

Bayfront Infrastructure Capital VI Pte. Ltd.
Registration Number: 202437217K

Annual Report
Period from 10 September 2024 (date of incorporation) to
31 December 2025

Directors' statement

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial period from 10 September 2024 (date of incorporation) to 31 December 2025.

In our opinion:

- (a) The financial statements set out on pages FS1 to FS28 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Company for the period from 10 September 2024 (date of incorporation) to 31 December 2025 in accordance with the provisions of the Companies Act 1967 and the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs"); and
- (b) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

Mantot Groene Valerie	(Appointed on 10 September 2024)
David James Moffat	(Appointed on 10 September 2024)
Tan Hanjie Nicholas	(Appointed on 10 September 2024)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ('the Act'), no director who held office at the end of the financial period had interests in shares, debentures, warrants or share options of the Company, or of related corporations either at the date of incorporation, or date of appointment if later, or at the end of the financial period.

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

Share options

During the financial period, there were:

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

As at the end of the financial period, there were no unissued shares of the Company under options.

Independent auditors

By a Directors' Resolution in writing dated 10 September 2024, KPMG LLP were appointed as auditors of the Company until the conclusion of the first Annual General Meeting of the Company.

On behalf of the Board of Directors



Tan Hanjie Nicholas
Director



David James Moffat
Director

8 April 2026



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Independent auditors' report

Member of the Company
Bayfront Infrastructure Capital VI Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bayfront Infrastructure Capital VI Pte. Ltd. (“the Company”), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 10 September 2024 (date of incorporation) to 31 December 2025 and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS28.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (“the Act”), Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and IFRS Accounting Standards as issued by the International Accounting Standards Board (‘IFRS Accounting Standards’) so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Company for the period from 10 September 2024 (date of incorporation) to 31 December 2025.

Basis for opinion

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

Key audit matters

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

The key audit matter	How the matter was addressed in our audit
<p><u>Expected Credit Losses</u></p> <p>The Company's loans and advances and bonds held at amortised cost comprised 96.4% of total assets.</p> <p>SFRS(I) 9 and IFRS 9 "Financial Instruments" requires the Company to determine the probability weighted estimate of the expected credit loss ("ECL") on loans and advances and bonds. The Company has developed models to calculate the ECL allowances for non-credit impaired exposures.</p> <p>Judgements and assumptions are required in the development of the model parameters, including the probability of default, loss given default and exposure at default, some of which may be significant.</p> <p>As a result of the significance of loans and advances and bonds and the related estimation uncertainty over the ECL allowances, the impairment of loans and advances and bonds is considered a key audit matter.</p>	<p><u>Expected Credit Losses</u></p> <p><i>Non-credit impaired exposures</i></p> <p>We tested the design and implementation and operating effectiveness over selected ECL controls for non-credit impaired exposures.</p> <p>We performed sample checks on loans and advances and bonds to critically assess the appropriateness of the credit grading and any objective evidence of impairment.</p> <p>In respect of non-credit impaired exposures, we engaged our internal financial risk management specialists to assess the appropriateness of the model methodology and parameters for compliance with SFRS(I) 9 and IFRS 9 requirements. We tested the accuracy and integrity of the inputs used to compute the ECL allowances</p> <p>For a sample of non-credit impaired exposures, we re-calculated the ECL allowance using the modelled attributes to test the mathematical accuracy of the calculations produced by the ECL model.</p> <p>We found that the methodology and management's assumptions used in the computation of ECL allowances for non-credit impaired loans and advances and bonds were appropriate and consistent with SFRS(I) 9 and IFRS 9 requirements.</p> <p>As at 31 December 2025, there are no credit-impaired loans and advances and bonds.</p>

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lim Jek.



KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
8 April 2026

Statement of financial position
As at 31 December 2025

	Note	2025 US\$'000
Assets		
Cash and cash equivalents	4	14,298
Derivative financial assets	13	133
Bonds	5	25,770
Loans and advances	6	465,058
Other assets	7	4,001
Total assets		<u>509,260</u>
Liabilities		
Notes issued	8	495,059
Derivative financial liabilities	13	3,053
Other liabilities	9	7,301
Total liabilities		<u>505,413</u>
Equity		
Share capital	10	*
Retained earnings		3,847
Total equity		<u>3,847</u>
Total liabilities and equity		<u>509,260</u>

* *Less than US\$1,000*

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

Statement of comprehensive income
Period from 10 September 2024 (date of incorporation) to 31 December 2025

	Note	Period from 10 September 2024 (date of incorporation) to 31 December 2025 US\$'000
Interest income	11	30,620
Interest expense	11	<u>(24,171)</u>
Net interest income		<u>6,449</u>
Other income		<u>–</u>
Net operating income		<u>6,449</u>
Other operating expenses		<u>(1,286)</u>
Total operating expenses		<u>(1,286)</u>
Impairment loss on financial assets	5,6,15	(1,316)
Profit before income tax		3,847
Income tax expense	12	<u>–</u>
Profit for the period/representing total comprehensive income for the period		<u>3,847</u>

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

Statement of changes in equity
Period from 10 September 2024 (date of incorporation) to 31 December 2025

	Note	Share capital US\$'000	Retained earnings US\$'000	Total US\$'000
At 10 September 2024 (date of incorporation)		–	–	–
Profit for the period/Total comprehensive income for the period		–	3,847	3,847
Transactions with owners, recognised directly in equity				
Share issue during the period	10	*	–	–
Total transactions with owners		*	–	–
At 31 December 2025		*	3,847	3,847

* *Less than US\$1,000*

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

Statement of cash flows
Period from 10 September 2024 (date of incorporation) to 31 December 2025

	Note	Period from 10 September 2024 (date of incorporation) to 31 December 2025 US\$'000
Cash flows from operating activities		
Profit for the period		3,847
Adjustments for:		
Interest income	11	(30,620)
Interest expense	11	24,171
Impairment loss on financial assets	5,6,15	1,316
		(1,286)
Changes in:		
- Loans and advances		(466,312)
- Bonds		(25,832)
- Other assets		(2,552)
- Other liabilities		3,857
		(492,125)
Cash used in operating activities		(492,125)
Interest received		29,038
Interest paid		(17,695)
Net cash used in operating activities		(480,782)
Cash flows from investing activities		
Bank Deposits	4	(7,846)
Net cash from investing activities		(7,846)
Cash flows from financing activities		
Proceeds from issue of share capital	10	*
Proceeds from issue of notes	8	495,080
Net cash from financing activities		495,080
Net increase in cash and cash equivalents		6,452
Cash and cash equivalents at date of incorporation		-
Cash and cash equivalents at end of the period	4	6,452

* *Less than US\$1,000*

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 8 April 2026.

1 Domicile and activities

Bayfront Infrastructure Capital VI Pte. Ltd. (“the Company”) is incorporated in the Republic of Singapore with its registered office at 38 Beach Road, #19-11, South Beach Tower, Singapore 189767.

The Company is primarily involved in the securitisation of a portfolio of loan assets (“the Portfolio”), financed through the issuance of infrastructure backed asset securities (“the Notes”) to institutional investors (“the Noteholders”).

The Company’s immediate and ultimate holding company is Clifford Capital Holdings Pte. Ltd., incorporated in Singapore.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). SFRS(I)s are issued by the Accounting Standards Committee under Accounting and Corporate Regulatory Authority (“ACRA”), which comprise standards and interpretations that are equivalent to IFRS Accounting Standards.

All references to SFRS(I)s and IFRS Accounting Standards are subsequently referred to as SFRS(I)s in these financial statements, unless otherwise specified.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 15 – Measurement of expected credit loss (“ECL”) allowance for loans and advances at amortised cost.

3 Material accounting policies

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

3.1 Foreign currency transactions

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

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

3.2 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue.

Day 1 fair value reserve

The Day 1 fair value reserve comprises of unrealised gains on loans and advances, which are measured at amortised cost, arising from differences between the transaction price and fair values on initial recognition. Such gains are accumulated until the assets are derecognised. Upon derecognition, the Day 1 gains are reclassified to the income statement.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, the Company's financial assets are classified as measured at: amortised cost.

