ACWA Power Uzbekistan Wind Project Holding Company Ltd

SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022

Building a better working world

Ernst & Young Middle East (Dubai Branch)
P.O. Box 9267
Ground Floor, ICD Brookfield Place
Al Mustaqbal Street
Dubai International Financial Centre
Emirate of Dubai
United Arab Emirates

Tel: +971 4 701 0100
+971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
ey.com

PL No. 108937

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ACWA POWER UZBEKISTAN WIND PROJECT HOLDING COMPANY LTD

Report on the Audit of the Separate Financial Statements

Opinion
We have audited the separate financial statements of ACWA Power Uzbekistan Wind Project Holding Company Ltd (the "Company"), which comprise the separate statement of financial position as at 31 December 2022, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year ended 31 December 2022, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2022, and its separate financial performance and its separate cash flows for the year ended 31 December 2022 in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the shareholder of the Company, for our audit work, for this report, or for the opinions we have formed. We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code")* together with the ethical requirements that are relevant to our audit of the separate financial statements in the Dubai International Financial Centre ("DIFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Separate Financial Statements
Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with IFRSs, and in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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 Board of Directors are responsible for overseeing the Company's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ACWA POWER UZBEKISTAN WIND PROJECT HOLDING COMPANY LTD

Report on the Audit of the Separate Financial Statements (continued)

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

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

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 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ACWA POWER UZBEKISTAN WIND PROJECT HOLDING COMPANY LTD

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the separate financial statements include, in all material respects, the applicable requirements of the Companies Law pursuant to DIFC Law No. 5 of 2018. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the Companies Law pursuant to DIFC Law No. 5 of 2018 have occurred during the year which would have had a material effect on the business of the Company or on its separate financial position.

For Ernst & Young

Signed by
Ashraf Abu-Sharkh
Partner
Registration No: 690

27 October 2023
Dubai, United Arab Emirates

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

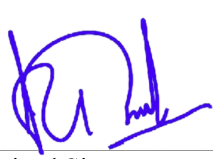
	Notes	***2022 USD***	*2021 USD*
General and administrative expenses	5	**(53,643)**	(52,806)
Interest income	8	**44,992**	33,640
Exchange loss		**(37)**	-
LOSS FOR THE YEAR		**(8,688)**	(19,166)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(8,688)**	(19,166)

The attached notes 1 to 12 form part of these separate financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	***2022 USD***	*2021 USD (Restated) (Note 12)*
ASSETS			
Non-current assets			
Investment in subsidiaries	4	**113,232**	113,232
Loan to related parties	8	**1,133,618**	923,618
		1,246,850	1,036,850
Current assets			
Other receivable	7	**7,365,586**	-
Value added tax receivable		**3,423**	1,634
Amount due from related parties	8	**83,218**	89,084
		7,452,227	90,718
TOTAL ASSETS		**8,699,077**	1,127,568
EQUITY AND LIABILITIES			
Equity			
Share capital	6	**25,000**	25,000
Accumulated losses		**(71,190)**	(62,502)
Deficiency of assets		**(46,190)**	(37,502)
Non-current liability			
Loan from a related party	8	**1,246,850**	1,036,850
		1,246,850	1,036,850
Current liabilities			
Accrued expenses		**26,907**	20,390
Amount due to related parties	8	**7,471,510**	107,830
		7,498,417	128,220
Total liabilities		**8,745,267**	1,165,070
TOTAL EQUITY AND LIABILITIES		**8,699,077**	1,127,568



Authorized Signatory

The attached notes 1 to 12 form part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share capital USD	*Accumulated losses USD*	*Total USD*
Balance at 1 January 2021	25,000	(43,336)	(18,336)
Total comprehensive loss for the year	-	(19,166)	(19,166)
Balance at 31 December 2021	25,000	(62,502)	(37,502)
Total comprehensive loss for the year	-	(8,688)	(8,688)
Balance at 31 December 2022	**25,000**	**(71,190)**	**(46,190)**

