems;
2. Review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns about possible wrongdoing in financial reporting or other matters;
3. Review the Company's procedures and controls for detecting fraud and the prevention of bribery;
4. Review significant transactions not directly related to the Company's normal business as the Committee might deem appropriate;
5. Review and investigate cases of employee conflicts of interest, misconduct, fraud, bribery or any other unethical activity by employees or the Company;
6. Safeguard Company's assets against unauthorised use or disposal

The Company will engage in the above mentioned internal controls during the financial year ending 30 June 2023.

The financial risks to which the Company is exposed to are disclosed in note 5.

Risk Category	Risk Description	Risk Mitigation
Capital and Investment Risk	The development of renewable projects through its subsidiary companies carries the investment risk of a loss of capital and there can be no assurance that the Company will not incur losses. Returns generated from the investments may not adequately compensate shareholders for the business and financial risks assumed. Many unforeseeable events, including actions by various government agencies and domestic and international economic and political developments may cause sharp market fluctuations which could adversely affect the Group's portfolios and performance both in the short and longer terms.	A comprehensive due diligence is conducted prior to investment in order to identify and potentially reduce the risk factor.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)
Internal control and risk management (continued)

Risk Category	Risk Description	Risk Mitigation
Energy, technology, location and infrastructure risks	In regard to the Biogas Project, the major risks are the quality and certainty of the feedstock.	In this regard, management has adopted a “ring fenced” strategy in terms of which the operating company will control the production of the feedstock and ensure that the project has enough buffer feedstock for a period of not less than six months. By providing the land to the farmer, the feedstock is exclusively provided to the project.
	With regard to the infrastructure, the major risks are transmission, connection and infrastructure equipment.	All transmission, connection and infrastructure requirements are addressed prior to the commencement of the project. This is identified in the feasibility study of the project. A transmission agreement is then signed with all the responsibilities and financial commitments allocated and accepted by the parties.
	Irradiation of the sun whose yield fluctuates from country to country and is also location specific in term of the best yield generated from the sun.	In reducing this risk, equipment is used to determine the best yield and location for the solar project.
Currency Risk	The Company invests in other jurisdictions other than Mauritius. For those investors whose base or home currency is not the same as the relevant foreign currency, there is a risk of currency loss if the USD depreciates against the investors’ base currency.	The investments will be denominated predominantly in USD, and each project predominantly generates income in USD, thereby reducing currency risk
Global Political, Economic and FinancialRisk	As the Company invests in African countries, it could be exposed to adverse political, economic, environmental, social and financial events. The value of the investments could decline as a result of economic developments such as poor or negative economic growth, poor balance of payments data, high interest rates or rising consumer price inflation. A similar situation would prevail due to political instability in certain jurisdictions.	The Company will take reasonable steps to mitigate these risks, including political risk and other insurance cover.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal control and risk management (continued)

Risk Category	Risk Description	Risk Mitigation
Liquidity risk	The nature of the business of the Company is to invest and own a project until maturity of the contract. Although a market exists for such assets, it is dependent on the investors' appetite for a project of clean energy in a particular market. The cash flow from its projects (although in USD) tends to become positive some three to five years after final commencement date of the project. A value of a project increases significantly from the commencement date of operation, which should flow through to the share price of the Company. However the subsidiary company may not be able to sell a project if it is required to do so or to realize what it perceives to be fair value in the event of a sale.	The Company identifies the cash flow needs of a project in advance and provides a facility to meet future cash flow shortages. In addition the Company takes out MIGA and appropriate insurance policies to cover political and commercial risk to prevent a project cash flow shortage.
Leverage and financing risk	Although it is the intention not to leverage the Company above the 25% level, the underlying projects could have the effect that the Company may pledge its shares held in a particular SPV in order to raise funds for investment purposes. While leverage presents opportunities for increasing the total return of the Company, it has the effect of potentially increasing losses as well. Based on the debt to equity of 75:25% at the project level and 25:75% at the Company level, the consolidated level of gearing will not exceed 81.25%.	Based on the debt to equity of 75:25% at the project level and 25:75% at the Company level, the consolidated level of gearing will not exceed 81.25%.
Operational risk	As the Company's strategy is to own and operate its clean energy operations, operational risk needs to be aggressively managed. Operational failures could result in financial loss for the Company.	The Company takes out appropriate insurance cover and relies on the guarantees of the EPC and O&M providers.
Stakeholder risk	As the Company's main investment focus is in African countries, its stakeholder relationships need to be carefully managed in order to create the required value for all participants in projects and to manage contracts efficiently. Stakeholder relations could severely impact the viability and profitability of a project, if not managed appropriately.	The Company has created a detailed stakeholder risk assessment which is incorporated in its risk register.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)
Internal control and risk management (continued)

Failure to integrate new acquisitions	Part of the Company's strategy is to make selective investments into renewable energy service providers. Successful integration of these businesses is affected by factors including the ability to integrate these acquisitions and to leverage off the existing human resource capital in the Company.	Prior to an acquisition a detailed due diligence is undertaken, including but not limited to the integration process.
Stock market risk	ACES Renewables share price/ market capitalisation value is subject to market changes and could decrease or increase in price based on the movement in global and local stock markets.	

In addition to the above, the Company relies on the Investment Committee which reviews all investments and acts as an additional layer in the investment decision process. The Board believes that this mitigates the risk associated with the business activity of the Company. The Company Secretary conducts regular file reviews on the Company.

The Board has established and maintains an effective compliance monitoring plan, policies, procedures and controls, as may be appropriate and effective to review its obligations under the Laws, the Rules and regulations, having full regard to the risk complexity and diversity of its clients and services. The Board has effective responsibility for compliance with the Rules, the Law and any other rules made under the Law.

The Board ensures that there are effective and appropriate policies, procedures and controls in place which allow the board to meet their obligations, with particular regard to the nature, size and complexity of the business and includes a requirement for sample testing of the policies and procedures to ensure that they are robust. When a review of compliance is discussed by the Board, at appropriate intervals, the necessary action is taken to remedy any identified deficiencies and to provide adequate resources to ensure that these are subject to regular monitoring and testing, as required.

Whistleblowing procedure

Having due regards to its size, the Board does not consider the need to have a whistleblowing procedure. It shall consider the merits of implementing a whistleblowing policy if the circumstances of the Company changes.

PRINCIPLE 6: REPORTING WITH INTEGRITY

The directors are responsible for preparing the audited financial statements of the Company that fairly present the state of affairs and financial position of the Company on a yearly basis in accordance with applicable law and regulations.

The Company recognises the importance of being a responsible corporate citizen and operating in a socially responsible manner. In so doing, the Company takes into consideration the economic, environmental, ethical, social, and health factors affecting the communities in which it operates. The Company has taken all measures to reduce any negative social and environmental impact of its operations. Further, the Board is committed to ethical behaviour in all its transactions.

The Company is committed to the general rules and regulations governing the health, safety and environmental issue. The Company has a high standard for environmental and social risk management and as such, invests only where environmental and social risks are considered and appropriately mitigated. The Company is committed to minimising any adverse effect of its operations on the health and safety of its employees and the community in which it operates.

The financial statements are prepared under IFRS, which is a generally accepted accounting principle by the FSC. A corporate governance report is included in the audited financial statements. The financial statements of the Company for the year ended 30 June 2023 will be filed with the FSC within the statutory deadline, after the Board's approval.

The quarterly unaudited financial statements of the Company have been released on the SEM website within 45 days from the closing date of each quarter and published on the Company's website. Since the Company has been deregistered as a Reporting Issuer, there is no requirement to file the quarterly unaudited financial statements with the Financial Services Commission in Mauritius.

The Company made no charitable or political donations during the year under review. There are no clauses of the Company's Constitution deemed material enough for separate disclosure.

PRINCIPLE 7: AUDIT

BDO has been appointed as auditors of the Company since incorporation in 2017. The auditors presented their report and the audit process to the Audit Committee. The Audit Committee has satisfied itself that the external auditors are independent, experienced in the audit of companies in the same line of business and have the necessary resources to undertake audits of such companies. The audit committee has discussed the accounting principles with the auditors. They have also provided services for the review of the business plan of the Company for listing on the Stock Exchange of Mauritius Limited. BDO will be considered for re-appointment at the annual meeting of shareholders.

In relation to the Audit & Risk Committee's meeting with the external auditor without management presence, same will be taken up at the upcoming Audit & Risk Committee meeting.

PRINCIPLE 7: AUDIT (CONTINUED)

The Audit and Risk committee will oversee the relationship with the external auditor including:

1. Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements, including the provision of any non-audit services;
2. Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the organisation, other than in the ordinary course of business, which could adversely affect the auditor's independence and objectivity.

A key factor that may impair auditors' independence is a lack of control over non-audit services provided by the external auditors.

In essence, the external auditors' independence is deemed to be impaired if the auditors provide a service which:

- results in auditing of own work by the auditors;
- results in the auditors acting as a manager or employee of the Company;
- puts the auditors in the role of advocate for the Company; or
- creates a mutuality of interest between the auditors and the Company.

The Company addresses this issue through three primary measures, namely:

- disclosure of the extent and nature of non-audit services;
- the prohibition of selected services;
- prior approval by the audit committee of non-audit services.

Other safeguards encapsulated in the policy include:

- the external auditors are required to assess periodically, in their professional judgement, whether they are independent of the Company;
- the audit committee ensures that the scope of the auditors' work is sufficient and that the auditors are fairly remunerated;
- the audit committee has primary responsibility for making recommendations to the Board on the appointment, reappointment and removal of the external auditors.

The audit committee approved the external auditors' terms of engagement, scope of work, the annual audit and the applicable levels of materiality. Based on written reports submitted, the committee reviewed, with the external auditors, the findings of their work and confirmed that all significant matters had been satisfactorily resolved. The audit committee has satisfied itself as to the suitability of the external auditors for reappointment for the ensuing year.

Given the size, complexity and nature of the business, the Board is of the view that the Company does not need an internal audit function and hence no internal audit committee has been set up. The Board relies on the system of internal controls developed jointly by the company secretary and its advisor as well as the external audit that is conducted annually.

PRINCIPLE 7: AUDIT (CONTINUED)
Auditors' Remuneration

The fees payable (exclusive of VAT) to the auditors of the Company for audit services are as follows:

	2023 USD	2022 USD
Audit fees	**42,700**	**36,500**
At 30 June	**42,700**	**36,500**

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board of Directors places great importance on clear disclosure, open and transparent channel of communication with all its shareholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Company.

Through the Company's website namely www.acesrenewables.com, information is provided to all stakeholders on the activities of the Company. The policies and documents required by the Code will be made available on the website when releasing the annual report.

The annual meeting of the shareholders of the Company will be held by 31 December 2023. Shareholders are strongly encouraged to attend the Company's Annual Meeting, which provides an opportunity for the latters to raise and discuss matters with the Board relating to the Company's performance and also to keep abreast of the overall strategy and goals.

The Chairman, Chief Executive Officer and other Board members assist at the Annual Meeting and invite Shareholders to put questions on different aspects of the Company's activities and directions the business will take in the future.

The Annual Report, including the Notice of the Annual Meeting of shareholders, is sent to each shareholder of the Company and published on the Companys website at least 21 days before the meeting. The Company also makes regular filings with the Registrar of Companies and Financial Services Commission in Mauritius to ensure that the Company is up to date with its filings.

The net asset value per share of the Company as at 30 June 2023 was (USD 0.0031). The Company will regularly engage with its shareholders through the publication of its announcements, roadshows, at the annual general meeting and by holding meetings.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONTINUED)

Time Table of Important Events

Month	Events
October 2023	Publication of abridged audited financial statements for the year ended 30 June 2023
December 2023	Annual General Meeting
June 2024	Financial year end

Mr. Antoine Kon-Kam King
Chairman of the Corporate Governance Committee

STATEMENT OF COMPLIANCE

Africa Clean Energy Solutions Limited
STATEMENT OF COMPLIANCE
(Section 75 (3) of the Financial Reporting Act)

Name of Company: Africa Clean Energy Solutions Limited
Reporting Period: Financial year ended 30 June 2023

We, the undersigned being the directors of Africa Clean Energy Solutions Limited, the "Company", confirm that, to the best of our knowledge, the Company has partially complied with the Code. Due to the size, structure and nature of the business of the Company, many of the criteria stipulated in the Code are not deemed to be relevant to the Company and the reasons have been provided below:

	Areas of non-application of the Code	Explanation for non-application
Principle 2	Board committees	The audit and risk committee currently constitute of only 2 members. The Company is in the process of identifying a suitable candidate to be appointed to the Board and the latter can form part of the above-mentioned committee.
Principle 3	Succession planning	The Board is of the view that given the nature of the business, it is not imperative to have individuals with specific skills. Therefore, it should not be an issue to find new members to replace existing ones, when required.
Principle 5	Whistleblowing procedure	Having due regards to its size, the Board does not consider the need to have a whistleblowing procedure. It shall consider the merits of implementing a whistleblowing policy if the circumstances of the Company changes.
Principle 7	Internal audit	The Board does not consider that the Company needs to have an internal audit function given the size and nature of its business. Internal audit work will be outsourced to external audit firms on an ad hoc basis should the Audit Committee deem it necessary.

Gaetan Michael Siew Hew San
12 October 2023

Melvyn Antonie
12 October 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2023

The Directors acknowledge their responsibilities for:

1. Adequate reporting records and maintenance of effective internal control systems;

2. The preparation of the consolidated annual financial statements which fairly present the state of affairs of the Company as at the end of the financial period and the results of its operations and cash flows for that period, and which comply with International Financial Reporting Standards ("IFRS"); and

3. The selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

1. Adequate accounting records and an effective system of internal controls and risk management have been maintained;

2. Appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

3. International Financial Reporting Standards have been adhered to;

4. The Code of Corporate Governance has been adhered to. Reasons have been provided in the corporate governance report in case of non-compliance with any requirements; and

5. The Directors have reviewed the Company's cash flow forecast for the 12 month period from the date of signature and, in light of this view and the current financial position, they are satisfied that the Company has or it will have access to adequate financial resources to continue in operational existence and as a going concern for the foreseeable future.

Gaetan Michael Siew Hew San
12 October 2023

Melvyn Antonie
12 October 2023

SECRETARY'S CERTIFICATE

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
SECRETARY'S CERTIFICATE UNDER SECTION 166(D) OF THE MAURITIUS COMPANIES ACT 2001 FOR THE YEAR ENDED 30 JUNE 2023

We confirm that, based on the records and information made available to us by the directors and members of the Company, the Company has filed with the Registrar of Companies, for the year ended 30 June 2023, all such returns as are required of the company under the Mauritian Companies Act 2001.

Intercontinental Trust Limited
Company Secretary
12 October 2023

INDEPENDENT AUDITORS' REPORT

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
INDEPENDENT AUDITORS' REPORT

To the Shareholders of Africa Clean Energy Solutions Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the consolidated financial statements of Africa Clean Energy Solutions Limited and its subsidiaries (the "Group"), and the Company's separate financial statements on pages 35 to 108 which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements on pages 35 to 108 give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code").* We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 30 of the financial statements, which indicates that the Group and the Company incurred a net loss of USD 1,658,206 (2022: USD 886,591) and USD 1,141,080 (2022: USD 367,209) respectively for the year ended 30 June 2023. In addition, as of that date, the Group and the Company had net current liabilities of USD 1,704,166 (2022: USD 1,404,407) and USD 1,394,719 (2022: USD 1,192,138) respectively. These events or conditions, along with other matters as set forth in note 30, indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

To the Shareholders of Africa Clean Energy Solutions Limited

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

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

Key audit matter for the Group

Impairment of plant and equipment
The Group has plant and equipment which includes construction in progress amounting to USD 1,124,881 at 30 June 2023. Construction in progress is measured at cost less any impairment losses.

During the year, the Directors determined that one of the solar plants was not viable and thus decided to impair the plant. The impairment losses of USD 403,439 have been charged to statement of profit or loss during the year. The remaining plant and equipment has been subject to an evaluation by management based on a Discount Cashflow forecast (DCF).

The DCF workings are of a subjective nature and involve the use of judgements, estimates and other assumptions in determining fair values and which materially affect the carrying amounts of the assets. The significance of plant and equipment on the consolidated statement of financial position and the significant judgements and assumptions applied in arriving at the carrying value resulted in them being identified as a main area of focus for our current year audit.

Related disclosures
Refer to notes 2.2 (accounting policies), note 3 (critical accounting estimates and judgements) and note 6 (Plant and Equipment) of the accompanying financial statements for details of the plant and equipment.

To the Shareholders of Africa Clean Energy Solutions Limited

Key audit matter for the Company and the Group (cont'd)

Audit response
Our procedures in relation to assessment of impairment of the plant and equipment are described below:

- We have discussed and reviewed the work performed by the component auditor and ensured that he has:
  - tested the mathematical accuracy of the discounted cash flow forecast with the involvement of his technical team
  - discussed the key inputs assumptions used by management with reference to current market developments.
  - reviewed the allocation of impairment to the underlying related assets, namely, plant and equipment.
- We assessed the appropriateness and completeness of the related disclosures in the financial statements and evaluated whether the disclosures were in accordance with the requirements of International Financial

<u>Key audit matter for the Company</u>

Recoverability of loans to related parties

At 30 June 2023, loans to related parties in the Company's separate financial statements amounted to USD 2.7m (2022: USD 2.8m). Loans to related parties are measured at amortised cost less expected credit loss allowance in accordance with IFRS 9 *Financial Instruments*.

IFRS 9 requires the Company to recognise expected credit losses (ECL) on financial assets measured at amortised cost, which involves significant judgement and estimates to be made by the Company. The determination of ECL on loans to related parties which are not credit impaired involves the highest level of management judgement, thus requiring greater audit attention. Specific areas of judgement and estimation uncertainty include:
- Complexity of the ECL model involving a number of critical assumptions in the determination of probabilities of default (PD), loss given default (LGD) and Exposure at default (EAD).
- Use of forward-looking information to determine the likelihood of future losses being incurred.
- Qualitative adjustments made to model driven ECL results raised to address model limitations, emerging risks and trends in underlying portfolios which are inherently judgemental.