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

Financial assets at amortised cost

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

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

Financial assets: Business model assessment

The business model of the Company is Hold to collect. The Company holds loans and advances which arise from its business of acquiring project financing loans from financial institutions. The objective of the business model for these financial instruments is to collect the amounts due from the Company's loans and advances and earn contractual interest income.

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The Company had no financial assets held outside trading business models that failed the SPPI assessment.

Subsequent measurement and gains and losses

Financial assets at amortised cost

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

Non-derivative financial liabilities

Classification, subsequent measurement and gains and losses

Non-trading financial liabilities are classified and measured at amortised cost. They may be designated as FVPL at initial recognition when:

- they are acquired or incurred for the purpose of selling or repurchasing in the near term;
- the fair value option designation eliminates or significantly reduces accounting mismatch that would otherwise arise; or
- the financial liability contains an embedded derivative that would otherwise need to be separately recorded.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

(iv) On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) ***Offsetting***

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

(vi) ***Derivative financial instruments and hedge accounting***

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

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

Fair value hedges of interest rate risk

The Company enters into interest rate swaps that are fair value hedges for interest rate risk arising from its fixed rate asset (“hedged item”). Receive-floating/pay-fixed interest rate swaps are matched to specific issuances of fixed-rate asset with terms that closely align with the critical terms of the hedged item. The fair value changes on the hedged item resulting from interest rate risk are recognised in profit or loss.

If the hedged item would otherwise be measured at cost or amortised cost, then its carrying amount is adjusted accordingly. The fair value changes on the interest rate swaps designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of the interest rate swaps are recognised separately in profit or loss.

By using derivative financial instruments to hedge exposures to changes in interest rates, the Company also exposes itself to credit risk of the derivative counterparty, which is not offset by the hedged item. The Company minimises counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties and/or diversifying the hedging relationship with 2 or more counterparties.

Before fair value hedge accounting is applied by the Company, the Company determines whether an economic relationship between the hedged item and the hedging instrument exists based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Company considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Company evaluates whether the fair value of the hedged item and the hedging instrument respond similarly to similar risks. The Company further supports this qualitative assessment by using regression analysis to assess whether the hedging instrument is expected to be and has been highly effective in offsetting changes in the fair value of the hedged item.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

Any adjustment up to the point of discontinuation to a hedged item for which the effective interest rate method is used is amortised to profit or loss as part of the recalculated interest rate of the item over its remaining life.

On hedge discontinuation, any hedging adjustment made previously to a hedged financial instrument for which the effective interest method is amortised to profit or loss by adjusting the effective interest rate of the hedged item from the date on which amortisation begins. If the hedged item is derecognised, then the adjustment is recognised immediately in profit or loss when the item is discontinued.

(vii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(viii) Share capital

The Company has issued ordinary shares which are classified as equity.

3.3 Impairment

Non-derivative financial assets

The Company recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost.

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

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

General approach

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

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

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

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

The Company assesses whether a significant increase in credit risk has occurred for an exposure by comparing the remaining lifetime probability of default ("PD") as at the reporting date, with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure.

Credit risk grade

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Incorporation of forward-looking information

The Company incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

The Company formulates three economic scenarios: a base case, which is the median scenario assigned a probability of occurring, and two less likely scenarios, one upside and one downside, each assigned a probability of occurring. External macro variables considered includes economic data and forecasts published by relevant authorities.

Periodically, the Company carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios.

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

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

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses and are measured as follows:

- financial assets that are not credit impaired at the reporting date: the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows; and
- undrawn loan commitments: the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.

Inputs into measurement of ECL

The key inputs into the measurement of ECL are the term structures of the following variables:

- probability of default (“PD”);
- loss given default (“LGD”); and
- exposure at default (“EAD”).

In general, the Company derives these parameters from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk. The maximum contractual period extends to the date at which the Company has the right to require repayment of an advance or terminate a loan commitment.