The attached notes 1 to 12 form part of these separate financial statements

SEPARATE STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Notes	***31 December 2022 USD***	*31 December 2021 USD*
OPERATING ACTIVITIES			
Loss for the year		**(8,688)**	(19,166)
Working capital changes:			
Amount due from related parties		**5,866**	(27,498)
Value added tax receivable		**(1,789)**	(1,634)
Other receivable	7	**(7,365,586)**	-
Accrued expenses		**6,517**	13,990
Amount due to related parties	8	**7,363,680**	34,308
Net cash flows used in operating activities		**-**	-
INVESTING ACTIVITY			
Loan to related parties	8	**(210,000)**	-
Cash flows used in investing activity		**(210,000)**	-
FINANCING ACTIVITY			
Loan from a related party	8	**210,000**	**-**
Cash flows from financing activity		**210,000**	-
BANK BALANCES AS AT 31 DECEMBER		**-**	-

The Company does not have a bank account. All cash and bank payments are made and cash and bank receipts are taken by a related party on behalf of the Company.

1 CORPORATE INFORMATION

ACWA Power Uzbekistan Wind Project Holding Company Limited (the "Company") is a company registered under the laws and regulations of the Dubai International Financial Centre (DIFC Law No. 5 of 2018) in United Arab Emirates ("UAE") under registration number CL3822 dated 7 May 2020.

The objective of the Company is to hold investments within or outside the UAE in the form of shares of or equity interest in or shareholder loans to the companies engaged in the business of power generation, distribution or transmission, water desalination and distribution or other business related to or ancillary thereto, the development and management of such companies and the provision of technical, commercial, administrative services out of UAE. The Company's registered address is Unit 811B, Level 8, Liberty House, Dubai International Financial Centre, Dubai, UAE.

The Parent Company is ACWA Power Green Energy Holding Limited (the "Parent Company"), registered in Dubai International Financial Center, Dubai, United Arab Emirate, which owns 100% equity interest in the Company. The Ultimate Parent of the Company is ACWA Power Company (Saudi Listed Joint Stock Company) ("Ultimate Parent Company"), a company registered in Kingdom of Saudi Arabia, which indirectly owns 100% equity interest in the Company through its subsidiaries.

The separate financial statements present information about the Company as an individual undertaking and not about its Group. As permitted under IFRS 10, Consolidated Financial Statements, the Company has elected not to present consolidated financial statements. The results of the Company and its subsidiaries are consolidated in the financial statements of the Ultimate Parent Company, which are available and can be obtained from the Ultimate Parent Company's office, which is located at Kingdom of Saudi Arabia.

These separate financial statements are authorised for issue by the Board of Directors on 10 October 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

2.1 Basis of preparation and statement of compliance

These separate financial statements are prepared on a historical cost basis. These separate financial statements are presented in United States Dollars (USD), which is the functional and presentation currency of the Company, except when otherwise indicated.

These separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB") and the applicable provisions of the Companies Law pursuant to the DIFC Law No. 5 of 2018.

These separate financial statements only represent the separate financial performance of the Company and the financial performance of the subsidiaries have not been consolidated or equity accounted in these separate financial statements.

The separate financial statements provide comparative information in respect of previous period. The Company has restated its comparative information due to the retrospective correction of an error. The correction of the error did not have impact on the financial information at the beginning of the preceding period (Note 12).

The Company is a Parent Company for subsidiaries as set out in Note 4.

2.2 Fundamental accounting concept

The Company incurred losses of USD 8,688 during the year ended 31 December 2022 (2021: USD 19,166) and as of that date, its current liabilities exceeded its current assets by USD 46,190 (2021: USD 37,502) and has deficiency of assets of USD 46,190 (2021: USD 37,502). This condition indicates that there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

However, ACWA Power Green Energy Holding Limited, the Parent Company, has confirmed it will continue to provide adequate financial support to the Company to enable it to continue its operations and settle its obligations as and when they fall due. The Company, therefore, continues to adopt the going concern basis in preparing these separate financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.3 New and amended standards and interpretations effective for annual periods beginning on or after 1 January 2022

The accounting policies adopted in the preparation of the separate financial statements are consistent with those followed in the preparation of the previous year separate financial statements for the year ended 31 December 2021, except for the adoption of new standards and interpretations effective for annual period beginning on or after 1 January 2022, as listed below. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

New and amended standards and interpretations

The following amendments and interpretations to accounting standards become effective as at 1 January 2022, but did not have an impact on the separate financial statements of the Company.

- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture – Taxation in fair value measurements

2.4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's separate financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Company is currently assessing the impact of these standards on the future separate financial statements and intends to adopt these new and amended standards, if applicable, when they become effective.

- IFRS 17 Insurance Contracts (effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS15 on or before the date it first applies IFRS 17).
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective from annual periods beginning on or after 1 January 2024 and must be applied retrospectively).
- Definition of Accounting Estimates - Amendments to IAS 8 (effective from annual periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed).
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective from annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. The amendments must be applied prospectively. Early application is still permitted and must be disclosed).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 (effective for annual periods beginning on or after 1 January 2023).
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (effective for annual periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed.).

2.5 Significant accounting policies

Value added tax
Expenses, and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables are stated with the amount of VAT included.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.5 Significant accounting policies (continued)

Value added tax (continued)
The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the separate statement of financial position.

Current versus non-current classification
The Company presents assets and liabilities in the separate statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting year; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting year; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Company classifies all other liabilities as non-current.

Investments
Subsidiary companies are those companies which are controlled by the Company.

The Company’s investments are accounted for at cost with provision for any permanent decline in value, where necessary.

The Company determines whether it is necessary to recognize an impairment loss on its investment in subsidiaries. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiaries is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiaries and its carrying value, then recognizes the loss within separate statement of comprehensive income.

Impairment of non-financial assets
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available and an appropriate valuation model is used if no such transactions can be identified. These calculations are corroborated by other available fair value indicators.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.5 Significant accounting policies (continued)

Impairment of non-financial assets (continued)
The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment of inventories, are recognized in the income statement in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGUs recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the separate statement of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Financial instruments - initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument at another entity.

i. Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include amount due from related parties, loan to related parties and other receivable.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.5 Significant accounting policies (continued)

i. Financial assets (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss;
- Financial assets at amortized cost;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments); and
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

The Company has no financial assets at fair value through profit or loss, financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) and financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortized cost (debt instruments)
This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

The Company's financial assets include amount due from related parties, loan to related parties and other receivable.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.5 Significant accounting policies (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

i. Financial assets (continued)

Impairment of financial assets
The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For amount due from a related party and other receivables, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses at each reporting date. The Company reviews internal and external information available for each amount due from related party, loan to related party and other receivable to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the separate statement of comprehensive income.

ii. Financial liabilities

Initial recognition and measurement
Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Company’s financial liabilities include amount due to related parties, loan from a related party and accrued expenses. The Company has not designated any financial liability as at fair value through profit or loss.

Subsequent measurement
The measurement of financial liabilities depends on their classification.

Borrowings
Borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs

After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method (“EIR”). Gains and losses are recognized in the separate statement of comprehensive income when the liabilities are derecognized as well as through the amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the separate statement of comprehensive income.

Installments due within one year are shown as a current liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.5 Significant accounting policies (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

ii. Financial liabilities (continued)

Accrued expenses
Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the separate statement of comprehensive income.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the separate statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognized amounts; and
- There is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

iv. Fair value of financial instruments

The Company measures financial instruments at each reporting date. Also, fair values of financial instruments are disclosed in Note 10.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.5 Significant accounting policies (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

iv. Fair value of financial instruments (continued)

For assets and liabilities that are recognized in the separate financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Provisions

Provisions are recognized in the separate statement of comprehensive income when the Company has a present obligation as a result of a past event from which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at the currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the separate statement of comprehensive income.