Given the inherent risk associated and the significance of the amount of the loan to related parties on the Company's total assets, this audit area is considered as a significant key audit matter.

To the Shareholders of Africa Clean Energy Solutions Limited

Key audit matter for the Company (cont'd)

Related disclosures

Refer to notes 2.4(iv) (accounting policies), note 3 (critical accounting estimates and judgements), note 5(a) (credit risk) and note 12 (Loans to related parties) of the accompanying financial statements for details of the loans to related parties.

Audit response

Our audit procedures included the following:

- We carried out discussions with management to understand the process around the ECL calculation.
- Obtained confirmations for loans owed by related parties at the end of the reporting period.
- We engaged with our credit specialist to assess the appropriateness of the Company's determination of credit risk and validate the expected credit loss (ECL) calculation and impairment methodology. Their work consisted of:
    - Reviewing the ECL methodology for compliance with IFRS 9 principles and best practice.
    - Independently reviewing and reperforming the ECL model calculations for accuracy and consistency of management's methodology.
    - Using a challenger model with independent inputs namely Probability of Default (PDs), Exposure at Default (EAD), Loss Given Default (LGDs) and forward looking macro-economic factors to test reasonableness of the ECL amount.
- Discussed with management over future prospects of the subsidiaries' business with respect to quoted projects in pipeline.
- Reviewed the completeness and adequacy of the disclosures in the financial statements for compliance with IFRS 7 Financial Instruments: Disclosures.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

To the Shareholders of Africa Clean Energy Solutions Limited

Key audit matter for the Company (cont'd)

Other information (cont'd)

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company'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 the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

To the Shareholders of Africa Clean Energy Solutions Limited

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 and separate 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

To the Shareholders of Africa Clean Energy Solutions Limited

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (cont'd)

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company and its subsidiaries, other than in our capacity as auditor and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

To the Shareholders of Africa Clean Energy Solutions Limited

Other matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co

BDO & CO
Chartered Accountants

Port Louis,
Mauritius

Rookaya Ghanty, FCCA
Licensed by FRC

12 October 2023

STATEMENTS OF FINANCIAL POSITION

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

Figures in $	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Assets					
Non-current assets					
Plant and equipment	6	1,125,615	297	42	297
Goodwill	7	-	-	-	-
Investments in associates and joint ventures	8	-	321,820	-	615,115
Investments in subsidiaries	8	-	-	37,943	6
Loans to related parties	12	82,655	1,785,542	2,429,662	2,472,396
Total non-current assets		**1,208,270**	**2,107,659**	**2,467,647**	**3,087,814**
Current assets					
Inventories	9	2,972	-	-	-
Trade receivables	10	97,527	-	-	-
Other receivables	11	34,970	22,535	27,145	21,161
Loans to related parties	12	55,640	156,579	257,529	334,043
Cash and cash equivalents	13	87,240	4,238	9,624	3,592
Total current assets		**278,349**	**183,352**	**294,298**	**358,796**
Total assets		**1,486,619**	**2,291,011**	**2,761,945**	**3,446,610**
Equity and liabilities					
Equity					
Stated capital	13	3,766,053	3,407,721	3,766,053	3,407,721
Equity component of convertible loan	14	-	40,000	-	40,000
Foreign currency translation reserve		34,860	17,102	-	-
Accumulated loss		(3,895,595)	(2,568,352)	(2,693,125)	(1,552,045)
Total equity attributable to owners of the parent		(94,682)	896,471	1,072,928	1,895,676
Non-controlling interests		(497,362)	(234,455)	-	-
Total equity		**(592,044)**	**662,016**	**1,072,928**	**1,895,676**

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023 (CONTINUED)

Figures in $	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Liabilities					
Non-current liabilities					
Amounts payable to related parties	17	96,148	41,236	-	-
Current liabilities					
Accruals and other payables	16	1,852,852	1,549,006	1,679,391	1,523,615
Lease liabilities	17	1,914	-	-	-
Amounts payable to related parties	18	127,749	38,753	9,626	27,319
Total current liabilities		**1,982,515**	**1,587,759**	**1,689,017**	**1,550,934**
Total liabilities		**2,078,663**	**1,628,995**	**1,689,017**	**1,550,934**
Total equity and liabilities		**1,486,619**	**2,291,011**	**2,761,945**	**3,446,610**
Number of shares is issue		30,577,444	29,275,770		
Net asset value per share		(0.0031)	0.0306		

Approved by the Board of Directors and authorised for issue on 12 October 2023

Getan Michael Siew Hew San

Melvyn Antonie

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

Figures in $	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Revenue	18	561,773	267,329	235,459	577,523
Interest revenue	18	52,178	191,213	225,558	235,561
Gains on disposal of investments	22	-	8,684	-	5,494
Total revenue		**613,951**	**467,226**	**461,017**	**5,494**
Cost of sales	20	(455,157)	(12,500)	-	-
Audit and accounting fees	21.1	(119,767)	(143,973)	(96,750)	(129,904)
Directors fees		(500,000)	(320,750)	(500,000)	(320,750)
Salaries and wages		(63,344)	-	(2,827)	-
Professional fees	21.2	(76,448)	(71,350)	(77,158)	(70,050)
Consulting fees		(5,005)	(24,289)	-	(20,000)
Impairment of plant and equipment	6	(403,439)	-	-	-
Reversal / (provision) of ECL loss allowance	12.2	27,383	(8,479)	(36,519)	(14,019)
Write off loans receivable	12.2	(70,953)	-	(70,953)	(45,434)
Other expenses	22	(63,825)	(23,082)	(601,859)	(18,442)
Goodwill written off	7	(16,009)	(129,946)	-	-
Loss on disposal of subsidiary	23	(207,290)	(15,334)	-	(256,331)
Finance costs	24	(253,334)	(274,436)	(216,031)	(294,525)
Share of loss of associated companies	8	(64,969)	(313,346)	-	-
Loss before tax		**(1,658,206)**	**(870,259)**	**(1,141,080)**	**(350,877)**
Income tax expense	25	-	(16,332)	-	(16,332)
Loss for the year		**(1,658,206)**	**(886,591)**	**(1,141,080)**	**(367,209)**
Loss for the year attributable to:					
Owners of Parent		(1,327,243)	(875,551)	(1,141,080)	(367,209)
Non-controlling interest		(330,963)	(11,040)	-	-
		(1,658,206)	**(886,591)**	**(1,141,080)**	**(367,209)**

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Figures in $	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Other comprehensive income net of tax Components of other comprehensive that may be reclassified subsequently to profit or loss					
Currency translation differences		54,126	(18,254)	-	-
Total other comprehensive loss net of tax	26	**54,126**	**(18,254)**	**-**	**-**
Total comprehensive loss for the year		**(1,604,080)**	**(904,845)**	**(1,141,080)**	**(367,209)**
Comprehensive loss attributable to:					
Comprehensive loss, attributable to owners of parent		(1,309,485)	(883,662)	(1,141,080)	(367,209)
Comprehensive loss, attributable to non-controlling interests		(294,595)	(21,183)	-	-
		(1,604,080)	**(904,845)**	**(1,141,080)**	**(367,209)**
Weighted average number of shares		**29,486,453**	29,275,770		
Basic loss per share	27	**(0.0450)**	(0.0299)		

STATEMENTS OF CHANGES IN EQUITY

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

Group Figures in $	Stated capital	Equity component of convertible loan stock	Financial assets at fair value through other comprehensive income reserve*	Foreign currency translation reserve**	Accumulated loss	Attributable to owners of the parent	Non-controlling interest	Total
Balance at 1 July 2021	3,407,721	31,286	(93,066)	79,764	(1,654,286)	1,771,419	(48,345)	1,723,074
Changes in equity								
Loss for the year	-	-	-	-	(875,551)	(875,551)	(11,040)	(886,591)
Other comprehensive income	-	-	-	(8,111)	-	(8,111)	(10,143)	(18,254)
Total comprehensive income for the year	-	-	-	(8,111)	(875,551)	(883,662)	(21,183)	(904,845)
Dividend paid to minority interest	-	-	-	-	-	-	(118,670)	(118,670)
Release to retained earnings on disposal of investment	-	-	93,066	-	(93,066)	-	-	-
Acquisition of subsidiary (40% to 75% of Unergy Limited) (Note 34)	-	-	-	-	-	-	(40,293)	(40,293)
Disposal of Africa Renewable Clean Power Proprietary Limited (Note 8.3.4.)	-	-	-	-	-	-	(5,964)	(5,964)
Equity component of convertible loan (Note 15)	-	8,714	-	-	-	8,714	-	8,714
Release on disposal of Africa Renewable Clean Power Proprietary Limited	-	-	-	(54,551)	54,551	-	-	-
Balance at 30 June 2022	**3,407,721**	**40,000**	**-**	**17,102**	**(2,568,352)**	**896,471**	**(234,455)**	**662,016**

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Group (continued) Figures in $	Stated capital	Equity component of convertible loan stock	Financial assets at fair value through other comprehensive income reserve	Foreign currency translation reserve	Accumulated Loss	Attributable to owners of the parent	Non-controlling interest	Total
Balance at 1 July 2022	3,407,721	40,000	-	17,102	(2,568,352)	896,471	(234,455)	662,016
Changes in equity								
Loss for the year	-	-	-	-	(1,327,243)	(1,327,243)	(330,963)	(1,658,206)
Other comprehensive income	-	-	-	17,758	-	17,758	36,368	54,126
Total comprehensive income for the year	-	-	-	17,758	(1,327,243)	(1,309,485)	(294,595)	(1,604,080)
Conversion of convertible loan (Note 15)	40,000	(40,000)	-	-	-	-	-	-
Issue of new shares (Note 14)	318,332	-	-	-	-	318,332	-	318,332
Non controlling interest arising on business combination (Note 34)	-	-	-	-	-	-	31,688	31,688
Balance at 30 June 2023	**3,766,053**	**-**	**-**	**34,860**	**(3,895,595)**	**(94,682)**	**(497,362)**	**(592,044)**

* Financial assets at fair value through other comprehensive income reserve comprises the cumulative of net change in financial assets through other comprehensive income that has been recognised in other comprehensive income until the investments are disposed.
** The foreign currency translation reserve consists of foreign currency differences arising from the translation of the financial statements of foreign operations.

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Company

Figures in $	Stated capital	Equity component of convertible loan stock	Accumulated loss	Total
Balance at 1 July 2022	3,407,721	31,286	(1,184,836)	2,254,171
Changes in equity				
Loss for the year	-	-	(367,209)	(367,209)
Total comprehensive income	-	-	(367,209)	(367,209)
Equity component of convertible loan (Note 15)	-	8,714	-	8,714
Balance at 30 June 2022	**3,407,721**	**40,000**	**(1,552,045)**	**1,895,676**
Balance at 1 July 2022	**3,407,721**	**40,000**	**(1,552,045)**	**1,895,676**
Changes in equity				
Loss for the year	-	-	(1,141,080)	(1,141,080)
Total comprehensive income	-	-	(1,141,080)	(1,141,080)
Issue of shares (Note 14)	318,332	-	-	318,332
Conversion of convertible loan (Note 15)	40,000	(40,000)	-	-
Balance at 30 June 2023	**3,766,053**	**40,000**	**(2,693,125)**	**1,072,928**

STATEMENTS OF CASH FLOWS

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

Figures in $	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Cash used in operations					
Loss for the year		**(1,658,206)**	**(886,591)**	**(1,141,080)**	**(367,209)**
Adjustments to reconcile (loss) / profit					
Interest income	19	(52,178)	(191,213)	(225,558)	(235,561)
Finance costs	24	38,282	6,359	985	6,359
Impairment on investment in subsidiary and associate	8.1	-	-	577,178	-
Depreciation expense	6	22,039	671	255	671
Goodwill written off	7	16,009	129,946	-	-
Bad debt written off	22	241	87	-	-
Unrealised foreign exchange gains and losses		212,594	234,144	215,517	286,468
Lease liability adjustment		207,786	-	-	-
Removal of non cash accruals		27,758	-	-	-
Dividend income	19	-	-	-	(310,194)
Share of loss of associated companies	8	64,969	313,346	-	-
Write off loans receivable	12	70,953	-	70,953	45,434
ECL loss allowance	12	(27,383)	10,323	36,519	14,019
Withholding tax payable on dividends	25	-	16,332	-	-
Impairment of plant and equipment	6	403,439	-	-	-
Loss on disposal of subsidiary or associated company	8.3.4 / 23	207,290	15,334	-	256,331
Gain on deemed disposal of associated company	8.4.2 / 23	-	(4,834)	-	-
Changes in working capital					
Increase in trade receivables		(109,945)	(147,304)	(5,984)	(16,819)
Increase in accruals and other payables		272,055	265,100	138,082	89,381
Adjustments for decrease in inventories		(2,972)	-	-	-
Net cash flows used in operations		**(307,269)**	**(238,300)**	**(333,133)**	**(231,120)**

AFRICA CLEAN ENERGY SOLUTIONS LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Figures in $	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Interest received		1,242	196	-	-
Withholding taxes paid	25	-	(16,332)	-	(16,332)
Net cash flows used in operating activities		**(306,027)**	**(254,436)**	**(333,133)**	**(231,120)**
Cash flows (used in) / from investing activities					
Proceeds from sale of investments	8	-	1,049,101	-	-
Purchase of equipment	6	(838)	-	-	-
Net cash acquired on acquisition of subsidiaries	34	102,811	2,741	-	-
Loan granted to related parties		(193,431)	(398,895)	(237,212)	(432,333)
Repayments of cash advances and loans made to other parties received		76,827	-	276,254	554,634
Net cash disposed on disposal of subsidiary	8.3.4.	-	(37,002)	-	-
Dividend received		-	-	-	293,862
Cash flows (used in) from investing activities		**(14,631)**	**615,945**	**39,042**	**416,163**
Cash flows from / (used in) financing activities					
Repayment of loans	18.2	(28,682)	(380,309)	(28,682)	(288,757)
Proceeds from issuing shares	14	318,332	-	318,332	-
Additional loan obtained	18.2	117,639	29,956	10,950	17,884
Dividend paid to minority shareholders		-	(118,670)	-	-
Cash flows from / (used in) financing activities		**407,289**	**(469,023)**	**300,600**	**(270,873)**
Net increase / (decrease) in cash and cash equivalents before effect of exchange rate changes		**86,631**	**(107,514)**	**6,509**	**(102,162)**
Effect of exchange rate changes on cash and cash equivalents		(3,629)	-	(477)	-
Net increase / (decrease) in cash and cash equivalents		**83,002**	**(107,514)**	**6,032**	**(102,162)**
Cash and cash equivalents at beginning of the year		4,238	111,752	3,592	105,754
Cash and cash equivalents at end of the year	**13**	**87,240**	**4,238**	**9,624**	**3,592**

NOTES TO THE FINANCIAL STATEMENTS

Accounting Policies

1. General information

Africa Clean Energy Solutions Limited (the Company) was incorporated in the Republic of Mauritius on 8 December 2017 under the Mauritian Companies Act 2001 as a private company limited by shares. The Company has, by special resolution, converted itself into a public company on 7 March 2018. The Company holds a Global Business Licence issued by the Financial Services Commission.

The Company, through its subsidiary companies, is a clean energy solutions provider. The Company is listed on the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") as from 31 May 2019. The Company is regulated by the Financial Services Commission in Mauritius.

2. Basis of preparation and summary of significant accounting policies

The financial statements of Africa Clean Energy Solutions Limited company and group comply with the Mauritian Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and are prepared on the going concern basis. The financial statements are prepared in United States Dollars, which is the Company's functional and presentation currency. The financial statements include the consolidated financial statements of the holding company and its subsidiaries (the Group) and the separate financial statements of the holding company (the Company).

The preparation of financial statements in accordance with IFRS requires the directors to exercise their judgement in the process of applying the Group's accounting policies. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree judgement or complexity are disclosed in Note 3. Amounts are presented to the nearest dollar unless otherwise stated.

The financial statements are prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.1 Basis for consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiary is attributed to the owners of the

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.1 Basis for consolidation (continued)

Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in line with the Group's accounting policies. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non- controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re- measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

2.1.1. Changes in the Group's ownership interests in existing subsidiary

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.1 Basis for consolidation (continued)

2.1.1. Changes in the Group's ownership interests in existing subsidiary (continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, Financial Instruments, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.1.2. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share- based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non- controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.1 Basis for consolidation (continued)

2.1.2. Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.1 Basis for consolidation (continued)

2.1.3 Investment in subsidiary companies

Subsidiaries are all entities (including structured entities) over which the company has control. The company controls an entity when the company 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. Subsidiaries are fully consolidated from the date on which control is transferred to the company. They are deconsolidated from the date that control ceases.

The company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The company recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non- controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Any impairment and proportionate provision are recognised when the net asset value is negative.

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the consolidated statement of profit or loss and other comprehensive income.

In the Company's separate financial statements, investments in subsidiary companies are carried at cost less impairment.

2.1.4. Investment in associated companies

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in the company's separate financial statements are carried at cost less impairment losses. Investments in associates in the group are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the statements of profit or loss and other comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.1 Basis for consolidation (continued)

2.1.4. Investment in associated companies (continued)

group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the statements of profit or loss and other comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the group and its associates are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the statements of profit or loss and other comprehensive income.