ECLs are discounted at the effective interest rate (“EIR”) of the financial asset.

Credit-impaired financial assets

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance of ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.4 Interest income and expense

Interest income and interest expense are recognised on a time proportionate basis using the effective interest method. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.5 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual period beginning after 10 September 2024 and earlier application is permitted. However, the Company has not early adopted the new and amended standards and interpretations in preparing these financial statements, including:

- SFRS(I) 18: *Presentation and Disclosure in Financial Statements*

SFRS(I) 18 will replace SFRS(I) 1-1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Company is in the process of assessing the impact of the new standard.

Amendments to the other SFRS(I)s are not expected to have a significant impact on the Company's financial statements.

4 Cash and cash equivalents

	2025 US\$'000
Cash at bank	6,452
Bank deposits	7,846
Cash and cash equivalents in the statement of financial position	14,298
Less: Bank deposits with original maturity of more than three months	(7,846)
Cash and cash equivalents in the statement of cash flows	6,452

5 Bonds

	Note	2025 US\$'000
Bonds at amortised cost		25,223
Fair value changes from fair value hedge	15	609
Less: Allowance for impairment	15	(62)
		25,770

Bonds at fixed interest rate with stated interest rate ranging from 7.1% to 7.5%. Bonds have maturity date ranging from 2032 to 2033.

The Company's exposure to credit risk, fair value information and impairment losses on Bonds are disclosed in note 15 and note 16.

6 Loans and advances

	Note	2025 US\$'000
Loans and advances at amortised cost		464,001
Fair value changes from fair value hedge	15	2,311
Less: Allowance for impairment	15	(1,254)
		465,058

Loans and advances are priced off benchmarks such as SOFR and BBSY, and with margins ranging from 1.35% to 3.68%. These assets have maturity dates ranging from 2027 to 2044.

The Company's exposure to credit risk, fair value information and impairment losses on loans and advances are disclosed in notes 15 and 16.

7 Other assets

	2025 US\$'000
Interest receivable	3,767
Interest rate swap interest receivable	6
Cross currency swap interest receivable	52
GST receivables	176
	4,001

8 Notes issued

	2025 US\$'000
Notes issued	495,059

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

	Interest payable US\$'000	Notes issued US\$'000
At 10 September 2024 (date of incorporation)	–	–
Changes in financing cash flows		
Notes issued	–	497,157
Issuance cost	–	(2,077)
Interest paid	(17,695)	–
Proceeds from issuance of notes	(17,695)	495,080
Other changes		
Interest expense	23,871	–
Senior notes effective interest rate amortisation	–	(21)
Total other changes	23,871	(21)
At 31 December 2025	6,176	495,059

Terms and repayment schedule

On 19 March 2025 (the “Issue Date”), the Company issued secured floating rate Notes and subordinated Notes. The details of Notes issued are below:

Class	Interest rate	Year of maturity	2025	
			Face value US\$'000	Carrying amount US\$'000
Class A1 Notes	ON SOFR + 1.30%	2045	182,808	181,994
Class A1-SU Notes	ON SOFR + 1.29%	2045	156,247	155,550
Class B Notes	ON SOFR + 1.65%	2045	74,800	74,467
Class C Notes	ON SOFR + 3.00%	2045	35,800	35,641
Class D Notes	ON SOFR + 5.50%	2045	21,000	20,906
Subordinated Notes	*	2045	26,502	26,501
			497,157	495,059

Classes A1, A1-SU, B, C and D notes are collectively referred to as Senior Notes. The Notes are secured with the underlying loan portfolio determined by the Trustee.

Interest in respect of each Class of Notes will be payable semi-annually in arrears on each Payment Date (with the first Payment Date on 11 October 2025) in accordance with the Interest Priority of Payments as defined in the Information Memorandum for the Notes dated 12 March 2025.

The Subordinated Notes issued amounting to US\$ 26,501,000 are designated as at fair value through profit or loss and have optional redemption features.