Contingencies

Contingent liabilities are not recognized in the separate financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the separate financial statements but disclosed when an inflow of economic benefits is probable.

Related party

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Company if that person:
- has control or joint control over the Company;
- has significant influence over the Company; or
- is a member of the key management personnel of the Company or of a parent of the Company.

b) An entity is related to a Company if any of the following conditions applies:
- the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- the entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is controlled or jointly controlled by a person identified in (a); or a person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3 USE OF ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value of financial instruments
Where the fair value of financial assets and financial liabilities recorded in the separate statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4 INVESTMENT IN SUBSIDIARIES

		% Held by the Company		***Cost of investment***	
	Country of incorporation	***2022***	*2021*	***2022 USD***	*2021 USD (Restated) (Note 12)*
ACWA Power Dzhankeldy Wind LLC	Uzbekistan	**100.00%**	100.00%	**38,191**	38,191
ACWA Power Bash Wind LLC	Uzbekistan	**100.00%**	100.00%	**38,191**	38,191
ACWA Power Wind Karatau LLC	Uzbekistan	**100.00%**	100.00%	**36,850**	36,850
				113,232	113,232

5 GENERAL AND ADMINISTRATIVE EXPENSES

	2022 USD	*2021 USD*
Employee costs *	**26,140**	26,142
Legal and professional fees	**20,969**	20,130
Short-term lease expense *	**4,182**	4,182
Utility costs *	**1,830**	1,830
Travel and transport expenses *	**65**	65
Miscellaneous expenses *	**457**	457
	53,643	52,806

* These expenses have been recognized as reimbursement of expenses from a related party (Note 8).

6 SHARE CAPITAL

	2022	*2021*
	USD	*USD*
Authorized, issued and fully paid-up capital		
25,000 shares of par value USD 1	**25,000**	25,000

The Company is fully owned by ACWA Power Green Energy Holding Limited.

7 OTHER RECEIVABLE

During the year, the Company and the subsidiaries, ACWA Power Dhankeldy Wind LLC and ACWA Power Bash Wind LLC, entered into Onshore Limited Notice to Proceed ("LNTP-1") and Offshore Limited Notice to Proceed ("LNTP-2") Deed of Agreements with China Energy International Group Company Limited and its other associated companies (together the "Contractor") in relation to the Projects amounting USD 1,259,823 and USD 6,105,763 respectively.

As per the LNTP agreements, the Company has paid total amount of USD 7,365,586 on behalf of the subsidiaries to the Contractor for the period during which the subsidiaries do not have the necessary cash flows. As per the agreements, the amount is going to be reimbursed by the Contractor to the Company as soon the subsidiaries have made the LNTP payments to the Contractor.

8 TRANSACTIONS AND BALANCE WITH RELATED PARTIES

Related parties comprise the Parent Company, Ultimate Parent Company, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

The Company maintains balances with these related parties that arise in the normal course of business from commercial transactions. Transactions are entered into at terms and conditions that the management considers comparable with those adopted for arm's length transactions with third parties. Significant transactions and reporting date balances arising from transactions with related parties are as follows:

Related parties	*Relationship*	***2022***	*2021*
		USD	*USD*
Loan to related parties			
ACWA Power Dzhankeldy Wind LLC	Subsidiary	**461,809**	461,809
ACWA Power Bash Wind LLC	Subsidiary	**461,809**	461,809
ACWA Power Wind Karatau LLC	Subsidiary	**210,000**	-
		1,133,618	923,618

The amount represents loan provided by the Company to ACWA Power Dzhankeldy Wind LLC, ACWA Power Bash Wind LLC and ACWA Power Wind Karatau LLC ("Subsidiaries") with respect to funding commitments. The transfer of funds has been made directly by a related party (see below 'Loan from a related party'), however the transfer has been structured through the Company and accordingly a corresponding loan to the subsidiaries has been recognised.

The loan bears interest at the rate of 3.75% for ACWA Power Dzhankeldy Wind LLC and ACWA Power Bash Wind LLC, and 7.5% for ACWA Power Wind Karatau LLC and the loan is unsecured.