2.1.5. Investment in joint ventures

The company applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Company has assessed the nature of its joint arrangements and determined them to be joint ventures. In the Company's separate financial statements, investments in joint ventures are accounted for at cost less impairment losses. Joint ventures in the group's financial statements are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the company's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long- term interests that, in substance, form part of the company's net investment in the joint ventures), the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the company and its joint ventures are eliminated to the extent of the company's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the company.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

Recognition
Property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Initial measurement
An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement - Cost model
After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation
Depreciation of an asset commences when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.2 Property, plant and equipment (continued)

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset class	Useful life / depreciation Rate	Depreciation method
Right-of-use asset - Buildings	3 years	Over lease period
Fixtures and fittings	3 years	Straight line
Office equipment	3 years	Straight line
Computer equipment	3 years	Straight line
Construction in progress	-	Not depreciated

Impairments

The entity tests for impairment of other assets where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life. Except for goodwill which is subject to annual impairment review.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statements of profit or loss and other comprehensive income.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. The asset is determined to be identifiable if it either is separable, or arises from contractual or other legal rights.

Recognition

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Initial measurement

Intangible assets are initially measured at cost.

Goodwill arising on business combination is carried at cost as established at the date of acquisition (see note 2.1.2) less accumulated impairment losses, if any.

Internally generated goodwill is not recognised as an asset.

The cost of assets acquired through an exchange of assets is measured at fair value at acquisition date unless the exchange lacks commercial substance, or the fair value of neither the asset received nor the asset given up is reliably measurable. The acquired asset is immediately measured in this way even if the asset given up cannot immediately be derecognised. If the acquired asset is not measured at fair value, its cost is measured using the carrying amount of the asset given up.

Expenditure on an intangible asset is recognised as an expense when it is incurred unless it is part of the cost of an intangible asset that meets the recognition criteria or if the item is acquired in a business combination and cannot be recognised as an intangible asset it is recognised as part of goodwill at the acquisition date. Expenditure on an intangible item that was initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

Subsequent measurement - Cost model

After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation

An intangible asset is regarded by the entity as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Intangible assets with an indefinite useful life are not amortised, but is tested for impairment annually and

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.3 Intangible assets (continued)

whenever there is an indication that the intangible asset may be impaired. The intangible asset's determination as having an indefinite useful life is also reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment. Reassessing the useful life of an intangible asset as finite rather than indefinite is an indicator that the asset may be impaired.

For other intangible assets amortisation is allocated on a systematic basis over its useful life. Where an intangible asset has a residual value, the depreciable amount is determined after deducting its residual value.

The residual values of intangibles assets are assumed zero unless:

- there is a commitment by a third party to purchase the asset at the end of its useful life; or
- there is an active market for the asset and:
  - residual value can be determined by reference to that market; and
  - it is probable that such a market will exist at the end of the asset's useful life.

Residual values as well as the useful lives of all assets are reviewed annually. Changes in residual values are treated as a change in estimate and treated in accordance with the relevant accounting policies.

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of intangible assets is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset in which case the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if required by another standard.

Retirements and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is recognised in profit or loss.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.4 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

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

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.4 Financial instruments (continued)

Financial assets (continued)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL. Specifically, investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’ line item.

(iii) Financial assets at fair value through other comprehensive income (FVTOCI)

The Group has some investments in unlisted entities which are not accounted for as subsidiaries, associates or joint ventures. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve (fair value reserve). Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments' carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

(iv) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on loans receivable from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.4 Financial instruments (continued)

Financial assets (continued)

The Group always recognises lifetime ECL for other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.4 Financial instruments (continued)

Significant increase in credit risk (continued)

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1) The financial instrument has a low risk of default,
2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.4 Financial instruments (continued)

Significant increase in credit risk (continued)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

i. significant financial difficulty of the issuer or the borrower;
ii. a breach of contract, such as a default or past due event (see (ii) above);
iii. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
iv. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; o
v. the disappearance of an active market for that financial asset because of financial difficulties.

Write off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group’s understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.4 Financial instruments (continued)

Significant increase in credit risk (continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.4 Financial instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Financial liabilities

Financial liabilities

The financial liabilities at amortised cost, including borrowings and other payables, are initially measured at fair value, net of transaction costs.

The financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The liability component of convertible loan is recognised at fair value. The equity component is recognised initially at the difference between the fair value of the instrument as a whole and the fair value of the liability component. Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method. The equity component is not re-measured subsequent to initial recognition except on conversion or expiry.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.4 Financial instruments (continued)

Financial liabilities (continued)

discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Trade receivables

Trade receivables are measured at initial recognition at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses. For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

2.5 Borrowings

Borrowings are classified as current liabilities unless the Company and Group have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2.6 Stated capital

Stated capital comprises ordinary shares.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.7 Inventory

Measurement

Inventories are measured at the lower of cost and net realisable value using the first-in-first-out method. The same cost formula is used for all inventories having a similar nature and use.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2.8 Current and deferred income tax

Tax expense comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.8 Current and deferred income tax (continued)

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- in other comprehensive income, will be recognised in other comprehensive income;
- directly in equity, will be recognised directly in equity.

2.9 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.9 Provisions and contingencies (continued)

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

2.10 Segmental policies

A segment is a distinguishable component that is engaged in providing services (business segment) or in providing services within a particular economic environment (geographic segment), which is subject to risks and returns that are different from those of other segments. The Group and Company's primary segment is based on business segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision- maker. The chief operating decision-maker has been identified as the board. The board reviews the Group's and Company's internal reporting in order to assess performance. Management has determined the operating segments based on these reports.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of the Group's and Company's revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

2.11 Related parties

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if they have the ability, directly or indirectly, to control or jointly-control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice-versa, or where the Group is subject to common control or common significant influence or where the party is a member of the key management personnel of the Group. Related parties may be individuals or other entities.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash at bank, cash in hand and cash in transit.

2.13 Expense recognition

Expenses are accounted for in the profit or loss on the accrual basis.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.14 Foreign currencies translation

Functional and presentation currency

The financial statements are presented in USD which is the Group's and the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit or loss statement within 'Other (losses)/gains – net'.

Changes in the fair value of monetary financial assets and liabilities are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

Foreign currency translations

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.14 Foreign currencies translation (continued)

Transactions and balances (continued)

Group companies

The results and financial position of all the group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at each reporting date.

2.15 IFRS 15 Revenue from Contracts with Customers and other revenue

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.15 IFRS 15 Revenue from Contracts with Customers and other revenue (continued)

At the inception of a contract, the goods or services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:

- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer.

Revenue is recognised when or as the performance obligation is satisfied by transferring a promised good or service to a customer. Assets are transferred when or as the customer obtains control of that asset.

Measurement

When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation, but excluding estimates of variable consideration that are constrained and any amounts collected on behalf of third parties. The transaction price may include fixed amounts, variable amounts, or both.

The company allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to the customer.

The company recognises as an asset the incremental costs of obtaining a contract with a customer if the company expects to recover those costs.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the company recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the company can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);
- the costs generate or enhance resources of the company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Other revenue

Other revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Accounting Policies (continued)

2. Basis of preparation and summary of significant accounting policies (continued)

2.15 IFRS 15 Revenue from Contracts with Customers and other revenue (continued)

Revenue is recognised in profit or loss as follows:

- Dividend income - when the shareholder's right to receive payment is established
- Interest income - is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance)
- Admin and management fees - recognised when the control of the services is transferred to the counterparty at an amount that reflects the condition to which the company expects to be entitled in exchange for those services

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group’s accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the process of applying the Company’s accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions and judgements concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of non-financial assets

Plant and equipment, investment in associates and joint ventures, and investment in subsidiaries are assessed whenever there is an impairment indication. An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash- generating units) (Note 6 and 8).

Accounting Policies (continued)

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and in selecting inputs to the impairment calculation such as determining criteria for significant increase in credit risk, choosing the appropriate model for the measurement of expected credit loss and forward looking information, based on the Group's and the Company's past history, listing market conditions (Note 12).

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made (Note 25).

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.3. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less cost to sell. These calculations require the use of estimates (Note 7).

Control over subsidiaries and associates

Management applies judgement in assessing whether the Company controls or exercises significant influence on investees (Note 8).

Accounting Policies (continued)

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Going concern

The Group and the Company have made an assessment of their ability to continue as a going concern and is satisfied that the Group and the Company have the resources to continue in business for the next 12 months following reporting date of the financial statement, the validity of which depends on the receipt of a loan of US$ 10 million. On making this assessment, the Board considers the ability of the Group to service the interest costs as well as the capital repayment of the (indicate loans). Therefore, the financial statements have been prepared on a going concern basis (Note 30).

4. Application of new and revised International financial Reporting Standards (IFRS)

In the current year, the Group and the Company have applied all of the new and revised relevant Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2020.

4.1 Amendments to published Standards effective in the reporting period

In the current year, the Group and Company have adopted all new and revised IFRSs that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2014.

At the date of authorisation of these financial statements for the year ended 30 June 2023, the following IFRSs were adopted:

IFRS 1 First-time Adoption of International Financial Reporting Standards
Annual Improvements to IFRS Standards 2018– 2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture. The amendments have no impact on the Group or the Company's financial statements.

IFRS 3 Business Combinations
Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments have no impact on the Group or the Company's financial statements.

IFRS 9 Financial Instruments
Annual Improvements to IFRS Standards 2018– 2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. The amendments have no impact on the Group or the Company's financial statements.

Accounting Policies (continued)

4. Application of new and revised International financial Reporting Standards (IFRS) (continued)

4.1 Amendments to published Standards effective in the reporting period (continued)

IAS 16 Property, Plant and Equipment

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments have no impact on the Group or the Company's financial statements.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making. The amendments have no impact on the Group or the Company's financial statements.

4.2 Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2023 or later periods, but which the Group and Company have not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Effective date 1 January 2023

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4 – Insurance Contracts.

Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)

The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2023.

Accounting Policies (continued)

4. Application of new and revised International financial Reporting Standards (IFRS) (continued)

4.2 Standards, Amendments to published Standards and Interpretations issued but not yet effective (continued)

IAS 1 Presentation of Financial Statements

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

IAS 12 Income Taxes

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Effective date 1 January 2024

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

Accounting Policies (continued)

4. Application of new and revised International financial Reporting Standards (IFRS) (continued)

4.2 Standards, Amendments to published Standards and Interpretations issued but not yet effective (continued)

FRS 16 Leases
Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures
Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The effective date of this amendment has been deferred indefinitely until further notice

IFRS 10 Consolidated Financial Statements
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures:
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

5. Financial Risk Management

Categories of financial instruments
(a) Categories of financial assets

Financial assets at amortised cost				
Loans from related parties	**138,295**	1,942,121	**2,687,191**	2,806,439
Trade and other receivables*	**105,422**	1,911	**537**	537
Cash and cash equivalents	**87,240**	4,238	**9,624**	3,592
	330,957	1,948,270	**2,697,352**	2,810,568

Categories of financial liabilities

Financial liabilities at amortised cost				
Amounts payable to related parties	**223,897**	79,989	**9,626**	27,319
Accruals and payables	**1,852,853**	1,549,006	**1,679,391**	1,523,615
	2,076,750	1,628,995	**1,689,017**	1,550,934

*Prepayments for the Group of USD 30,047 (2022: USD 20,624) and for the Company of USD 26,608 (2022: 20,624) have been excluded from Trade and other receivables.

The Group has exposure to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (including interest rate risk and currency risk)

The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

5. Financial Risk Management (continued)

Risk management framework (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's and the Company's loan receivables, other receivables and cash and cash equivalents. The Group and Company only deposit cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Financial assets exposed to credit risk at year end were as follows:

	Group 2023	Group 2022	Company 2023	Company 2022
Amounts receivable from related parties	**138,295**	1,942,121	**2,687,191**	3,652,523
Trade and other receivables	**105,422**	1,911	**537**	1,883
Cash and cash equivalents	**87,240**	4,238	**9,624**	105,754
	330,957	1,948,270	**2,697,352**	3,760,160

The Group only advances funds to creditworthy related parties. Receivables that are past due are related parties where there has been a delay in the project due to circumstances beyond the Groups control. These receivables are reviewed for impairment and recovery. Receivables that are not past due or impaired are related parties with a good collection track records with the Group (Note 11). Cash and bank balances are held with creditworthy financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's approach to managing liquidity is to ensure that they will always have sufficient liquidity to meet their liabilities when they become due without incurring unacceptable losses or risking damage to the Group's and Company's reputation. The Group and the Company have net current liabilities of USD 1,704,167 (2022: USD 1,404,407) and USD 1,394,719 (2022: USD 1,192,138) respectively. The Company being a listed entity, the directors are of the opinion that the financial position of the Group will improve through future capital raise on the market.

5. Financial Risk Management (continued)

Risk management framework (continued)
The following are the contractual maturities of non-derivative financial liabilities:

At 30 June 2023	**On demand**	**Within 6 months**	**Group Between 7 and 12 months**	**More than one year**	**Total**
Accruals and payables	**-**	**348,043**	**1,485,429**	**19,381**	**1,852,853**
Amount payable to related parties	**21,562**	**106,188**	**-**	**96,148**	**223,897**
	21,562	**454,231**	**1,485,429**	**115,529**	**2,076,750**

At 30 June 2023	**On demand**	**Within 6 months**	**Company Between 7 and 12 months**	**More than one year**	**Total**
Accruals and payables	**-**	**204,788**	**1,474,603**	**-**	**1,679,391**
Amount payable to related parties	**9,626**	**-**	**-**	**-**	**9,626**
	9,626	**204,788**	**1,474,603**	**-**	**1,689,017**

At 30 June 2022	On demand	Within 6 months	Group Between 7 and 12 months	More than one year	Total
Accruals and payables	-	483,415	1,065,591	-	1,549,006
Amount payable to related parties	38,753	-	-	41,236	79,989
	38,753	483,415	1,065,591	41,236	1,628,995

At 30 June 2022	On demand	Within 6 months	Company Between 7 and 12 months	More than one year	Total
Accruals and payables	-	453,194	1,070,421	-	1,523,615
Amount payable to related parties	27,319	-	- -	-	27,319
	27,319	453,194	1,070,421	-	1,550,934

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

5. Financial Risk Management (continued)

Risk management framework

(c) Fair value estimation

Except where otherwise stated, the carrying amount of financial assets and financial liabilities approximates their fair values.

(d) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Group's and the Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Group and the Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

(i) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At 30 June 2023, the Group and the Company are exposed to variable interest rate on its loan with related parties. At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments were:

	Group 2023	Group 2022	Company 2023	Company 2022
Financial assets				
Non- interest bearing	**158,787**	94,813	**74,559**	93,440
Variable interest rate instruments	**49,833**	1,812,711	**2,048,772**	2,175,886
	208,620	1,907,524	**2,123,331**	2,269,326
Financial Liabilities				
Non- interest bearing	**1,852,847**	1,549,006	**1,679,386**	1,523,616
Variable interest rate instruments	**223,896**	79,989	**9,625**	27,318
	2,076,743	1,628,995	**1,689,011**	1,550,934

Interest rate risk sensitivity analysis

As the inflation rate in the international markets has increased, international federal reserve banks have adopted a more aggressive attitude to interest rate increases in order to arrest the inflation rate.

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and has taken into account the attitude of the federal reserve banks. A 50 basis point increase or decrease is used on all United States dollar denominated loans, and a 200 basis point increase or decrease is used on all

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

5. Financial Risk Management (continued)

(d) Market risk (continued)

(i) Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

South African Rand denominated loans. This is based on the variation of interest rates between South Africa and United States.

If interest rates had been higher/lower and all other variables were held constant, the Group's and Company's loss before tax for the year ended 30 June 2023 would have increased by USD 95 and decreased by USD 25,451 respectively (2022 decreased: Group – USD 40,161 and Company – USD 41,420). This is mainly attributable to the Group's and Company's exposure to interest rates on variable rate of interest instruments.

(ii) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency risk, as defined in IFRS 7, arises as the value of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign exchange risk.

The Group has financial assets and financial liabilities in a currency other than the USD, its reporting currency. The Group is exposed to foreign exchange risk arising due to fluctuations of the USD vis-à-vis the other currency.

Currency profile

2023	**Group**		**Company**	
	Financial assets	**Financial liabilities**	**Financial assets**	**Financial liabilities**
US Dollar (USD)	**113,654**	**1,890,011**	**1,021,966**	**1,674,068**
South African Rand (ZAR)	**217,303**	**186,739**	**1,675,386**	**14,949**
	330,957	**2,076,750**	**2,697,352**	**1,689,017**
2022				
US Dollar (USD)	107,548	1,574,990	969,846	1,508,363
South African Rand (ZAR)	1,840,722	54,005	1,840,722	42,571
	1,948,270	1,628,995	2,810,568	1,550,934

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

5. Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2023, had the exchange rate between Pound Sterling and US Dollar, Kenya Shillings and US Dollar and Uganda Shillings and US Dollar and South African Rand and US Dollar increased or decreased by 10% with all other variables held constant, there would have been an equal and opposite impact on profit before tax and in net assets attributable to shareholders as follows: (This is based on the historical observations.)

Impact on profit and net assets attributable to shareholders:

Pound Sterling	**-**	-	**-**	-
Kenya Shillings	**-**	-	**-**	-
Uganda Shillings	**-**	-	**-**	-
South Africa Rand	**18,673**	184,072	**1,494**	184,072
Namibia Dollar	**-**	-	**-**	**-**

Capital Risk Management

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, non-controlling interest, retained earnings, and revaluation reserve).

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the debt to adjusted capital ratio. This ratio is calculated as net debt adjusted capital as defined above. Net debt is calculated as total debt (as shown in the consolidated statement of financial position) less cash and cash equivalents.