* The Subordinated Notes constitute fully subordinated and limited-recourse obligations of the Company and rank after all Senior Notes and all amounts payable in priority. In accordance with the priorities of payments, the Subordinated Notes entitle the holders to any remaining interest proceeds on a pro rata basis and the rights of holders are expressly provided in the Trust Deed and the Conditions.

9 Other liabilities

	2025 US\$'000
Interest payable	6,176
Accrued expenses	458
Amount due to related party	505
Day 1 reserve	162
	7,301

Included in amount due to related party is an intercompany secured term loan which is priced off of benchmarks such as SOFR and with a margin of 0.65%. The intercompany secured term loan has maturity date in 2026.

The Company’s exposure to interest rate risk and liquidity risk is disclosed in note 15.

10 Share capital

	Ordinary shares 2025 Number of shares
At 10 September 2024 (date of incorporation)	–
Issued during the period	1
At 31 December 2025	1

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

Ordinary shares

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

11 Net interest income

	2025 US\$'000
Interest income	
Loans and advances	29,837
Cash and cash equivalents	454
Derivative	329
	30,620
Interest expense	
Notes issued – measured at amortised cost	(24,166)
Intercompany – measured at amortised cost	(5)
	(24,171)
Net interest income	6,449

12 Tax expense

The Company has been awarded the MAS Enhanced-Tier Fund Tax Incentive under Section 13U of the Income Tax Act, with effect from 11 March 2025. Under the terms of the tax incentive granted, qualifying income derived from qualifying activities is exempted from corporate income tax in Singapore, subject to the Company satisfying all terms and conditions.

13 Derivative financial instruments

The table below sets out the notional principal amounts and the positive and negative fair value of the Company's outstanding derivative financial instruments at the reporting date.

	Notional principal amount US\$'000	Positive fair value US\$'000	Negative fair value US\$'000
31 December 2025			
Cross currency swaps	51,184	133	(2,444)
Interest rate swaps used for fair value hedge	25,216	–	(609)
	76,400	133	(3,053)

14 Significant related party transactions

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. Senior management charged with such authority and responsibility, as well as directors of the Company, are considered key management personnel of the Company. The key management personnel compensation are as follows:

	Period from 10 September 2024 (date of incorporation) to 31 December 2025 US\$'000
Directors' fees	12

Other related party transactions

Other than as disclosed elsewhere in the financial statements, the following significant transactions, fees and interest income took place between the Company and related parties during the period:

	Period from 10 September 2024 (date of incorporation) to 31 December 2025 Balance Outstanding US\$'000
Related party	
Loan and advances	6,590

	Transaction value Period from 10 September 2024 (date of incorporation) to 31 December 2025 US\$'000
Related party	
Interest income	450
Loans acquired from related companies	519,800
Collateral management fees	<u>(828)</u>

15 Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company has appointed Clifford Capital Markets Pte. Ltd. ("CCM") as the Collateral Manager to perform certain administrative and advisory functions pursuant to a Collateral Management and Administration Agreement dated 19 March 2025. Responsibility of the day to day management of the Company's investments lies with the Collateral Manager who acts as key contact point for investor relations and investments.

The Collateral Manager has formulated its risk management framework on the principles of transparency, management accountability and independent oversight from the Company's Executive Committee, subject to overall supervision of the Company's Board of Directors and the ultimate holding company's Group Risk Committee. The Collateral Manager's comprehensive risk policies and procedures are implemented through a combination of resources from Clifford and the ultimate holding company and are subject to periodic review to ensure that changes in market conditions and the Collateral Manager's activities are appropriately accounted for. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Collateral Manager's risk management framework and is responsible for specific approvals relating to exceptions for concentration limits and sector-specific environmental and social matters, as well as any changes to the risk management framework.

The Company's Executive Committee comprises persons who were selected and appointed by the Company's Board of Directors. A majority of the Company's Executive Committee members comprise persons who also hold appointments at the immediate holding company. The Collateral Manager's Executive Committee is responsible for approving actions and transactions based on the delegated authority in accordance with Risk Framework, Policies and Processes, as well as pre-screening and approving all new loan commitments and acquisitions (including the acquisition of any assets for the Company) within certain specified limits, divestments of any loans at or above carrying value. The Collateral Manager's Executive Committee reports to the Company's Board of Directors.