The loan given to ACWA Power Dzhankeldy Wind LLC and ACWA Power Bash Wind LLC and the interest thereon is repayable on the request of the Company or at the option of the subsidiaries. At least for the 12 months from the reporting date, the Company has not demanded for the repayment and accordingly the Company has disclosed the loan as a non-current asset.

The finance income recognised in separate statement of comprehensive income in relation to loan given to ACWA Power Dzhankeldy Wind LLC amounted USD 17,318 (2021: USD 17,320), ACWA Power Bash Wind LLC amounted USD 17,318 (2021: USD 16,320) and ACWA Power Wind Karatau LLC amounted to USD 10,356 (2021: Nil).

8 TRANSACTIONS AND BALANCE WITH RELATED PARTIES (continued)

The loan given to ACWA Power Wind Karatau LLC and the interest thereon is repayable in the event of liquidation/winding of the subsidiary and the funds are available to make such repayment on or after the subsidiary has achieved the commercial operation date i.e., 1st January 2025. At least for the 12 months from the reporting date, the Company has not demanded for the repayment and accordingly the Company has disclosed the loan as a non-current asset.

	Relationship	***2022 USD***	*2021 USD*
Amount due from related parties			
ACWA Power Treasury Holding Company Limited	Affiliate	**-**	50,858
ACWA Power Dzhankeldy Wind LLC	Subsidiary	**37,388**	20,072
ACWA Power Bash Wind LLC	Subsidiary	**35,474**	18,154
ACWA Power Wind Karatau LLC	Subsidiary	**10,356**	-
		83,218	89,084

		2022 USD	*2021 USD*
Amount due to related parties			
ACWA Power Global Services Limited	Affiliate	**40,846**	40,846
ACWA Power International LLC	Affiliate	**101,293**	66,984
ACWA Power Green Energy Holding Limited	Parent	**1,259,822**	-
ACWA Power Treasury Holding Company Limited	Affiliate	**6,069,549**	-
		7,471,510	107,830

Outstanding balance at the year-end is unsecured and interest free, except as mentioned otherwise, and settlement occurs in cash. There have been no guarantees provided or received for any related party balances. For the year ended 31 December 2022, the Company has not recorded any impairment of due from related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

		2022 USD	*2021 USD (Restated) (Note 12)*
Loan from a related party			
ACWA Power Green Energy Holding Limited	Parent	**1,246,850**	1,036,850

In prior years and during the year, the related party transferred USD 1,036,850 and USD 210,000 to the subsidiaries of the Company with respect to funding commitments pertaining to projects respectively (see above ‘Loan to related parties’). The transfer of funds has been made directly by the related party to the subsidiaries, however, the transfer has been structured through the Company and accordingly a corresponding loan from the related party has been recognized in the Company.

The loan is interest-free from the related party and is repayable at any time on the request of the related party or at the option of the Company. At least for the 12 months from the reporting date, the related party has not demanded for the repayment and accordingly the Company has disclosed the loan as a non-current liability.

8 TRANSACTIONS AND BALANCE WITH RELATED PARTIES (continued)

	2022	*2021*
Reimbursement of expenses (general and administrative expenses) (Note 5)	***USD***	*USD*
Affiliate		
ACWA Power International LLC	**32,674**	32,676

Compensation of key management personnel
There are no key management personnel of the Company as it is managed by a related party which do not charge any cost.

9 RISK MANAGEMENT

Financial assets carried on the separate statement of financial position comprise of amount due from related parties. loan to related parties and other receivable. Financial liabilities consist of amounts due to related parties, loan from a related party and accrued expenses.

The Company has exposure to credit risk, liquidity risk and foreign currency risk from its use of financial instruments.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The management provides written principles for overall risk management covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. Risk management is carried out by finance department under policies approved by the management. The finance department identifies, evaluates and hedges financial risks.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk principally arising from its loan to related parties, amounts due from a related party and other receivable.