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

5. Financial Risk Management (continued)

Capital Risk Management (continued)

Due to recent market uncertainty, the Group's strategy is to preserve a strong cash base and achieve a debt-to-adjusted-capital ratio of approximately 25% (2022: 25%). The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating. The debt-to-adjusted-capital ratios at 30 June 2023 and at 30 June 2022 were as follows:

Loans and borrowings	**223,897**	79,989	**14,949**	9,626
Less: Cash and cash equivalents	**(87,240)**	(4,238)	**(9,623)**	(3,592)
Net debt	**136,657**	75,751	**5,326**	6,034
Total equity	**(592,044)**	662,016	**1,072,927**	1,895,676
Total adjusted capital	**(592,044)**	662,016	**1,072,927**	1,895,676
Debt to adjusted capital	**N/A**	11.44%	**0.50%**	0.32%

The deterioration in the debt to adjusted capital ratio during 2023 resulted primarily from the acquisition of the subsidiary company, in conjunction with the impairment and write off of various inter-company loans and plant and equipment. The Group continuously revisits its debt to adjusted capital ratio target going forward acting prudently.

6. Equipment

6.1 Balances at year end and movements for the year

	Right-of-use asset - building	Fixtures and fittings	Office equipment	Computer equipment	Construction in progress	Total
Reconciliation for the year ended 30 June 2023						
Group						
Balance at 1 July 2022						
At cost	**-**	**-**	**191**	**1,672**	**-**	**1,863**
Accumulated depreciation	**-**	**-**	**(191)**	**(1,375)**	**-**	**(1,566)**
Carrying amount	**-**	**-**	**-**	**297**	**-**	**297**
Movements for the year ended 30 June 2023						
Additions	-	-	-	838	-	838
Acquisitions through business combinations (Note 34)	246,970	-	-	156	1,804,500	2,051,626
Derecognition of assets	(225,393)	-	-	-	-	(225,393)
Depreciation	(21,577)	-	-	(462)	-	(22,039)
Impairment loss recognized in profit or loss	-	-	-	-	(403,439)	(403,439)
Decrease through other changes	-	-	-	(95)	(276,180)	(276,275)
Equipment at the end of the year	**-**	**-**	**-**	**734**	**1,124,881**	**1,125,615**

6. Equipment (continued)

6.1 Balances at year end and movements for the year (continued)

	Right-of-use asset - building	Fixtures and fittings	Office equipment	Computer equipment	Construction in progress	Total
Closing balance at 30 June 2023						
At cost	**246,970**	**-**	**191**	**2,711**	**1,528,320**	**1,778,192**
Derecognition of assets	**(225,393)**	**-**	**-**	**-**	**-**	**(225,393)**
Accumulated impairment	**-**	**-**	**-**	**-**	**(403,439)**	**(403,439)**
Accumulated depreciation	**(21,577)**	**-**	**(191)**	**(1,977)**	**-**	**(23,745)**
Carrying amount	**-**	**-**	**-**	**734**	**1,124,881**	**1,351,008**
Reconciliation for the year ended 30 June 2022 – Group						
Balance at 1 July 2021						
At cost	-	1,623	191	2,067	-	3,881
Accumulated depreciation	-	(1,623)	(191)	(1,099)	-	(2,913)
Carrying amount	-	-	-	968	-	968
Movement for the year ended 30 June 2022						
Depreciation	-	-	-	(671)	-	(671)
Equipment at the end of the year	-	-	-	297	-	297

6. Equipment (continued)

6.1 Balances at year end and movements for the year (continued)

	Right-of-use asset - building	Fixtures and fittings	Office equipment	Computer equipment	Construction in progress	Total
Closing balance at 30 June 2022						
At cost	-	-	191	1,672	-	1,863
Accumulated depreciation	-	-	(191)	(1,375)	-	(1,566)
Carrying amount	-	-	-	297	-	297
Reconciliation for the year ended 30 June 2023 – Company						
Balance at 1 July 2022						
At cost	**-**	**-**	**191**	**1,672**	**-**	**1,863**
Accumulated depreciation	**-**	**-**	**(191)**	**(1,375)**	**-**	**(1,566)**
Carrying amount	**-**	**-**	**-**	**297**	**-**	**297**
Movements for the year ended 30 June 2023						
Depreciation	**-**	**-**	**-**	**(255)**	**-**	**(255)**
Equipment at the end of the year	**-**	**-**	**-**	**42**	**-**	**42**

6. Equipment (continued)

6.1 Balances at year end and movements for the year (continued)

	Right-of-use asset - building	Fixtures and fittings	Office equipment	Computer equipment	Construction in progress	Total
Closing balance at 30 June 2023						
At cost	**-**	**-**	**191**	**1,672**	**-**	**1,863**
Accumulated depreciation	**-**	**-**	**(191)**	**(1,629)**	**-**	**(1,820)**
Carrying amount	**-**	**-**	**-**	**42**	**-**	**42**
Reconciliation for the year ended 30 June 2022 – Company						
Balance at 1 July 2021						
At cost	-	-	191	1,672	-	1,863
Accumulated depreciation	-	-	(191)	(704)	-	(895)
Carrying amount	-	-	-	968	-	968
Movements for the year ended 30 June 2022						
Depreciation	-	-	-	(671)	-	(671)
Equipment at the end of the year	-	-	-	297	-	297

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

6. Equipment (continued)

6.1 Balances at year end and movements for the year (continued)

	Office Equipment	Computer Equipment	Total
Closing balance at 30 June 2022			
At cost	191	1,672	**1,863**
Accumulated depreciation	(191)	(1,375)	**(1,566)**
Carrying amount	-	297	**297**

Construction in progress consists of 2 projects of between 2.8MW and 3.5MW Solar Plants situated in South Africa as well as a 4.2MW Biogas Plant situated in South Africa. It was determined during the year that the Solar Plant in South Africa would not be viable, therefore the directors decided to impair the Solar Plant. As a consequence of this impairment, the directors cancelled the lease where the plants would be situated. This resulted in the derecognition of the right-of-use asset. The remaining plant and equipment has been subjected to impairment assessment and no further impairment was recognised because the recoverable amount was higher than the carrying amount

Construction in progress as at 30 June 2023 comprises the cost of purchase of the projects in 2015, financed by way of loan payable.

6.2. Depreciation

Depreciation has been included under the following expenditures:

	Group 2023	Group 2022	Company 2023	Company 2022
Other expenses				
Right-of-use asset – Buildings	**21,577**	-	**-**	-
Computer equipment	**462**	671	**255**	671
	22,039	671	**255**	671

7. Goodwill

Reconciliation of changes in goodwill

	Goodwill	Total
Reconciliation for the year ended 30 June 2023 - Group		
Balance at 1 July 2022		
At cost	**129,946**	**129,946**
Accumulated impairment	**(129,946)**	**(129,946)**
Carrying amount	**-**	**-**
Movements for the year ended 30 June 2023		
Acquisitions through business combinations (Note 34)	**16,009**	**16,009**
Impairment loss recognised in profit or loss	**(16,009)**	**(16,009)**
Intangible assets at the end of the year	**-**	**-**
Closing balance at 30 June 2023		
At cost	**145,955**	**145,955**
Accumulated impairment	**(145,955)**	**(145,955)**
Carrying amount	**-**	**-**
Reconciliation for the year ended 30 June 2022 - Group		
Balance at 1 July 2021		
At cost	-	-
Accumulated impairment	-	-
Carrying amount	-	-
Movements for the year ended 30 June 2022		
Acquisitions through business combinations (Note 34)	129,946	129,946
Impairment loss recognised in profit or loss	(129,946)	(129,946)
Intangible assets at the end of the year	-	-
Closing balance at 30 June 2022		
At cost	129,946	129,946
Accumulated impairment	(129,946)	(129,946)
Carrying amount	-	-

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

7. Goodwill (continued)

During the year, the group recognised a goodwill of USD 16,009 on acquisition of SACE Projects (Note 34). The business of SACE Projects had negative equity as at 30 June 2023. The directors have consequently determined to write off the goodwill amounting to USD 16,009 (Note 8.3.5).

During 2022, the group recognised a goodwill of USD 129,946 on acquisition of Unergy (Note 34). The business of Unergy is in its start-up phase and currently not generating any cash flows and it had negative equity as at 30 June 2022. The directors have consequently determined to write off the goodwill amounting to USD 129,946. The recoverable amount of the power project cannot be determined currently as they are not generating any cash flow. Thus, recoverable amount has been determined for the cash generating unit (CGU) to which this asset belongs. Therefore, Unergy has been identified as the CGU, and the recoverable amount of the CGU has been estimated to be USD Nil as at 30 June 2022. The recoverable amount was based on fair value less cost of disposal whereby the carrying amount of the underlying assets and liabilities approximated their fair values, and Unergy had a negative net asset value.

8. Investments in subsidiaries, associates and joint ventures

8.1 The amounts included on the statements of financial position comprise the following:

	Group 2023	Group 2022	Company 2023	Company 2022
Equity accounted investments	-	321,820	-	615,115
Investments in subsidiaries	-	-	**37,943**	6

Movement in investments in subsidiaries made up as follows:

	Company 2023	Company 2022
At start of the year	**6**	256,337
Transfer from associated companies	**615,109**	-
Impairment losses	**(577,172)**	-
Disposal of investment in subsidiary	**-**	(256,331)
	37,943	6

Movement in investments in associated companies and joint ventures made up as follows:

	Company 2023	Company 2022
At start of the year	**615,115**	25
Transfer to subsidiaries	**(615,109)**	-
Investments written off in the year	**(6)**	-
Additions	**-**	615,090
At end of the year	**-**	615,090

8. Investments in subsidiaries, associates and joint ventures (continued)

	Group	
	2023	2022
At start of the year	**321,820**	-
Additions	**-**	615,109
Deemed disposal of associate (acquisition of subsidiary)	**(256,851)**	-
Share of other comprehensive income	**-**	20,057
Share of loss after tax	**(64,969)**	(313,346)
	-	321,820

8.2. Composition of the group

All subsidiary companies have a year end of 30 June. Further details of the subsidiary companies are as follows:

2023

Name	Class of share	Nature of business	% Holding Direct	% Holding Indirect	% Non-controlling interest	Country of incorporation and operation
Africa Clean Energy Solutions (ACES) Limited	Ordinary	Investment Holding	100%		0%	England
SA Clean Energy Finance (Pty) Ltd	Ordinary	Renewable Energy	100%		0%	South Africa
SACE Projects (Pty) Ltd	Ordinary	Renewable Energy	56.6%		43.4%	South Africa
Tana Biomass Generation Limited	Ordinary	Renewable Energy		70%	30%	Kenya
Tana Solar Limited	Ordinary	Renewable Energy		70%	30%	Kenya
Unergy Limited	Ordinary	Renewable Energy		75%	25%	Uganda
VFU-Clean Energy Limited	Ordinary	Renewable Energy		70%	30%	Zambia

2022

Name	Class of share	Nature of business	% Holding Direct	% Holding Indirect	% Non-controlling interest	Country of incorporation and operation
Africa Clean Energy Solutions (ACES) Limited	Ordinary	Investment Holding	100%		0%	England
SA Clean Energy Finance (Pty) Ltd	Ordinary	Renewable Energy	100%		0%	South Africa
Tana Biomass Generation Limited	Ordinary	Renewable Energy		70%	30%	Kenya
Tana Solar Limited	Ordinary	Renewable Energy		70%	30%	Kenya
Unergy Limited	Ordinary	Renewable Energy		75%	25%	Uganda
VFU-Clean Energy Limited	Ordinary	Renewable Energy		70%	30%	Zambia

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

8 Investments in subsidiaries, associates and joint ventures (continued)

8.2 Composition of the group (continued)

On 17 January 2022, Metier International exercised its option to resell the shares acquitted in 2019 to Africa Clean Energy Solutions (ACES) Limited, thereby increasing shareholding from 40% to 75%, causing the Company to exercise control. As such the investment was reclassified from investment in associate to investment in subsidiary (note 8.4.2.)

During the year, the group obtained control over SACE Projects (Pty) Ltd as defined under note 34. The Company owns directly 56.6% of SACE Projects (Pty) Ltd, and is represented by a majority on the subsidiary's board of directors and has common key management personnel. The relevant activities of the subsidiary are determined by their boards of directors based on a majority of votes. Therefore, the directors conclude that it has control over the investee and the investee is consolidated in these financial statements.

Details of the associated companies are as follows:

2023

Name	Class of share	Year end	Nature of business	% Holding Direct	% Holding Indirect	Country of incorporation and operation
Sturrock Investments Number Eight (Pty) Ltd	Ordinary	30 June	Renewable Energy	35%		Namibia

2022

Name	Class of share	Year end	Nature of business	% Holding Direct	% Holding Indirect	Country of incorporation and operation
SACE Projects (Pty) Ltd	Ordinary	30 June	Renewable Energy	71%		South Africa
Sturrock Investments Number Eight (Pty) Ltd	Ordinary	30 June	Renewable Energy	35%		Namibia

All of the above associates are accounted for using the equity method.

At 30 June 2022, part of the loan owed by SACE Projects (Pty) Ltd was converted into investment, resulting in an increase in the group's shareholding in SACE Projects to 71%. This did not result in the group controlling SACE Projects since there had been no change in the group's voting rights or representation to the Board of SACE Projects.

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

8 Investments in subsidiaries, associates and joint ventures (continued)

8.2 Composition of the group (continued)

Details of joint ventures are as follows:

2022

Name	Class of share	Year end	Nature of business	% Holding Direct	% Holding Indirect	Country of incorporation and operation
Kalkuil Solar (Pty) Ltd	Ordinary	28 February	Renewable Energy	45%		South Africa
Matla a Letsatsi (RF) (Pty) Ltd	Ordinary	30 June	Renewable Energy	45%		South Africa

For joint venture companies with non-coterminous financial year ends, management accounts as at 30 June were used for equity accounting purposes. In accordance with the shareholders agreement for Kalkuil Solar (Pty) Ltd and Matla a Letsatsi (RF) (Pty) Ltd, no action shall be taken or resolution passed by the Board or Shareholders, and the power to take any action, in regard to matters without the approval of the Shareholders holding at least 75% of the total voting rights for special resolutions, which demonstrates unanimous consent. For this reason, the investments were classified as joint ventures.

During the year ended 30 June 2023, the Board made a decision to return the shares of Kalkuil Solar (Pty) Ltd and Matla a Letsatsi (RF) (Pty) Ltd to each company, and write off the investments. ACES Renewables has struggled to physically return the shares to each company, and management have decided to write off the loans and investments in the current year, due to the joint venture not winning the solar contracts.

8.3 Investments in subsidiaries

8.3.1 Details of subsidiaries with material non-controlling interests are as follows:

8.3.2 Profit or loss allocated to non-controlling interests and accumulated non-controlling interests of the subsidiary

	Profit (loss) allocated to non-controlling interest during the period 2023	Accumulated non-controlling interest at 30 June 2023	Profit allocated to non-controlling interest during the period 2022	Accumulated non-controlling interest at 30 June 2022
SACE Projects (Pty) Ltd	**(320,921)**	**(320,921)**	-	-
Africa Renewable Clean Power (Pty) Ltd	**-**	**-**	9,399	-
Tana Biomass Generation Limited	**(17,604)**	**(207,556)**	(15,524)	(189,952)
Unergy Limited	**(3,567)**	**(48,775)**	(4,915)	(45,208)

Africa Renewable Clean Power Proprietary Limited declared a dividend to its shareholders during the year. On 24 February 2022, Africa Clean Energy Solutions Limited disposed of its 72% shareholding in Africa Renewable Clean Power (Pty) Ltd.

8.3.3 Summarised financial information for subsidiaries with material non-controlling interests before inter-group eliminations

	SACE Projects (Pty) Ltd	Tana Biomass Generation Limited	Unergy Limited
At 30 June 2023			
Non-current assets	**1,240,439**	**75,039**	**-**
Current assets	**159,343**	**452**	**355**
Non-current liabilities	**1,651,371**	**759,520**	**126,777**
Current liabilities	**236,923**	**5,896**	**68,683**
Revenue	**502,351**	**4,176**	**-**
Profit (loss) from operations	**(690,669)**	**(58,679)**	**(14,268)**
Other comprehensive loss	**90,132**	**-**	**-**
Total comprehensive loss	**(600,537)**	**(58,679)**	**(14,268)**
Dividend paid to non-controlling interests	**-**	**-**	**-**
Cash inflow (outflow) from operating activities	**39,339**	**(6,011)**	**(6,211)**
Cash inflow from investing activities	**101,973**	**-**	**-**
Cash inflow from financing activities	**(61,346)**	**5,942**	**6,448**
Net cash inflow (outflow)	**79,966**	**(69)**	**237**

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

8.3 Investments in subsidiaries (continued)

8.3.3 Summarised financial information for subsidiaries with material non-controlling interests before inter-group eliminations (continued)

	Africa Renewable Clean Power (Pty) Limited	Tana Biomass Generation Limited	Unergy Limited
At 30 June 2022			
Non-current assets	-	70,863	-
Current assets	-	522	117
Non-current liabilities	-	696,601	115,463
Current liabilities	-	6,028	25,491
Revenue	-	3,819	-
Profit (loss) from operations	-	(51,745)	(19,662)
Other comprehensive loss	-	-	-
Total comprehensive loss	-	(51,745)	(19,662)
Dividend paid to non-controlling interests	-	-	-
Cash outflow from operating activities	-	(11,283)	(3,360)
Cash inflow from investing activities	-	-	2,741
Cash inflow (outflow) from financing activities	-	11,336	736
Net cash inflow (outflow)	-	53	117

8.3.4 Loss on disposal of subsidiary

In the prior year, the Company held a 72% investment in Africa Renewable Clean Power Proprietary Limited and accounted for the investment as a subsidiary. On 24 February 2022, the Group disposed of its interest to the minority shareholder of Africa Renewable Clean Power Proprietary Limited for the proceeds of USD nil.