The Company also appointed Apex Fund and Corporate Services Singapore 1 Pte. Limited. as the Transaction Administrator to perform portfolio administration and reporting functions pursuant to the Collateral Management and Administration Agreement and Citicorp International Limited to provide Trustee services and Citibank, N.A., London Branch to provide Paying Agent services and Citibank, N.A., Singapore Branch as custodian.

Credit risk

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

The Collateral Manager has robust credit review processes in place to monitor the credit risk of the portfolio and actively monitors exposure to credit risk on an on-going basis, which include periodic credit reviews, covenant monitoring, processing of waivers and other notices, maintenance of credit estimates and valuation support. Cash is placed with regulated financial institutions with a high credit rating.

The Company's maximum exposure to credit risk is represented by the carrying amounts of financial assets in the statement of financial position.

Financial assets at amortised cost

The Company's primary objective is the provision of a diversified portfolio of project and infrastructure loans across multiple geographies and sectors to investors through a securitisation transaction.

Each of the investments had undergone a review and credit approval process by the Collateral Manager. The review and credit approval process included detailed financial industry, technical, insurance, environment and social, and legal due diligence to understand the technical, legal, commercial and financial considerations for each of the investments.

Exposure to credit risk

The Company reviews the credit concentration of loans, advances and bonds based on industry sectors.

The exposure to credit risk for loans, advances and bonds at reporting date by industry sectors was as follows:

	Carrying amount	
	US\$'000	%
2025		
Energy & Utilities	116,959	24
Natural Resources	128,372	26
Industrials, Transportation and Maritime	105,600	22
Social & Digital Infrastructure	139,897	28
	490,828	100

Loss allowance

loans, advances and bonds at amortised cost are categorised as follows:

- **Pass/Special Mention:** Pass refers to assets with timely repayment and do not exhibit any potential weakness in repayment capability, business, cash flow or financial position of the borrower. Special Mention includes assets with potential weakness, if not corrected on a timely basis, may adversely affect repayment by the borrower at a future date and warrant close attention.
- **Substandard/Doubtful:** Includes assets with definable weakness that may jeopardise repayment on existing terms. Specifically, it includes “Watchlist – Stressed” and Stage 3 assets.
- **Loss:** Refers to outstanding credit facility that is not collectable, and little or nothing can be done to recover the outstanding amount from any collateral or from the assets of the borrower generally.

The following tables show the balance of the loans, advances and bonds and sets out information about their credit quality.

	Stage 1	Stage 2	Stage 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
2025				
Loans and advances at amortised cost				
Pass/Special Mention	459,745	6,567	–	466,312
Substandard/Doubtful	–	–	–	–
Total	459,745	6,567	–	466,312
Loss allowance	(842)	(412)	–	(1,254)
Carrying amount	458,903	6,155	–	465,058

	Stage 1	Stage 2	Stage 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
2025				
Bonds at amortised cost				
Pass/Special Mention	25,832	–	–	25,832
Substandard/Doubtful	–	–	–	–
Total	25,832	–	–	25,832
Loss allowance	(62)	–	–	(62)
Carrying amount	25,770	–	–	25,770

Where appropriate, the Company makes adjustments to the ECL estimate in instances where unexpected major economic or political events could potentially occur.

The Company has included overlays, which are adjustments to the ECL model outputs that have been made outside the detailed ECL calculation and reporting process. The Company has internal governance frameworks and controls in place to assess the appropriateness of all judgemental adjustments.

As of 31 December 2025, the Company has incorporated a concentration risk ECL overlay. The overlay was calculated taking into account single name concentration, sector concentration and geographic concentration.

The following tables show reconciliation from the opening to the closing balance of the ECL of the loans, advances and bonds.