The carrying amount of financial assets represents the maximum credit exposure. The exposure to credit risk at the reporting date was on account of:

	2022	*2021*
	USD	*USD*
Other receivable	**7,365,586**	-
Loan to related parties	**1,133,618**	923,618
Amount due from related parties	**83,218**	89,084
	8,582,422	1,012,702

Amount due from related parties, loan to related parties and other receivable
Management believes that amounts due from related parties, loan to related parties and other receivable are subject to minimum credit risk and are recoverable.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

9 RISK MANAGEMENT (continued)

Liquidity risk (continued)

The tables below summarize the maturities of the Company's undiscounted financial liabilities at 31 December based on contractual payment dates and current market interest rates.

31 December 2022	***Total undiscounted liabilities Amount USD***	***Less than 1 year USD***	***More than 1 year USD***
Amount due to related parties	**7,471,510**	**7,471,510**	**-**
Loan from a related party	**1,246,850**	**-**	**1,246,850**
Accrued expenses	**26,907**	**26,907**	**-**
	8,745,267	**7,498,417**	**1,246,850**

31 December 2021 (Restated) (Note 12)	*Total undiscounted liabilities Amount USD*	*Less than 1 year USD*	*More than 1 year USD*
Amount due to related parties	107,830	107,830	-
Loan from a related party	1,036,850	-	1,036,850
Accrued expenses	20,390	20,390	-
	1,165,070	128,220	1,036,850

Foreign currency risk

The Company is currently not exposed to any significant currency risk as the sources of fund and major expenses are in USD. The transactions in USD do not expose the Company to significant currency risk.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and benefit other stakeholders. Management's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Company manages its capital structure and makes adjustments in light of changes in economic conditions.

The Company is not subject to significant externally imposed capital requirements.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. Equity comprises share capital, and accumulated losses and is measured as deficiency of assets at USD 46,190 as at 31 December 2022 (31 December 2021 deficiency of assets: USD 37,502).

10 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of amount due from related parties, loan to related parties and other receivable. Financial liabilities consist of accrued expenses, amount due to related parties and loan from a related party.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Management assessed that the fair values of financial assets and liabilities are expected to approximate their carrying value due to the short-term maturities of these instruments.

11 CORPORATE INCOME TAX IN THE UAE

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate. A rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance). In addition, there are several other decisions that are yet to be finalized by way of a Cabinet Decision that are significant in order for entities to determine their tax status and the taxable income. Therefore, pending such important decisions by the Cabinet as at 31 December 2022, the Company has considered that the Law is not substantively enacted from IAS 12 – Income Taxes perspective as at 31 December 2022. The Company shall continue to monitor the timing of the issuance of these critical cabinet decisions to determine their tax status and the application of IAS 12 – Income Taxes.

The Company is currently in the process of assessing the possible impact on separate financial statements, both from current and deferred tax perspective, once the critical cabinet decisions are issued.

12 CORRECTION OF AN ERROR

During 2021, the Company made an investment in a subsidiary “ACWA Power Wind Karatau LLC” which was not recognized as an investment in subsidiary in the separate statement of financial position as at 31 December 2021.

ACWA Power Wind Karatau LLC was incorporated on 25 November 2021 and is 100% owned by the Company. During the year, the Company has corrected the error by recognizing investment in the subsidiary and a corresponding payable to the related party amounting USD 36,850 and has restated the comparative of the separate financial statements.

The change did not have an impact on the separate financial statements as at 31 December 2020, hence correction at the beginning of the earliest prior period is not presented. The error has been corrected by restating each of the affected separate financial statement line items for the prior year.

Impact on separate statement of financial position

	As at 31 December 2021 USD	*Restatement USD*	*As at 1st January 2022 USD*
Non-current assets			
Investment in subsidiaries	76,382	36,850	113,232
Non-current liabilities			
Loan from a related party	1,000,000	36,850	1,036,850

Impact on separate statement of comprehensive income and separate statement of cash flows

The change did not have an impact on separate statement of comprehensive income and the separate statement of cash flows of prior period.