The transaction resulted in the recognition of a gain in profit or loss calculated as follows

Proceeds of disposal	-
Plus: Fair value of investment retained (0%)	-
Add: Non-controlling interest previously recognized	5,964
Less: Cash balance at date of disposal	(37,002)
Less: Other net assets at date of disposal	15,704
Loss on disposal	(15,334)

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

8. Investments in subsidiaries, associates and joint ventures (continued)

8.3 Investments in subsidiaries (continued)

8.3.5. Impairment of goodwill on acquisition of SACE Projects (Pty) Ltd

The main indicators of an impairment were accumulated losses and, negative equity. The impairment was determined by comparing the carrying amount of the Cash Generating Unit ("CGU") with its recoverable amount which was estimated based on its Value in Use ("VIU"). The VIU amount has been determined using discounted cash flow technique.

The company's current main business is rooftop solar solutions. Furthermore, the Company is also developing some power plants which are expected to generate future cash flows. The Company has been identified as the CGU for impairment assessment of the investment in subsidiary, and the recoverable amount of the CGU has been estimated at USD 577,172 (note 8). As the Company's results are not favourable, the goodwill has been impaired in full (note 7).

For impairment testing, management used a projected cashflow over a period of 20 years, based on management anticipated project lifetime of the plant. In arriving at the value in use, cash flows have been estimated and discounted using a discount rate of 14.56%, giving consideration to the specific amount and timing of future cash flows as well as the risks specific to the operations. The value in use calculation took into consideration the following key assumptions:

- EBITDA - The budgeted EBITDA was used based on past experience and management's future expectations of business performance. The valuation was performed using cash flows which incorporated expected future prices.
- Growth Rate - Growth rate of 6.5 % was applied. Based on inflation rate.
- Discount Rate - Discount rates used reflect both time value of money and other specific risks relating to the entity were used. The discount rate was calculated based on comparable companies in the industry.

8.4. Investments in associates

8.4.1 Summarised financial information for material associates

The summarised financial information below represents the proportion of the amounts showing in the associates financial statements prepared in accordance with IFRS.

	SACE Projects (Pty) Ltd	Sturrock Investments Number Eight (Pty) Ltd
At 30 June 2023		
Current assets	**-**	**16**
At 30 June 2022		
Non-current assets	2,248,356	-
Current assets	4,588	16
Non-current liabilities	1,756,672	-
Current liabilities	551,102	-
Revenue	422,689	-
Loss from continuing operations	(449,612)	-
Other comprehensive income	(264,066)	-
Total comprehensive income	(713,678)	-

8.4.2 Gain on deemed disposal of associated company

In 2022, the Company held a 40% indirect investment in Unergy Limited and accounted for the investment as an associated company. On 17 January 2022, Metier International exercised its option to resell the shares acquired in 2019 to Africa Clean Energy Solutions (ACES) Limited, thereby increasing shareholding from 40% to 75%, causing the Company to exercise control. As such, the investment was reclassified from investment in associate to investment in subsidiary.

During the year, the group obtained control over SACE Projects (Pty) Ltd as defined under note 34. The Company owns directly 56.6% of SACE Projects (Pty) Ltd, and is represented by a majority on the subsidiary's board of directors and has common key management personnel. The relevant activities of the subsidiary are determined by their boards of directors based on a majority of votes. Therefore, the directors conclude that it has control over the investee and the investee is consolidated in these financial statements.

The transaction resulted in the recognition of a gain in profit or loss calculated as follows:

	Group	
	2023	**2022**
Gain on derecognition of associated company	106,056	4,834

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

8. Investments in subsidiaries, associates and joint ventures (continued)

8.5 Investments in joint ventures

8.5.1 Summarised financial information for joint ventures

The summarised financial information below represents the proportion of the amounts showing in the joint ventures financial statements prepared in accordance with IFRS.

	Kalkuil Solar (Pty) Ltd	Matla a Letsatsi (Pty) Ltd
At 30 June 2022		
Current assets	190	195
Non-current liabilities	41,488	32,060
Current liabilities	1,845	1,845
Loss from continuing operations	(3,102)	(2,358)
Other comprehensive income	198	151
Total comprehensive loss	(2,904)	(2,207)

During the year ended 30 June 2023, the Board made a decision to return the shares of Kalkuil Solar (Pty) Ltd and Matla a Letsatsi (RF) (Pty) Ltd to each company and write off the investments. ACES Renewables has struggled to physically return the shares to each company, and management have decided to write off the loans and investments in the current year.

During the year ended 30 June 2022, the share of loss not recognised was USD 34,589. This is made up of the amounts from Kalkuil Solar (Pty) Ltd of USD 19,506 and Matla a Letsatsi (Pty) Ltd of USD 15,803.

9. Inventories

Inventories comprise:

	Group 2023	Group 2022	Company 2023	Company 2022
Merchandise	**2,972**	**-**	-	-

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

10. Trade receivables

Trade receivables comprise:

Trade receivables	**97,527**	-	**-**	-

The carrying amount of the receivables approximate its fair value. Other receivables are denominated in US Dollar. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. As of 30 June 2023, the directors made an ECL assessment and no provision has been provided as it was immaterial.

11. Other receivables

Other receivables comprise the following balances

Value added tax	**3,275**	-	**-**	-
Prepayments	**30,047**	20,624	**26,608**	20,624
Other receivables	**1,648**	1,911	**537**	537
	34,970	22,535	**27,145**	21,161

12. Loans to related parties

12.1 Loans to related parties comprise the following balances

South Africa Clean Energy Solutions Limited	**29,659**	78,138	**50,783**	78,138
Unergy Limited	**-**	-	**126,777**	114,227
Africa Clean Energy Solutions (ACES) Limited	**-**	-	**296,710**	281,007
SACE Projects (Pty) Ltd	**-**	1,718,714	**1,651,374**	1,718,714
Matla a Letsatsi (RF) (Pty) Ltd	**-**	32,265	**-**	32,265
Kalkuil Solar (Pty) Ltd	**-**	41,763	**-**	41,763
Tana Biomass Generation Limited	**-**	-	**646,425**	592,870
Afrinol Holdings Limited	**75,037**	70,861	**-**	-
R Muchiri	**82,797**	76,961	**62,311**	58,125
	187,493	2,018,708	**2,834,380**	2,917,109
Impairments	**(49,198)**	(76,581)	**(147,189)**	(110,670)
	138,295	1,942,121	**2,687,191**	2,806,439
Non-current assets	**82,655**	1,785,542	**2,429,662**	2,472,396
Current assets	**55,640**	156,579	**257,529**	334,043
	138,295	1,942,121	**2,687,191**	2,806,439

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

12. Loans to related parties (continued)

Amounts receivable from related parties comprise of loans and interest receivable. The Group and Company does not hold any collateral as security.

The loans of the Group and Company are unsecured and shall bear interest between 0% and 11.75% (2022: between 0% and 10.25%), and the interest on some loans will be repayable quarterly in arrears. The loans of the Group and Company shall be repayable on 1 July 2023 or when the projects reach financial closure (whichever is the latest). Amount receivable from related parties are denominated in USD. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

The Group has considered all loans to be Stage 1 or Stage 2 loans as the credit risk has not increased significantly since initial recognition, hence the loss allowance is measured at 12-month ECL. For each loan, ECL is calculated as the product of Exposure at default (EAD), loss given a default (LGD), probability of default (PD) and discounted based on annual interest rates over the remaining contractual terms. In determining the probability of default, professional judgement has also been used, in addition to assessing the credit risk of the borrowers and the fact that while some loans are due, the projects are delayed due to circumstances beyond the Groups control. To estimate the Probability of Default, the following two approaches were used:

Project Finance Ratings Approach, which considers risk drivers including Country Risk, Environmental Factors, Construction and Development Risk, Market Situation and Strategic Risk, Business and Operating Risk, Security Package and Financial Analysis and Cash Flows.

SME Corporate Ratings Approach (Moody's KMV RiskCalc PD Emerging Markets PD Model), which rely mostly on financial drivers and operating capital. The model rating drivers and outcomes have been aligned to those applied and published by the external credit rating agencies.

The LGD has been determined using an Asset Value approach and Moody's KMV Losscalc. The Asset Value approach models the expected asset value at default and then allocates the assets available for distribution to the various security tranches within the entity's capital structure.

The PDs range from 2.5% - 60% and the LGDs is 100%.

12.2. Movements in impairment of loans to related parties are as follows:

At the beginning of the year	**76,581**	68,102	**110,670**	96,650
Impairment raised	**270**	10,323	**54,640**	28,822
Reversal / (provision) of ECL loss allowance	**(27,653)**	(1,844)	**(18.121)**	(14,803)
At the end of the year	**49,198**	76,581	**147,189**	110,670
Write off loan	**70,953**	-	**70,953**	45,434
Total Impairment and write off	**120,151**	76,581	**76,236**	59,453

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

13. Cash and cash equivalents

13.1 Cash and cash equivalents included in current assets:

	Group 2023	Group 2022	Company 2023	Company 2022
Cash				
Cash on hand	**62**	26	**62**	26
Balances with banks	**87,178**	4,212	**9,562**	3,566
	87,240	4,238	**9,624**	3,592

13.2 Net cash and cash equivalents

	Group 2023	Group 2022	Company 2023	Company 2022
Current assets	**87,240**	4,238	**9,624**	3,592

14. Stated capital

	Group 2023	Group 2022	Company 2023	Company 2022
Issued				
30,577,444 Ordinary shares of no par value (2022: 29,275,770 Ordinary shares of no par value)	**3,766,053**	3,407,721	**3,766,053**	3,407,721
	3,766,053	3,407,721	**3,766,053**	3,407,721

	Group and company		Group and company	
	2023 Number	**2023 USD**	2022 Number	2022 USD
At start of the year	**29,275,770**	**3,407,721**	29,275,770	3,407,721
Issue of shares	**1,301,674**	**358,332**	-	-
At end of year	**30,577,444**	**3,766,053**	29,275,770	3,407,721

All issued ordinary shares are fully paid. Fully paid ordinary shares are at par value, carry one vote per share and carry a right to dividends.

The Board may issue shares at any time and there is no limit on the number of shares to be issued. Included in the shares issued during the year is $40,000 of convertible loan converted into shares (Note 15), this is a non cash item.

15. Equity component of convertible loan

	Group 2023	Group 2022	Company 2023	Company 2022
Equity component of convertible loan	**-**	40,000	**-**	40,000

The Board may issue shares at any time and there is no limit on the number of shares to be issued.

In 2018, the Company issued convertible bond of USD 40,000 in favour of Richard Morrisson and Arch Holdings Inc.

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

15. Equity component of convertible loan (continued)

The terms are as follows:-

The convertible bond shall be automatically converted in equity shares on 30 June 2021 in terms of the following formula:
- Up to 30 June 2019 at a price of USD1.00 per ordinary share in the Company;
- On 30 June 2020 at a price of USD 1.80 per ordinary share in the Company;
- On 30 June 2021 at a price of USD 2.40 per ordinary share in the Company;
- The convertible bond shall bear an interest rate of 3 Months LIBOR rate plus 5%; and
- The shares do not carry any voting rights until converted into equity shares.

During 2022, the directors agreed by way of a resolution that the convertible bonds be converted into equity shares at the current share price of USD 1 per ordinary share in the company. The shares were issued on 24 January 2023.

16. Accruals and other payables

Accruals and other payables comprise:

Trade creditors	**122,691**	-	**-**	-
Accrued liabilities	**21,567**	-	**-**	-
Other payables, consists mainly of directors salaries	**1,631,391**	1,486,606	**1,631,391**	1,472,615
Audit fee accrued	**76,285**	62,400	**48,000**	51,000
Leave pay provision	**918**	-	**-**	-
Total accruals and other payables	**1,852,852**	1,549,006	**1,679,391**	1,523,615

The carrying amounts of accruals and other payables approximate their fair value.

17. Lease liabilities

17.1. Lease liabilities comprise:

Lease payable 3 year lease with New Heights 200 (Pty) Ltd to 31 July 2023 for rental of part of the building at 101 Oxford Road, Johannesburg. The weighted average incremental borrowing rate applied to the lease liabilities on 1 March 2022 was 9.75%.	**1,914**	-	**-**	

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

17. Lease liabilities (continued)

17.2. Amounts recognised in the statement of profit or loss and other comprehensive income

Depreciation				
Right-of-use buildings	**31,579**	-	**-**	-
	31,579	-	**-**	-

18. Amounts payable to related parties

18.1 Amounts payable to related parties comprises:

JD Kruger The loan bears interest at the South African Bank prime overdraft rate and is repayable on demand.	**6,616**	9,490	**325**	3,463
MJ Antonie The loan bears interest at the South African Bank prime overdraft rate and is repayable on demand.	**5,944**	19,881	**300**	14,474
A Ally The loan bears interest at the South African Bank prime overdraft rate and is repayable on demand.	**9,001**	9,382	**9,001**	9,382
C Mbire This loan bears interest at 3% plus 3 months average Libor and is repayable at the later of 1 July 2023 or when the project reaches financial closure.	**43,402**	41,236	**-**	-
Godwen (Pty) Ltd The loan bears interest at 2% above prime lending rate in South Africa, is unsecured and is repayable once the projects generate positive cash flows.	**52,746**	-	**-**	-
A Cox The loan us unsecured, repayable within 7 days that the company receives funds from investors or from the funders of the REMO project and earns interest at prime overdraft rate charged by First National Bank in South Africa	**106,188**	-	**-**	-
	223,897	79,989	**9,626**	27,319
Non-current liabilities	**96,148**	41,236	**-**	-
Current liabilities	**127,749**	38,753	**9,626**	27,319
	223,897	79,989	**9,626**	27,319

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

18. Amounts payable to related parties (continued)

18.2 Reconciliation of liabilities arising from financing activities

Short term borrowings

Opening balance	**79,989**	317,355	**27,319**	303,219
Repayment of loans	**(28,682)**	(380,309)	**(28,682)**	(288,757)
Additional loan obtained	**117,639**	29,956	**10,950**	17,884
Non-cash changes – Adjustment arising on gain of control of subsidiary	**54,088**	-	**-**	-
Non-cash changes – interest accrued	**9,643**	6,765	**1,055**	6,020
Non-cash changes – foreign exchange movement	**(8,780)**	(12,745)	**(1,016)**	(11,047)
Non-cash changes – acquisition	**-**	40,647	**-**	-
Working capital movement	**-**	78,320	**-**	-
	223,897	79,989	**9,626**	27,319

19. Revenue

19.1 Revenue comprises

Sale of goods	**346,670**	-	**-**	-
Rendering of services	**154,439**	-	**-**	-
Interest income	**52,178**	191,213	**225,558**	235,561
Dividend income	**-**	-	**-**	310,194
Admin and management fees received	**60,664**	267,329	**235,459**	267,329
	613,951	458,542	**461,017**	813,084

19.2. Sources of revenue

Contracts with customers	**561,773**	267,329	**235,459**	267,329
Financial instruments	**52,178**	191,213	**225,558**	545,755
	613,951	458,542	**461,017**	813,084

19. Revenue (continued)

19.3 Disaggregation of revenue from contracts with customers

	Sale of goods	Rendering of services	Administration and management fee	Total
Revenue for the year ended 30 June 2023 disaggregated by the type of services - Group				
Revenue	**346,670**	**154,439**	**60,664**	**561,773**
Revenue per timing of transfer of goods or services				
Over time	**346,670**	**154,439**	**60,664**	**561,773**

	Administration and management fee	Total
Revenue for the year ended 30 June 2022 disaggregated by the type of services - Group		
Revenue	267,329	267,329
Revenue per timing of transfer of goods or services		
Over time	267,329	267,329

	Administration and management fee	Total
Revenue for the year ended 30 June 2023 disaggregated by the type of services - Company		
Revenue	**235,459**	**235,459**
Revenue per timing of transfer of goods or services		
Over time	**235,459**	**235.459**

	Administration and management fee	Total
Revenue for the year ended 30 June 2022 disaggregated by the type of services - Company		
Revenue	267,329	267,329
Revenue per timing of transfer of goods or services		
Over time	267,329	267,329

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

20. Cost of sales

Cost of sales comprise:

Sale of goods	**391,259**	-	**-**	-
Rendering of services	**63,898**	-	**-**	-
Payment for land lease option	**-**	12,500	**-**	-
	455,157	12,500	**-**	-

21. Audit, accounting and professional expenses

21.1 Audit and accounting fees comprise:

Accounting fees	**55,155**	65,104	**55,155**	65,104
Auditors remuneration – Fees	**71,017**	65,069	**48,000**	51,000
Auditors remuneration – (Over) underprovision of prior year	**(6,405)**	13,800	**(6,405)**	13,800
Total audit and accounting fees	**119,767**	143,973	**96,750**	129,904

21.2 Professional fees comprise:

Professional services	**58,202**	49,410	**58,912**	48,110
Consulting fees	**18,246**	20,000	**18,246**	20,000
Publication costs	**-**	1,940	**-**	1,940
Total professional fees	**76,448**	71,350	**77,158**	70,050

22. Other expenses

Other expenses comprise:

Advertising	**786**	-	**-**	-
Bad debts	**241**	87	**-**	-
Bank charges	**2,885**	2,994	**2,366**	2,163
Depreciation	**22,039**	671	**255**	671
Impairment loss on investment in subsidiary	**-**	-	**577,172**	-
Insurance	**976**	-	**-**	-
Legal expense	**10,012**	8,779	**7,811**	7,388
Licence fees	**-**	225	**-**	225
Other operating expenses	**26,886**	10,326	**14,255**	7,995
Total other expenses	**63,825**	23,082	**601,859**	18,442

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

23. Gains and (losses) on disposal of investments

Other gains and (losses) comprise:

Gain on disposal of investment in NCF Energy (Pty) Ltd and Tandii Investment Ltd	**-**	3,850	**-**	-
Loss on disposal of investment in Africa Renewable Clean Power (Pty) Ltd	**-**	(15,334)	**-**	(256,331)
Gain on deemed disposal of Unergy Limited	**-**	4,834	**-**	-
Other gain	**-**	-	**-**	5,494
Loss on deemed disposal of SACE Projects (Pty) Ltd	**(207,290)**	-	**-**	-
	(207,290)	(6,650)	**-**	(250,837)

24. Finance costs

24.1 Finance costs included in profit or loss:

Interest on loans payable	**15,144**	5,855	**985**	5,855
Lease obligations	**23,138**	-	**-**	-
Interest on convertible loan stock	**-**	504	**-**	504
Loss on foreign exchange	**215,052**	268,077	**215,046**	288,166
Total finance costs	**253,334**	274,436	**216,031**	294,525

25. Income tax expense

For the year ending 30 June 2023, the Group and the Company had a taxable loss of USD 1,098,627 and USD 200,931 respectively (2022 Group Loss: USD 450,607 and Company profit USD 4,146). The Group and Company utilised prior year tax losses against the taxable profits.