	12-month ECL US\$'000	Lifetime ECL not credit- impaired US\$'000	Lifetime ECL credit impaired US\$'000	Total US\$'000
2025				
Loans and advances at amortised cost				
Balance as at 10 September (date of incorporation)	–	–	–	–
New financial assets purchased	842	412	–	1,254
Balance at 31 December	842	412	–	1,254
Bonds at amortised cost				
Balance as at 10 September (date of incorporation)	–	–	–	–
New financial assets purchased	62	–	–	62
Balance at 31 December	62	–	–	62

Cash and cash equivalents

Cash and cash equivalents are placed with regulated financial institutions with high credit ratings.

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities, trade, and other payables by delivering cash or another financial asset.

The ability of the Company in servicing its financial obligations towards the Notes holders is dependent on the receipt of interest and principal from its portfolio of project and infrastructure loans. Excess cash is invested in short-term deposits until Payment Date as defined in the Information Memorandum. The risk of non-payment on trade and other payables is borne by the noteholders and may affect the value of the notes on redemption.

The following are the contractual maturities of financial liabilities and excluding the impact of netting agreements:

	Carrying amount US\$'000	Total contractual cash flows US\$'000	12 months or less US\$'000	More than 12 months US\$'000
2025				
Non-derivative financial liabilities				
Other liabilities	7,139	(7,139)	(7,139)	–
Notes issued	495,059	(586,583)	(60,383)	(526,200)
	502,198	(593,722)	(67,522)	(526,200)
Derivative financial liabilities				
Cross currency swaps	(2,444)	(5,624)	(587)	(5,037)
Interest rate swaps used for fair value hedge	(609)	457	79	378
	(3,053)	(5,167)	(508)	(4,659)

Such undiscounted cash flows differ from the amounts included in the statement of financial position because the amount in that statement is based on discounted cash flows.

The undiscounted interest payments arising from the Notes issued are determined by reference to the variable interest rate existing at the reporting period.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and debt security prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company transacts in derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Clifford Capital Holding Pte.Ltd. ("CCH") Group Risk Committee and Board of Directors of the immediate holding company.

Foreign currency risk

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which income, expenses, receivables and borrowings, including inter-company transactions and balance, that are denominated in a currency other than the respective functional currencies of Company.

In assessing its exposure to foreign currency risk, the Company adopts a holistic approach, taking into account timing and size of the underlying exposure, including any natural economic hedge if the cash inflow in a foreign currency matches some of the cash flows used by the underlying operation of the Company. Exposure to currency risk is monitored on an ongoing basis and the Company's policy is to keep the net exposure to an acceptable level. In managing its exposure to foreign currency risk, the Company may use derivative instruments such as foreign currency forwards and currency swaps.

The Company does not have significant exposure to foreign currency risk as at the reporting date.

Interest rate risk

Interest rate risk is the impact to earnings and economic value of the Company due to fluctuations in interest rates. Interest rate exposure may arise from mismatches in the maturity profile or the benchmark rates of the Company’s interest bearing assets and liabilities. The Company adopts a portfolio approach in evaluating and managing its interest rate risk under its Strategic Asset Liability Management Framework which has been approved by the Board. This framework sets out the measurement methods and the risk tolerance limits.

In managing its interest rate exposure, the Company may use various methods and instruments, including derivatives such as interest rate swaps and treasury locks, to mitigate its interest rate risk. Exposure to interest rate risks are monitored on an ongoing basis and regularly reported to the Risk Committee and the Board to ensure consistency with the Company’s risk appetite.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Company’s own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

Exposure to interest rate risk

At the reporting date, the Company’s interest-bearing financial instruments, were as follows:

	Notional amount 2025 US\$’000
Fixed rate instruments	
Financial assets	25,216
Effect of interest rate swaps	(25,216)
	–
Variable rate instruments	
Financial assets	468,125
Financial liabilities	(497,157)
Effect of interest rate swaps	25,216
	(3,816)

The amounts relating to items designated as hedging instruments and hedged item were as follows.

	----- 2025 -----			Line item in the statement of financial position where the hedging instrument is included	----- 2025 -----			During the Period - 2025		
	Nominal amount \$'000	Carrying amount – assets \$'000	Carrying amount – liabilities \$'000		Carrying amount of hedged item recognised in the statement of financial position \$'000	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of hedged item recognised in the statement of financial position \$'000	Line item in the statement of financial position where the hedged item is included	Change in the value of the hedged item used as the basis for recognising hedge ineffectiveness \$'000	Hedge ineffectiveness recognised in profit or loss \$'000	Line item in profit or loss that includes hedge ineffectiveness
Interest rate risk										
Interest rate swaps – Fixed rate bonds	25,216	–	(609)	Derivative Financial Liabilities	25,770	609	Bonds	–	–	–
Cross Currency swaps – Loans and advances	51,184	133	(2,444)	Derivative Financial Assets/Liabilities	51,341	2,311	Loans and Advances	–	–	–

Fair value sensitivity analysis for fixed rate instruments

The Company designates a portion of its fixed rate financial liabilities as a hedged item and the corresponding derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not have a material impact to profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase US\$'000	100 bp decrease US\$'000
2025		
Variable rate instruments	(38)	38

Capital management

The Company's capital management objectives are to maintain an optimal capital structure that supports the Company's business growth, safeguard itself against adverse situations and delivers sustainable returns to shareholders. Capital consists of share capital and accumulated profits. The Board maintains an oversight of the capital management process by periodically reviewing the Company's capital allocation, gearing, liquidity and funding sources to enhance shareholder's returns while ensuring that the Company's liquidity requirements and financial covenants in connection with its borrowings are met at all times. Ongoing reporting on capital position is provided to the Board. The Company is not subject to regulatory capital requirements.

16 Accounting classifications and fair values

Fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

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

Accounting classification and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. For the Notes issued, the carrying amount approximates fair value as it is held at floating rate.

	----- Carrying value -----				----- Fair value -----			
	Fair value – hedging instruments US\$'000	Amortised cost US\$'000	Designated as at fair value through profit or loss US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000
31 December 2025								
Cash and cash equivalents	–	14,298	–	–	14,298	–	–	–
Bonds	–	25,770	–	–	25,770	–	–	–
Loans and advances	–	465,058	–	–	465,058	–	–	474,072
Derivative financial assets	133	–	–	–	133	–	133	–
Other assets*	–	3,825	–	–	3,825	–	–	–
	<u>133</u>	<u>508,951</u>	<u>–</u>	<u>–</u>	<u>509,084</u>			
Other liabilities*	–	–	–	7,139	7,139	–	–	–
Notes issued	–	–	26,501	468,558	495,059	–	–	26,501
Derivative financial liabilities	3,053	–	–	–	3,053	–	3,053	–
	<u>3,053</u>	<u>–</u>	<u>26,501</u>	<u>475,697</u>	<u>505,251</u>			

* Non-financial assets and liabilities have been excluded from these balances.

Impact of changes to key assumptions on Level 3 financial instruments

Financial liabilities measured at fair value consists of subordinated notes issued by the Company. The fair value of the financial liabilities designated at fair value through profit or loss is determined using a recent transaction price approach. The valuation is based on the price of transaction entered into within the year, which management considers to remain representative of fair value as there have been no significant changes in market conditions, credit risk or contractual terms since inception.

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

	2025 US\$'000
Financial liabilities at fair value through profit or loss	
At 10 September 2024	–
Issuance	26,501
At 31 December 2025	26,501

17 Non-current assets and liabilities

Assets and liabilities other than those disclosed below are current:

	2025 US\$'000
Assets	
Bonds	25,770
Loans and advances	465,058
Derivative financial assets	133
	490,961
Liabilities	
Notes issued	495,059
Day 1 reserve	162
Derivative financial liabilities	3,053
	498,274

18 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company operates in only one segment. Its activities relate to financing business. All activities are carried out in the Republic of Singapore. Revenue in respect of these activities is disclosed in the financial statements accordingly.

19 Comparative information

No comparative figures are provided as this is the first set of financial statements prepared for the Company since the date of its incorporation.