Tax losses available for net off against future taxable profit of the Group/Company are as follows:

Tax losses	**1,826,119**	721,133	**615,089**	414,269

There is no time limit for the utilisation of the tax losses of the subsidiary companies. The tax loss for the Company amounting to USD 615,089 (2022: USD 414,269) is subject to a five year limitation and will expire on a rolling basis of five years. The tax losses are available for set off against future taxable profit of the Company as follows:

2024	**178,377**	178,377
2025	**235,892**	235,892
2027	**200,820**	-
Tax losses	**615,089**	414,269

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

25. Income tax expense (continued)

25.1 The income tax for the year can be reconciled to the accounting loss as follows:

Loss before tax from operation	**(1,658,206)**	(870,259)	**(1,141,080)**	(350,877)
Income tax calculated at 15.0%	**(248,731)**	(130,539)	**(171,162)**	(52,632)
Tax effect of				
- Expenses not deductible for tax purposes*	**110,209**	68,331	**141,056**	53,621
- Dividend income not taxable	**-**	(37,223)	**-**	(37,223)
- Tax losses utilized	**-**	-	**-**	(622)
- Annual allowance	**(17)**	(68)	**(17)**	(68)
- Effect of different tax rates of subsidiaries	**(69,928)**	(5,016)	**-**	-
- Unutilised tax losses brought forward	**190,975**	67,591	**30,123**	-
- Expenditure incurred in production of exempt income	**-**	36,924	**-**	36,924
-Withholding taxation on foreign dividend received	**-**	(16,332)	**-**	(16,332)
- Impairment of plant	**17,492**	-	**-**	-
Tax charge	**-**	(16,332)	**-**	(16,332)

* This includes expenses of a capital nature, depreciation, entertainment and other expenses not deductible for tax purposes.

No deferred tax asset has been recognised in respect of the tax losses due to unpredictability of future profit streams.

25.2 Additional disclosures

The Company is subject to tax at the rate of 15%. Being incorporated post 16 October 2017, the provisions relating to the new tax regime will apply. Under the new tax regime and subject to meeting the necessary substance requirements as required under the Mauritian Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the FSC, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

25. Income tax expense (continued)

25.2 Additional disclosures (continued)

Following the Finance Act 2018, all companies categorised as Global Business Licence will be now licensed as Global Business Licence. Effective as from January 2019, deemed Foreign Tax Credit regime available to GBC 1 companies will be abolished. There will be an introduction of an 80% exemption regime on the following income:
(i) Foreign dividend, subject to amount not allowed as deduction in source country.
(ii) Foreign source interest derived by a Company other than a bank.
(iii) Profit attributable to a permanent establishment of a resident company in foreign country.
(iv) Foreign source income derived by a Collective Investment Scheme ("CIS"), Closed-End Funds, CIS Manager, CIS Administrator, Investment Adviser or Asset Manager licensed or approved by the Financial Services Commission ("FSC").
(v) Income derived by companies engaged in ship and aircraft leasing.

In respect of Africa Clean Energy Solutions (ACES) Limited, incorporated in England, due to changes in the UK Corporation tax rate enacted as part of the Finance Bill 2015 on 24 March 2015, the main rate was reduced to 19% from 1 April 2017 and to 18% from 1 April 2020. A further reduction in the main rate of corporation tax to 17% with effect from 1 April 2020 was substantively enacted on 6 September 2016 as part of the Finance Bill 2016.

In respect of the companies incorporated in Kenya (namely Tana Biomass Generation Limited and Tana Solar Limited) and Uganda (namely Unergy Limited), profits are subject to company tax at 30% and for the company incorporated in Namibia (namely Sturrock Investments Number Eight (Pty) Ltd), profits are subject to company tax at 32%. In respect of companies incorporated in Zambia (namely VFU - Clean Energy Limited), profits are subject to company tax at 35%. In respect of companies incorporated in South Africa (namely SACE Projects (Pty) Ltd), profits are subject to company tax at 27% (2022: 28%). The current estimated tax loss is available for set off against future taxable income. No deferred tax asset is recognised as currently there are no profits to offset the current estimated tax loss.

26. Other comprehensive income

Disclosure of gross, tax and net other comprehensive income

	Gross other comprehensive income	Net other comprehensive income
Year ended 30 June 2023 – Group		
Loss on exchange differences on translation	54,126	54,126
Total other comprehensive income	**54,126**	**54,126**
Year ended 30 June 2022 – Group		
Loss on exchange differences on translation	(18,254)	(18,254)
Total other comprehensive income	**(18,254)**	**(18,254)**

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

27. Earnings per share

Basic and diluted loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Loss for the year attributable to owners of the company	**(1,327,243)**	(875,551)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**29,486,453**	29,275,770
Loss per share	**(0.0450)**	(0.0299)

28. Contingent liabilities

The Company has no contingent liabilities as at 30 June 2023 (2022: Nil).

At the end of June 2020, Tana Biomass Generation Limited agreed to pay Afrinol Holdings Limited USD 350,000 on financial closure of the project. As at 30 June 2023, it was uncertain as to the commencement and completion of the project.

29. Related parties

29.1 Other related parties

Entity name	Nature of relationship
Africa Clean Energy Solutions (ACES) Limited	Wholly owned subsidiary
SA Clean Energy Finance (Pty) Limited	Wholly owned subsidiary
Tana Solar Limited	Indirect subsidiary
Tana Biomass Generation Limited	Indirect subsidiary
Africa Renewable Clean Power (Pty) Limited	Subsidiary (disposed of during the 2022 year)
VFU - Clean Energy Limited	Indirect subsidiary
SACE Projects (Pty) Ltd	Subsidiary (2022: Associated company)
Sturrock Investments Number Eight (Pty) Ltd	Associated company
Unergy Limited	Indirect subsidiary
Kalkuil Solar (Pty) Limited	Joint Venture (written off during the year)
Matla A Letsatsi (RF) (Pty) Limited	Joint Venture (written off during the year)
South Africa Clean Energy Solutions Limited	Enterprise with common directorship
JD Kruger	Director
MJ Antonie	Director
A Cox	Director
Topolino Trust	Shareholder
Nemesis Trust	Shareholder
P Norman	Director of associated company
A Ally	Director of associated company
R Muchiri	Director of subsidiary company
Afrinol (Holdings) Limited	Minority shareholder of subsidiary company
C Mbire	Director of subsidiary company
Metier International	Shareholder of associated company
Godwen (Pty) Ltd	Minority shareholder of subsidiary company

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

29. Related parties (continued)

29.2 Other related parties (continued)

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. During the year ended 30 June 2023, the Group and the Company entered into transaction with related parties. All transactions are made on terms equivalent to arm's length transactions. The nature, volume of transactions and the balances with these entities are as follows:

Balances as at 30 June
Loan receivable from related parties:

(a) South Africa Clean Energy Solutions Limited (South Africa)

	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	**72,278**	-	**72,278**	-
Loan given during the year	**661**	78,138	**661**	78,138
Foreign exchange adjustment	**(28,016)**	-	**(28,016)**	-
Adjustment arising on gain of control of subsidiary	**(12,124)**	-	**-**	-
Credit loss allowance	**2,491**	(5,860)	**2,491**	(5,860)
Balance at end of year	**26,290**	**72,278**	**47,414**	72,278

(b) Robert Wanjohi Muchiri

	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	**44,267**	43,191	**25,431**	22,235
Credit loss allowance	**(270)**	299	**(270)**	299
Foreign exchange adjustment	**872**	(2,496)	**4**	-
Interest charged during the year	**4,964**	3,273	**4,185**	2,897
Balance at end of year	**49,833**	44,267	**29,350**	25,431

(c) Tana Biomass Generation Limited (Kenya)

	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	**-**	-	**558,275**	517,092
Loan given during the year	**-**	-	**5,942**	12,473
Interest charged during the year	**-**	-	**47,614**	41,052
Credit loss allowance	**-**	-	**(20,827)**	(12,342)
Balance at end of year	**-**	-	**591,004**	**558,275**

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

29. Related parties (continued)

29.2 Other related parties (continued)

(d) Unergy Limited (Uganda)

Opening balance	**-**	89,461	**110,964**	89,461
Loan given during the year	**-**	19,274	**6,448**	19,996
Interest charged during the year	**-**	1,386	**6,102**	2,926
Credit loss allowance	**-**	-	**469**	(1,419)
Adjustment arising on gain of control of subsidiary	**-**	(110,121)	**-**	-
Balance at end of year	**-**	-	**123,983**	110,964

(e) Africa Clean Energy Solutions (ACES) Limited (United Kingdom)

Opening balance	**-**	-	**271,042**	281,063
Loan given during the year	**-**	-	**-**	585
Interest charged during the year	**-**	-	**12,005**	5,371
Foreign exchange adjustment	**-**	-	**3,699**	(11,236)
Credit loss allowance	**-**	-	**(9,656)**	(4,741)
Balance at end of year	**-**	-	**277,090**	271,042

(f) Africa Renewable Clean Power (Pty) Limited (Namibia)

Opening balance	**-**	-	**-**	600,027
Loan repaid during the year	**-**	-	**-**	(554,634)
Foreign exchange adjustment	**-**	-	**-**	(15,146)
Credit loss allowance	**-**	-	**-**	14,803
Loan given during the year	**-**	-	**-**	384
Write off loan	**-**	-	**-**	(45,434)
Balance at end of year	**-**	-	**-**	-

(g) Afrinol (Holdings) Limited (Kenya)

Opening balance	**57,130**	53,314	**-**	-
Interest charged during the year	**4,178**	3,816	**-**	-
Credit loss allowance	**864**	(13,731)	**-**	-
Balance at end of year	**62,172**	57,130	**-**	-

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

29. Related parties (continued)

29.2 Other related parties (continued)

(h) SACE Projects (Pty) Limited

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	**1,709,580**	2,080,659	**1,709,580**	2,080,659
Loan given during the year	**239,581**	317,749	**239,581**	317,749
Loan repaid during the year	**(276,254)**	-	**(276,254)**	-
Foreign exchange adjustment	**(179,903)**	(246,005)	**(179,903)**	(246,005)
Credit loss allowance	**(23,887)**	(5,564)	**(23,887)**	(5,564)
Conversion of loan account to equity	**-**	(615,103)	**-**	(615,103)
Interest charged during the year	**149,233**	177,844	**149,233**	177,844
Adjustment arising on gain of control of subsidiary	**(1,618,350)**	-	**-**	-
Balance at end of year	**-**	1,709,580	**1,618,350**	1,709,580

(i) Metier International

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	**-**	4,230	**-**	-
Purchase of Unergy Limited shares	**-**	(4,230)	**-**	-
Balance at end of year	**-**	-	**-**	-

(j) Kalkuil Solar (Pty) Limited (South Africa)

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	**33,210**	34,939	**33,210**	-
Loan written off during the year	**(39,937)**	-	**(39,937)**	-
Foreign exchange adjustment	**(5,476)**	(5,181)	**(5,476)**	(5,181)
Credit loss allowance	**8,553**	445	**8,553**	445
Interest charged during the year	**3,650**	3,007	**3,650**	3,007
Balance at end of year	**-**	33,210	**-**	33,210

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

29. Related parties (continued)

29.2 Other related parties (continued)

(k) Matla a Letsatsi (RF) (Pty) Limited (South Africa)

Opening balance	**25,657**	27,047	**25,657**	27,047
Loan written off during the year	**(31,009)**	-	**(31,009)**	-
Foreign exchange adjustment	**(4,040)**	(4,012)	**(4,040)**	(4,012)
Credit loss allowance	**6,608**	358	**6,608**	358
Interest charged during the year	**2,784**	2,264	**2,784**	2,264
Balance at end of year	**-**	25,657	**-**	25,657
Total loans and interest receivables (Note 12)	**138,295**	1,942,122	**2,687,191**	2,806,439

Terms and conditions of the loans are disclosed in note 12.

Payables to related parties:

(l) Johan David Kruger

Opening balance	**9,490**	97,082	**3,463**	90,247
Loan received during the year	**3,038**	20,194	**2,774**	3,463
Loan repaid during the year	**(5,997)**	(105,957)	**(5,997)**	(89,226)
Interest charged during the year	**85**	1,819	**85**	1,650
Foreign exchange adjustment	**-**	(3,648)	**-**	(2,671)
Balance at end of year	**6,616**	9,490	**325**	3,463

(m) Melvyn Joseph Antonie

Opening balance	**19,881**	122,721	**14,474**	115,420
Loan received during the year	**8,413**	11,032	**8,176**	9,646
Loan repaid during the year	**(22,685)**	(110,630)	**(22,685)**	(108,071)
Foreign exchange adjustment	**210**	(5,365)	**210**	(4,644)
Interest charged during the year	**125**	2,123	**125**	2,123
Balance at end of year	**5,944**	19,881	**300**	14,474

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022

29. Related parties (continued)

29.2 Other related parties (continued)

(n) Topolino Trust

Opening balance	-	7,173	-	7,173
Loan received during the year	-	4,775	-	4,775
Loan repaid during the year	-	(12,003)	-	(12,003)
Interest charged during the year	-	55	-	55
Balance at end of year	-	-	-	-

(o) Nemesis Trust

Opening balance	-	10,897	-	10,897
Loan repaid during the year	-	(10,960)	-	(10,960)
Interest charged during the year	-	63	-	63
Balance at end of year	-	-	-	-

(p) A Cox

Opening balance	-	-	-	-
Loan received during the year	**106,188**	-	-	-
Balance at end of year	**106,188**	-	-	-

(q) P Norman

Opening balance	-	28,359	-	28,359
Loan repaid during the year	-	(27,831)	-	(27,831)
Interest charged during the year	-	507	-	507
Foreign exchange adjustment	-	(1,035)	-	(1,035)
Balance at end of year	-	-	-	-

(r) A Ally

Opening balance	**9,382**	51,123	**9,382**	51,123
Loan repaid during the year	-	(40,666)	-	(40,666)
Interest charged during the year	**845**	1,622	**845**	1,622
Foreign exchange adjustment	**(1,226)**	(2,697)	**(1,226)**	(2,697)
Balance at end of year	**9,001**	9,382	**9,001**	9,382

29. Related parties (continued)

29.2 Other related parties (continued)

(s) Godwen (Pty) Ltd

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	-	-	-	-
Adjustment arising on gain of control of subsidiary	54,088	-	-	-
Interest charged during the year	6,422	-	-	-
Foreign exchange adjustment	(7,764)	-	-	-
Balance at end of year	**52,746**	-	-	-

(t) C Mbire (Director of Unergy Limited)

Figures in $	Group 2023	Group 2022	Company 2023	Company 2022
Opening balance	41,236	-	-	-
Adjustment arising on gain of control of subsidiary	-	40,647	-	-
Loan received during the year	-	14	-	-
Interest charged during the year	2,166	576	-	-
Balance at end of year	**43,402**	41,236	-	-
Total loans and interest payables (Note 18)	**223,897**	79,989	**9,626**	27,319

Transactions with key management personnel

Toorisha Nakey-Kurnauth is a director of the Company. She is also related to Intercontinental Trust Limited, the Company's service provider (Management Company) and Company Secretary. Out of the total Director fees of USD 500,000 (2022: USD 320,750) for the year ended 30 June 2023, USD 7,000 (2022: USD 5,250) is in relation to services rendered by Toorisha Nakey- Kurnauth, which is included within fees charged by the Company Secretary and borne by the Company. However, the fees are not paid to her but to Intercontinental Trust Limited.

Terms and conditions of transactions with related parties

They have no guarantees provided or received for any related party receivables or payables. Expected credit losses on amounts receivable from related parties amounting to (USD 3,085) for the Group and USD 52,544 for the Company were recognised during the year (2022: USD 10,323 for the Group and USD 28,822 for the Company).

All transactions were entered into the normal course of the business. The Company does not have any employees and the day to day administration of the Company is outsourced to the Administrator as set out in the agreement as to the terms and conditions of business, respectively.

30. Going concern

The 2023 financial year commenced in a more normal fashion to that of 2022.

The war in Ukraine continued and notwithstanding expectations, Ukraine with the help of the West, has managed to continue its strong defense. The Governments and central banks continued to respond with monetary and fiscal interventions to stabilise economic conditions and reduce the impact of inflation and rising energy prices. Interest rates have increased internationally. The predictions of an international economic recession did not occur but economic activity has reduced.

The energy crisis in South Africa has been exacerbated by the continued load-shedding imposed by Eskom and its inability to provide the South African market with the energy it needs to grow. In January 2022, Cyril Ramaphosa the President of South Africa changed the laws and regulations and now allows the private sector to erect and develop renewable energy to supplement the current supply. Energy can be sold by the private sector or public sector.

The short-term strategy implemented by the Group in 2021 of solar roof top installation in South Africa has continued to produce dividends with enquiries increasing substantially.

SACE Projects has commenced with two projects totaling 189 MW, including the biomass project in Mpumulanga. The experts have been appointed and have commenced with the required exercises to obtain the required permits of the EIA, Geotech, Grid study etc. these studies are expected to be concluded by the second quarter of 2024 with the construction of the projects commencing in the third quarter of 2024. In addition the company has received Letter of Intent from substantial buyers of energy to take the energy produced from its plants once they reach commercial operating date.

Although business is robust the effect on cash flow to continue to develop projects is under severe strain. The company is in the process of raising additional new equity or loan capital of R25 million in this current year. With the increase in demand for roof top installations and the expected conclusion of the larger projects the 2024 financial year profitability for 2024 will increase. As at 30 June 2023, the company now held 56.6% of the issued shares in SACE Projects.

The Group and the Company have made an assessment of their ability to continue as a going concern and is satisfied that the Group and the Company have the resources to continue in business for the next 12 months following reporting date of the financial statement, the validity of which depends on the receipt of a loan of US$10 million 5% 10 year loan. On making this assessment, the Board considers the ability of the Group to service the interest costs as well as the capital repayment of the loans. Therefore, the financial statements have been prepared on a going concern basis. In order to ensure that corporate governance is followed the group is doing a detailed due diligence on the lender.

On the balance sheet as at 30 June 2023, is an amount of $1,537,210 of accruals being arrears salaries payable to the executive directors. The directors have signed undertakings that those salaries would be payable on certain conditions, including the successful fund raise of at least $2.5m in equity.

30. Going concern (continued)

The Electricity Regulator in Uganda has approved the Ugandan project and the submission of the feasibility study has been extended to June 2023.

The project in Kenya which was delayed in the 2022 financial year has had positive developments. Discussions with Kenyan Power and Lighting Company have been ongoing. The project is again proceeding and based on the latest information from KPLC, the power purchase agreement should be signed and completed by the end of the first quarter of 2024.

Mr Andrew Cox has been appointed the new CEO of the Group and will concentrate on the fund raising.

The Group incurred a net loss of USD 1,604,080 (2022: USD 886,591) and the Company incurred a loss of USD 1,141,080 (2022: USD 367,209) for the year ended 30 June 2023. As of that date, the Group and Company had net current liabilities of USD 1,704,166 (2022: USD 1,404,407) and USD 1,394,719 (2022: USD 1,192,138) respectively. The financial statements have been prepared on a going concern basis.

The directors are of the opinion that the financial position of the Group will improve through the continued growth of its associated company SACE Projects. Therefore, the directors confirm that it is appropriate for the financial statements to be prepared on a going concern basis.

31. Events after the reporting date

There have been no material events after the reporting year which would require disclosure to the financial statements for the period ended 30 June 2023.

32. Capital commitments

The Group and the Company has no capital commitments as at 30 June 2023 (2022: Nil).

33. Segment Reporting

The Group operates in Mauritius, United Kingdom, Namibia, Uganda, South Africa and Kenya. The Group does not monitor assets by segment.

The Group is organised into one main operating segment, which is clean energy solutions. All significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole and is shown below:

33. Segment Reporting (continued)

2023	Mauritius	United Kingdom	Kenya	Uganda	South Africa	Consolidated adjustment	Total
Income	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Interest	10,606	779	4,176	-	1,242	-	16,802
Intercompany interest	214,952	9,363	-	-	-	(188,939)	35,376
Intercompany management fee	235,459	-	-	-	-	(174,795)	60,664
Revenue from rooftop solar	-	-	-	-	501,109	-	501,109
	461,017	10,142	4,176	-	502,351	(363,734)	613,951
Expenditure							
Professional fees	(77,158)	-	-	710	-	-	(76,448)
Audit fees	(41,595)	-	(5,679)	(6,518)	(10,821)	-	(64,612)
Directors' fees	(500,000)	-	-	-	-	-	(500,000)
Cost of sales	-	-	-	-	(455,157)	-	(455,157)
Impairment loss on investment	(577,172)	-	-	-	-	577,172	-
Accounting fees	(55,155)	-	-		-	-	(55,155)
Interest expenses	(985)	(12,005)	(56,977)	(8,267)	(35,131)	75,083	(38,282)
Impairment of plant and equipment	-	-	-	-	(431,903)	28,464	(403,439)
Impairment of IFRS 9 loan and other assets	(36,519)	-	-	-	-	63,902	27,383
Bank charges	(2,366)	-	(174)	(191)	(152)	-	(2,883)
Consulting fees	-	(289)	-	-	(4,716)	-	(5,005)
Legal fees	(7,811)	-	-	-	(2,201)	-	(10,011)
Intercompany management fee	-	-	-	-	(174,795)	174,795	-
Wages and salaries	(2,827)	-	-	-	(60,517)	-	(63,344)
Loss on disposal of associated company	-	-	-	-	-	(207,290)	(207,290)
Share of loss of associated company	-	-	-	-	-	(64,969)	(64,969)
Write off loan	(70,953)	-	-	-	-	-	(70,953)
Write off goodwill	-	-	-	-	-	(16,009)	(16,009)
Exchange loss	(215,046)	-	(6)	-	-	-	(215,052)
Other operating expenses	(14,510)	-	(19)	-	(40,766)	4,363	(50,932)
	(1,602,097)	(12,294)	(62,855)	(14,266)	(1,216,157)	635,511	(2,272,157)

33. Segment Reporting (continued)

2023	Mauritius	United Kingdom	Kenya	Uganda	South Africa	Consolidated adjustment	Total
	USD	USD	USD	USD	USD	USD	USD
(Loss) profit before taxation	(1,141,080)	(2,152)	(58,680)	(14,266)	(713,807)	271,777	(1,658,206)
Taxation	-	-	-	-	-	-	-
(Loss) profit for the year	(1,141,080)	(2,152)	(58,680)	(14,266)	(713,807)	271,777	(1,658,206)

2022	Mauritius	United Kingdom	Kenya	Uganda	Namibia	Consolidated adjustment	Total
Income	USD	USD	USD	USD	USD	USD	USD
Interest	3,096	373	3,819	-	-	-	7,288
Intercompany interest	232,465	7,889	-	-	-	(56,429)	183,925
Intercompany management fee	267,329	-	-	-	-	-	267,329
Dividends received	310,194	-	-	-	-	(310,194)	-
Other income	-	-	-	-	3,850	4,834	8,684
	813,084	8,262	3,819	-	3,850	(361,789)	467,226
Expenditure							
Professional fees	(70,050)	-	-	(1,300)	-	-	(71,350)
Audit fees	(64,800)	-	(5,926)	(2,700)	(5,443)	-	(78,869)
Directors' fees	(320,750)	-	-	-	-	-	(320,750)
Licence fees	(225)	-	-	-	-	-	(225)
Loss on disposal of subsidiary	(250,837)	-	-	-	-	235,503	(15,334)
Accounting fees	(65,104)	-	-		-	-	(65,104)
Interest expenses	(6,359)	(5,371)	(48,941)	(2,116)	-	56,429	(6,359)
Impairment of IFRS 9 loan	(14,019)	-	-	-	-	18,500	4,480
Bank charges	(2,163)	-	(451)	(295)	(85)	-	(2,994)
Consulting fees	(20,000)	(319)	-	-	(3,970)	-	(24,289)
Legal fees	(7,388)	-	-	(729)	(662)	-	(8,779)
Impairment of goodwill	-	-	-	-	-	(129,946)	(129,946)
Share of loss of associated company	-	-	-	-	-	(313,346)	(313,346)
Write off loan	(45,434)	-	-	-	40,150	5,284	-
Exchange loss	(288,166)	-	4	29	-	20,056	(268,077)
Other operating expenses	(8,665)	-	(250)	(12,551)	(273)	(14,804)	(36,543)
	(1,163,961)	(5,690)	(55,564)	(19,662)	29,717	(122,324)	(1,337,485)

33. Segment Reporting (continued)

2022	Mauritius	United Kingdom	Kenya	Uganda	Namibia	Consolidated adjustment	Total
	USD	USD	USD	USD	USD	USD	USD
(Loss) profit before taxation	(350,877)	2,572	(51,745)	(19,662)	33,567	(484,113)	(870,259)
Taxation	(16,332)	-	-	-	-	-	(16,332)
(Loss) profit for the year	(367,209)	2,572	(51,745)	(19,662)	33,567	(484,113)	(886,591)

34. Business Combinations

2023

On 1 October 2022, the investment in SACE Projects (Pty) Ltd was reclassified from investment in associate to investment in subsidiary, as there was a change in the voting rights. In October 2022, Mr A Cox, a director of ACES Renewables, was appointed to the Board of SACE Projects (Pty) Ltd, increasing the ACES Renewables Board Representation from 50% (2/4 directors) to 60% (3/5 directors), demonstrating that the company obtained control. This has resulted in the non controlling interest having Board Representation of 40% (2/5 directors).

The goodwill of USD 16,009 that arose from the business combination at group level, which was attributable to the acquired subsidiary and future cash flow expected to be received, was written off in 2023 (Note 7).

The income and loss included in the consolidated financial statements contributed by SACE Projects (Pty) Ltd was effective the date of the transaction, being 1 October 2022. Had SACE Projects (Pty) Ltd been consolidated from 1 July 2022, income would have been USD 576,600 and loss would have been USD 787,280. Since acquisition date, SACE Projects (Pty) Ltd contributed USD 502,351 to Group revenues and USD 713,807 to Group loss.

The following table summarises the consideration paid by the group and the fair value of identifiable assets acquired and liabilities assumed at acquisition date:

Consideration as at 1 October 2022	**Group**
Purchase consideration (non cash)	-
Add: Fair value of equity interest held before business combination	(58,359)
Less: Non-controlling interest at acquisition	(31,688)
Add fair value of net assets at acquisition	106,056
Goodwill	**16,009**

34. Business Combinations (continued)

	Group
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Bank and cash	102,811
Fixed assets	2,051,626
Other current assets	110,808
Accruals and payables	(567,391)
Loans to related parties	(1,591,798)
	106,056
Acquisition of subsidiary	
Net cash outflow on acquisition of subsidiary	
Consideration paid cash	-
Less: Cash and cash equivalent balances acquired	(102,811)
	(102,811)
Acquisition related costs	-

Non-controlling interest (NCI) was measured at the NCI's proportionate share of the recognised amounts of the acquiree's net assets.

2022

On 17 January 2022, Metier International exercised its option to resell the shares acquired in 2019 to Africa Clean Energy Solutions (ACES) Limited, thereby increasing shareholding from 40% to 75%, causing the Group to exercise control. As such, the investment was reclassified from investment in associate to investment in subsidiary. The consideration for the 35% acquired from Metier International was settled against an amount receivable from the latter.

The goodwill of USD 129,946 that arose from the business combination at group level, which was attributable to the acquired subsidiary and future cash flow expected to be received, was written off in 2022.

Since acquisition date, Unergy Limited contributed USD nil to Group revenues and USD 19,662 to Group loss.

The income and loss included in the consolidated financial statements contributed by Unergy Limited was effective the date of the transaction, being 17 January 2022. Had Unergy Limited been consolidated from 1 July 2021, income would have been USD nil and loss would have been USD 28,755.

34. Business Combinations (continued)

The following table summarises the consideration paid by the group and the fair value of identifiable assets acquired and liabilities assumed at acquisition date:

Consideration as at 17 January 2022	**Group**
Purchase consideration (non cash)	4,230
Add: Fair value of equity interest held before business combination	4,834
Less: Non-controlling interest at acquisition	(40,293)
Add fair value of net assets at acquisition	161,175
Goodwill	129,946

Recognised amounts of identifiable assets acquired and liabilities assumed:	
Bank and cash	2,741
Accruals and payables	(10,621)
Loans to related parties	(153,296)
	(161,175)

Acquisition of subsidiary	
Net cash outflow on acquisition of subsidiary	
Consideration paid cash	-
Less: Cash and cash equivalent balances acquired	(2,741)
	(2,741)

Acquisition related costs	**-**

Non-controlling interest (NCI) was measured at the NCI's proportionate share of the recognised amounts of the acquiree's net assets.

35. Three year summary of published results and assets and liabilities - Group

(a) Statement of profit or loss and other comprehensive income

	2023	**2022**	**2021**
Revenue	613,951	467,226	829,805
(Loss) profit before taxation	(1,658,206)	(870,259)	122,705
Income tax expense	-	(16,332)	-
(Loss) profit for the year	(1,658,206)	(886,591)	122,705
Other comprehensive income (loss), net of tax	54,126	(18,254)	(30,686)
Total comprehensive (loss) income	(1,604,080)	(904,845)	92,019
(Loss) / profit for the year attributable to:			
Owners of Parent	(1,309,485)	(875,551)	91,321
Non-controlling interest	(294,595)	(11,040)	31,384
	(1,658,206)	(886,591)	122,705
Comprehensive (loss) / income attributable to:			
Owners of Parent	(1,309,485)	(883,662)	72,540
Non-controlling interest	(294,595)	(21,183)	19,479
	(1,604,080)	(904,845)	92,019
Basic (loss) / earnings per share	(0.0450)	(0,0299)	0.0031

(b) Statement of financial position

	2023	**2022**	**2021**
ASSETS			
Non current assets	1,208,270	2,107,659	1,163,515
Current assets	278,349	183,352	1,287,310
Non current assets classified as held for sale	-	-	1,170,294
Total assets	1,486,619	2,291,011	3,621,119
EQUITY AND LIABILITIES			
Capital and reserves	(94,682)	896,471	1,771,419
Non controlling interest	(497,362)	(234,455)	(48,345)
Total equity	(592,044)	662,016	1,723,074
LIABILITIES			
Non current liabilities	96,148	41,236	-
Current liabilities	1,982,515	1,587,759	1,898,045
Total equity and liabilities	1,486,619	2,291,011	3,621,119

NOTICE OF MEETING OF SHAREHOLDER

Africa Clean Energy Solutions Limited
Incorporated in the Republic of Mauritius
Registration number: 152282 C1/GBL
Having its registered office address at
c/o Intercontinental Trust Limited, Level 3, Alexander House
35 Cybercity, Ebene 72201, Mauritius
SEM share code: ACES.N0000
ISIN: MU0620N00008
("**ACES Renewables**" or the **"Company**")

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual Meeting of shareholders of ACES will be held on **Friday, 8 December 2023** at **Noon Mauritian Time** at the registered office of the Company at Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius.

The purpose of the Annual Meeting is to transact the business set out in the agenda below.

ORDINARY RESOLUTION NUMBER 1: CONSIDERATION AND ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS, RECEIVING OF THE AUDITORS' REPORT AND CONSIDERATION OF THE ANNUAL REPORT

After due consideration, **IT IS RESOLVED THAT** the audited consolidated financial statements, the auditors' report and the Annual Report for the financial year ended 30 June 2023 be hereby adopted.

ORDINARY RESOLUTION NUMBERS 2.1-2.5: RE-ELECTION OF DIRECTORS

IT IS RESOLVED THAT the following directors, who retire and offer themselves for re-election in accordance with section 12.4.2 of the Company's Constitution be re-elected each by way of a separate vote:

- 2.1 Gaëtan Michel Siew - Independent Non-Executive Director and Chairman
- 2.2 Johan David Kruger - Executive Director and Chief Operating Officer
- 2.3 Toorisha Nakey-Kurnauth - Non-Executive Director
- 2.4 Antoine Kon-Kam King - Independent Non-Executive director
- 2.5 Andrew Lloyd Cox – Executive Director and Chief Executive Officer

ORDINARY RESOLUTION NUMBER 3: RE-ELECTION OF DIRECTORS IN LINE WITH SECTION 138(6)(A) OF THE COMPANIES ACT 2001

IT IS RESOLVED THAT Melvyn Joseph Antonie (Executive Director and Chief Financial Officer), who retires and offers himself for re-election in accordance with section 138(6)(a) of the Companies Act 2001 of Mauritius be re-elected by way of a vote.

ORDINARY RESOLUTION NUMBER 4: RE-APPOINTMENT OF INDEPENDENT AUDITOR

THAT BDO & Co ("**BDO**"), the independent auditor of the Company with Mrs. Rookaya Ghanty as the designated audit partner, be re-appointed until the conclusion of the Company's next Annual Meeting.

ORDINARY RESOLUTION NUMBER 5: REMUNERATION OF INDEPENDENT AUDITOR

THAT the Board of Directors be authorised to determine the remuneration of the independent auditor.

ORDINARY RESOLUTION NUMBER 6: REMUNERATION OF NON-EXECUTIVE DIRECTORS

THAT the Board of Directors be authorised to determine the fees of the non-executive directors for their services as directors of the Company.

ORDINARY RESOLUTION NUMBER 7: ISSUE OF SHARES

THAT the Board of Directors be authorised, in terms of paragraph 4.1 of the Constitution, to allot and issue up to 35,000,000 ordinary shares of the Company by way of various placings and/or consideration issues at any time to any person and in any number, as it thinks fit pursuant to the Mauritian Companies Act 2001, the Mauritian Securities Act 2005 and the Listing Rules of the Stock Exchange of Mauritius Ltd, and that such authority given to the directors shall be valid for a period of 12 months from the date of this approval.

ORDINARY RESOLUTION NUMBER 8: AUTHORITY OF DIRECTORS

THAT any director of the Company be and is hereby authorised to do all such things and sign all such documentation as is necessary to give effect to the resolutions set out in this notice, hereby ratifying and confirming all such things already done and documentation already signed.

SPECIAL RESOLUTION NUMBER 1: GENERAL AUTHORITY TO ISSUE SHARES ON A NON-PRE-EMPTIVE BASIS

THAT subject to the applicable provisions of the Mauritian Companies Act 2001 and the Constitution, the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue Shares to such person/s on such terms and conditions and at such times as the directors may, from time to time, in their discretion as deemed fit and that the authority conferred hereby shall include authority to issue options or convertible securities that are to be converted into ordinary shares of the Company, save that the pre-emption rights on issue in the Constitution, the Mauritian Companies Act 2001 or otherwise applicable shall not apply to any such issue.

The reason for Special Resolution Number 1 is to obtain the required approval of shareholders to authorize the directors to allot and issue new shares up to the limits specified in Ordinary Resolution Number 7 as if the pre-emption rights in the Constitution, the Mauritian Companies Act 2001 or otherwise applicable did not apply to any such issue or sale.

SPECIAL RESOLUTION NUMBER 2: CHANGE IN BUSINESS PLAN

THAT the existing business plan of the Company be amended to include Eswatini as country of operation.

The reason for Special Resolution Number 2 is to obtain the required approval of shareholders to authorize the change in business plan to include Eswatini as country of operation.

SPECIAL RESOLUTION NUMBER 3: SHARE OPTION SCHEME

THAT the Company be and is hereby authorized to, by way of special resolution number 3, for the issue and listing of up to 10 000 000 additional shares on the Official Market of the SEM in terms of a Share Option Scheme. Additional information is included in Annexure 1.

The reason for Special Resolution Number 3 is to obtain the required approval of shareholders for the issue of up to 10 000 000 additional shares in terms of a Share Option Scheme. Further to an application made to the SEM, permission was duly granted by the Listing Executive Committee of the SEM for the listing of up to 10,000,000 additional shares in terms of the said Scheme, subject to the receipt of the requisite shareholders' approval at the AGM.

The Directors consider that the passing of ordinary resolutions number 1 to 8 and special resolutions number 1 to 3 are in the best interests of the Company and its shareholders as a whole, and accordingly recommend the shareholders entitled to vote at the Annual Meeting, to exercise their vote in favour of all the resolutions to be proposed at the meeting.

Ordinary resolutions number 1 to 8 will require the support of not less than 50% of the total votes exercisable by members of the Company, present in person or by proxy to pass these resolutions.

Special resolutions number 1 to 3 will require the support of not less than 75% of the total votes exercisable by members of the Company, present in person or by proxy to pass this resolution.

Attending the Meeting Virtually

Shareholders who wish to attend and participate in the Annual General Meeting or who wish to submit any questions relating to the business set out in this notice, are requested to contact the company secretary at aces@intercontinentaltrust.com or, alternatively, on +230 403 0800 no later than 17 00 on Wednesday, 6 December 2023. Shareholders will only be provided with the dial in details to access the electronic platform once verified by the company secretary.

Key dates and times for the Annual Meeting of Shareholders:

Key events	**Date**
Notice of Annual Meeting	9 November 2023
Last day to lodge forms of proxy for the Annual Meeting by 5 p.m. Mauritian time	6 December 2023
Annual Meeting at Noon Mauritian time	8 December 2023

Annexure 1

Employee Share Option Scheme

1. DEFINITIONS

"the Act"	the Companies Act of Mauritius;
"Board" or "Directors"	the members of the Board of Directors of the Company from time to time;
"ACES Renewables" or "the Company"	Africa Clean Energy Solutions Limited, registration number 152282, a company incorporated in Mauritius;
"ACES Group"	ACES Renewables and its subsidiaries, and companies associated with ACES in South Africa;
"Business Day"	any day other than a Saturday, Sunday or an official public holiday in Mauritius;
"Employee"	any person who is a Director of the Company (whether an executive or non-executive director) or any company within the ACES Group and any person employed by any of the companies within the ACES Group;
"Eligible Employee"	As defined under section 4 hereunder;
"Mauritius"	the Republic of Mauritius;
"Option"	a right to subscribe for an ordinary share in the share capital of the Company on the terms and conditions set out in this Scheme;
"Ordinary Share" or "Share"	an ordinary share in the issued share capital of ACES Renewables;
"Scheme"	the Employee Share Option Scheme set out in this document for the benefit of the employees.

2. PURPOSE OF THE SCHEME

2.1. The purpose of the Scheme is:

2.1.1. to provide all employees an opportunity to subscribe for Shares in the Company, thereby increasing their commitment and involvement in the ACES Group; and

2.1.2. to incentivise all employees of the ACES Group.

3. SHARES AVAILABLE UNDER THE SCHEME

3.1. The Board may grant Options to Eligible Employees equal to 15% (fifteen percent) of the total issued Shares of the Company at the time the Scheme becoming effective, provided that the said number shall be increased or reduced in direct proportion to the increase or reduction of Ordinary Shares in the Company's issued share capital arising from any conversion, redemption, reduction, consolidation, subdivision, issue for cash, vendor placing, rights or capitalisation issue of Shares in the capital of the Company or such other number and/or percentage as may from time to time be approved by the shareholders of the Company and the SEM.

3.2. At the AGM, authority of Shareholders will be sought:

3.2.1. to issue an additional 4,000,000 Shares to various Directors, as detailed under section 4.1.2, and subject to the terms and conditions of this Scheme.; and

3.2.2. notwithstanding sections 3.1 and 3.2, to authorise the Board to issue a total of up to 10,000,000 Shares in terms of the Scheme.

4. ELIGIBLE EMPLOYEES

4.1. For purposes of this Scheme, an Eligible Employee means:

4.1.1. Any Employee that:

4.1.1.1. Has been in the permanent employment of the Company for not less than 12 continuous months; or

4.1.1.2. A Director who has been acting as a Director for not less than 12 continuous months in any of the ACES Group companies and who has attended the majority of the Board Meetings; or

4.1.1.3. A Director, who is appointed as a Director and whose terms and conditions of employment stipulates that such Director is entitled participate in this Scheme.

4.1.2. The following persons:

4.1.2.1. Andrew Cox, who has assumed the role of Chief Executive Officer with effect from 1 September 2022; and who was granted a total of 2,000,000 Shares as a signing up fee – which will be issued as follows:

4.1.2.1.1. An Option to subscribe for 500,000 Shares issued at USD 1 cent per share with effect from 1 September 2022 ;

4.1.2.1.2. An Option to subscribe for 500,000 Shares issued at USD 1 cent per share on the first anniversary date of his employment (1 September 2023) provided he meets the milestones set out in his employment contract and as approved by the non-executive members of the Board;

4.1.2.1.3. An Option to subscribe for 500,000 Shares issued at USD 1 cent per share on the second anniversary date of his employment (1 September 2024) provided he meets the milestones set out in his employment contract and as approved by the non-executive members of the Board; and

4.1.2.1.4. An Option to subscribe for 500,000 Shares issued at USD 1 cent per share on the third anniversary date of his employment (1 September 2025) provided he meets the milestones set out in his employment contract and as approved by the non-executive members of the Board;

4.1.3. Johan David Kruger and Melvyn Joseph Antonie or their respective Trusts in Mauritius who shall each be entitled to an Option to subscribe for 1,000,000 Shares each to be issued once the Scheme is approved by the shareholders of the Company and the SEM. The issue price per share shall be USD 1 cent each.

4.1.4. Each party referred to in 4.1.2. and 4.1.3. above may exercise their respective options by giving 7-days Option Notice to subscribe for the Shares in accordance with section 5.5.5 to 5.5.8.

5. TERMS AND CONDITIONS OF THE SCHEME

5.1. Powers of the Board of Directors

5.1.1. The Board of Directors shall agree on the number of Options to be granted to an Eligible Employee at a Board Meeting;

5.1.2. The name of any Eligible Employee must be submitted to the Secretary of the Company or the Chief Executive Officer no later than 21 days before the date of a Board Meeting by any Director or General Manager of the Company;

5.1.3. Any such names referred to in 5.1.2 above will be submitted to the Board of Directors within 7 (seven) days of the date of the Board Meeting;

5.1.4. The Board of Directors shall determine the number of Options to be allocated to any Eligible Employee, after considering the motivation provided by the Director or General Manager referred to in 5.1.2 above;

5.1.5. The granting of Options to any Eligible Employee may be done as often as the Board decides, subject to the limitation imposed in 5.2 below;

5.1.6. The minutes of the Board Meeting shall reflect the details of the granting of Options;

5.2. Maximum Number of Options to be Issued to an Employee

5.2.1. Notwithstanding clauses 5.1.4 and 5.1.5 above, and the number of times Options are granted to an Employee, the Board of Directors may not grant Options in excess of 10% (ten percent) of the total issued share capital of the Company to any one Employee in total.

5.3. Cession and sale of Options

5.3.1. The options issued to any Employee may not be ceded to any person either as security or to dispose of the Option;

5.3.2. The Options may not be sold to any person, other than the Company.

5.4. Subscription Price per Share under an Option

5.4.1. Other than the specific options to be exercised by the parties mentioned in clauses 4.1.2 and 4.1.3, Eligible Employees who will be exercising their options may do so by subscribing for Shares as follows:

5.4.1.1. If the Shares are listed on any Stock Exchange, at a price equal to 15% (fifteen percent) below the average closing price of the Shares over the last 30 trading days prior to the Option Notice (the closing price should be the trading price on the primary Stock Exchange of the Company's primary listing); or

5.4.1.2. if the Shares are not listed at a value equal to twice the annual turnover for the previous twelve months prior to the offer being made to an Eligible Employee divided by the total issued Shares at the time.

5.5. Exercise Date of an Option

5.5.1. Other than the specific options to be exercised by the parties mentioned in clauses 4.1.2 and 4.1.3, Eligible Employees who will be exercising their options may do so in writing on any of the following dates:

5.5.1.1. 25% (twenty five percent) of the Options issued on the second anniversary date of the granting of the Options;

5.5.1.2. 25% (twenty five percent) of the Options issued on the third anniversary date of the granting of the Options;

5.5.1.3. 25% (twenty five percent) of the Options issued on the fourth anniversary date of the granting of the Options;

5.5.1.4. 25% (twenty five percent) of the Options issued on the fifth anniversary date of the granting of the Options.

5.5.2. If an Employee does not exercise any or all of the Options on any of the anniversary dates referred to in 5.5.1 above then that number of Options that were not exercised may be exercised on the following anniversary dates either in full or in part.

5.5.3. If not all the Options are exercised by the fifth anniversary date then the Board of Directors may at their discretion grant the Employee an extended period during which to exercise the Option in writing.

5.5.4. If the Options are not exercised by the fifth anniversary date or any extended period thereafter, they will lapse and be of no force and effect.

5.5.5. An Employee may exercise an Option or series of Options by giving the Company 1 (one) month's written notice before the relevant anniversary date of his/her intention to do so, stipulating the exact number of Options that will be exercised.

5.5.6. The written notice to exercise the Options must be addressed to the Secretary of the Company.

5.5.7. The written notice may be handed to the Secretary of the Company or any Director or may be sent by registered mail to the Registered Office of the Company or by email.

5.5.8. An Employee must pay for the Shares subscribed for in 5.4.5 above by not later than 2 (two) days before the exercise date for the Options.

5.6. Lapsing of Options

5.6.1. The Options will lapse or be cancelled when any of the following events occur:

5.6.1.1. An Eligible Employee, who has been granted Options does not exercise those Options by the last date on which Options may be exercised in terms of 5.5.4 above; or

5.6.1.2. An Eligible Employee terminates employment with the Company prior to the date on which Options may be exercised; or

5.6.1.3. An Eligible Employee dies prior to the date of the exercise of Options; or

5.6.1.4. An Eligible Employee is sequestrated prior to the date of the exercise of Options.

5.7. Shares received from Options

5.7.1. The Shares issued on the exercise of the Options shall, upon delivery thereof, be issued as fully paid shares, rank pari passu with the existing issued Shares of ACES Renewables and be listed on the Official Market of the SEM, and /or any other exchanges on which the ordinary shares of the Company are listed.

5.7.2. The Shares will only be issued in dematerialised form. No certificated Shares will be issued.

5.7.3. Any Shares issued to an Eligible Employee on the exercise of the Options may only be sold in the following circumstances:

5.7.3.1. An Eligible Employee, still under employment by the Company may only sell Shares:

5.7.3.1.1. If the Company is listed, with the written permission of the Secretary of the Company and only during such periods as are permitted by the rules and regulations of the Stock Exchange(s) on which the Company is listed;

5.7.3.1.2. If the Company is not listed, the Eligible Employee must disclose to the secretary of the Company, the price at which he/she wishes to sell the Shares, confirm that the purchase price for the Shares is payable in cash and full details of the purchaser. Once those details are provided the Company must give permission to sell the Shares in writing.

5.7.3.1.3. The sales of the Shares must comply with the pre-emptive rights that may be applicable in terms of the company’s statutes or any shareholders agreement in existence at the time that the Shares are sold.

Instructions for members holding shares

A form of proxy is attached for the convenience of any member of the Company holding shares who cannot or does not wish to attend the Annual Meeting but who wishes to be represented thereat. Forms of proxy may also be obtained on request from the Company's registered office.

Members of the Company holding may elect to:
- attend and vote at the Annual Meeting; or alternatively
- may appoint an individual as a proxy (who need not also be a member of the Company) to attend, participate in, speak and vote in your stead at the Annual Meeting by completing the attached form of proxy and returning it to the addresses below, to be received by no later than 5 p.m. Mauritian time on 6 December 2023:

The Company Secretary
Africa Clean Energy Solutions Limited
Intercontinental Trust Limited,
Level 3, Alexander House,
35 Cybercity, Ebene 72201,
Mauritius.
Fax: (230) 403 0801
Email: aces@intercontinentaltrust.com

Alternatively, the form of proxy may be handed to the chairperson of the Annual Meeting at the Annual Meeting or at any time prior to the commencement of the Annual Meeting. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy.

Please note that the completed form of proxy must be delivered to the addresses above or handed to the chairperson of the Annual Meeting prior to the dates and times indicated, before your proxy may exercise any of your rights as a member of the Company at the Annual Meeting.
Please note that any member of the Company that is a company may authorise any person to act as its representative at the Annual Meeting.

Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the Annual Meeting should the shareholder subsequently decide to do so.

Voting at the Annual Meeting

In order to more effectively record the votes and give effect to the intentions of members, voting on all resolutions will be conducted by way of a poll.

By order of the Board
Intercontinental Trust Limited
Company Secretary
Mauritius

Date: 9 November 2023

PROXY FORM

Africa Clean Energy Solutions Limited
(Incorporated in the Republic of Mauritius)
Registration number: 152282 C1/GBL
Having its address at
c/o Intercontinental Trust Limited,
Level 3, Alexander House
35 Cybercity, Ebene 72201, Mauritius
SEM share code: ACES.N0000
ISIN: MU0620N00008
("**ACES Renewables**" or "**the Company**")

Form of proxy

Important information regarding the use of this form of proxy

Shareholders are advised to read the instructions for completing this form of proxy contained in the notice of the Annual Meeting to which this form of proxy is attached, in addition to the notes to this form of proxy.

Dear Sir/Madam,

I/We ____

of ____

being shareholder(s) of Africa Clean Energy Solutions Limited and holding ______________________

ordinary shares in the Company hereby appoint:

1. ____ or failing him/her;

2. ____ or failing him/her;

3. the chairperson of the Annual Meeting

as my/our proxy to vote for me/us at the Annual Meeting of the Company to be held on 8 December 2023 at Noon **Mauritius Time** in Mauritius, and at any adjournment of the meeting, which will be held for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions and the special resolution to be proposed thereat as detailed in the notice of Annual Meeting; and to vote for and/or against such resolutions and/or to abstain from voting for and/or against the resolutions in respect of the shares registered in my/our name in accordance with the following instructions:

Resolution	For	Against	Abstain
Ordinary resolution number 1 (Consideration and adoption of the Audited Consolidated Financial Statements, receiving of the Auditors' report and consideration of the Annual Report)			
Ordinary resolution number 2.1 (Re-election of Gaëtan Michel Siew as director)			
Ordinary resolution number 2.2 (Re-election of Johan David Kruger as director)			
Ordinary resolution number 2.3 (Re-election of Toorisha Nakey-Kurnauth as director)			
Ordinary resolution number 2.4 (Re-election of Antoine Kon-Kam King as director)			
Ordinary resolution number 2.5 (Re-election of Andrew Cox as director)			
Ordinary resolution number 3 (Re-election of Melvyn Joseph Antonie as director)			
Ordinary resolution number 4 (Re-appointment of independent auditor)			
Ordinary resolution number 5 (Authorising directors to determine the remuneration of independent auditor)			
Ordinary resolution number 6 (Authorising directors to determine the fees of non-executive directors)			
Ordinary resolution number 7 (Issue of shares)			
Ordinary resolution number 8 (Authority of directors)			
Special resolution number 1 (General authority to issue shares on a non-pre-emptive basis)			
Special resolution number 2 (Change in Business Plan)			
Special resolution number 3 (Share Option Scheme)			

Consent in terms of Section 327 of the Mauritian Companies Act 2001

I/we a shareholder of the Company, hereby consents to receive notices, annual reports, statements, reports, accounts, or any other documents pertaining to the Company at the following email address until such authority is revoked:

Email Address: ____________________________________

I/we undertake to advise the Company within 5 days at the below addresses of any change in my/our email address.

This consent may be revoked at any time on the provision of 5 days' notice in writing to the Company.

Signed this ______________________________ day of _________________ 2023

Signed: ____

Shareholder name: ____

Capacity: ____

Notes:

1. A member entitled to attend and vote at the Annual Meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. Notwithstanding the appointment of a proxy by a member who is a natural person, such member may attend the Annual Meeting in person and vote thereat, to the exclusion of the appointed proxy.

3. Any alteration or correction made to this form of proxy must be initialed by the signatory(ies);

4. Such proxy (ies) appointed pursuant to this form of proxy may participate in, speak and vote at the Annual Meeting in the place of that member at the Annual Meeting. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy, the chairperson shall be deemed to be appointed as the proxy;

5. A member or his/her proxy is not obliged to use all the votes exercisable by the member, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the shares held by the member;

6. Documentary evidence appointing a proxy or establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or the company secretary or waived by the chairperson of the Annual Meeting.

Africa Clean Energy Solutions Limited
(Incorporated in the Republic of Mauritius)
Registration number: 152282 C1/GBL

Alexander House
35 Cybercity
Ebene 72201
Mauritius
www.acesrenewables.com