Asian Energy Impact Trust

Asian Energy Impact Trust plc

(formerly ThomasLloyd Energy Impact Trust plc)

2023 Interim Report

For the six months ended 30 June 2023

Contents

About the Company

Asian Energy Impact Trust plc ("AEIT" or the "Company", formerly ThomasLloyd Energy Impact Trust plc) is a closed-ended investment company incorporated in England and Wales.

The Company's ordinary shares were admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the premium listing segment of the main market of the London Stock Exchange on 14 December 2021.

The Company has a triple return investment objective which consists of:

(i) providing shareholders with attractive dividend growth and prospects for long-term capital appreciation (the financial return);

(ii) protecting natural resources and the environment (the environmental return); and

(iii) delivering economic and social progress, helping build resilient communities and supporting purposeful activity (the social return).

The Company seeks to achieve its investment objective by investing in a diversified portfolio of unlisted sustainable energy infrastructure assets in the areas of renewable energy power generation, transmission infrastructure, energy storage and sustainable fuel production ("Sustainable Energy Infrastructure Assets"), with a geographic focus on fast-growing and emerging economies in Asia.

The Board is undertaking a strategic review of the options for the Company's future, which is expected to be concluded by the end of the first quarter of 2024. At the date of this Interim Report, based on the information currently available, the most likely outcomes of the strategic review are a proposal for either the relaunch of the Company, potentially with a new investment objective, investment policy, target returns and/or Investment Manager but maintaining the impact-led, Asian focus, or a managed wind-down and subsequent winding-up of the Company. The outcome of the strategic review will be subject to shareholder approval.

Performance Highlights
For the six months ended 30 June 2023 (unaudited)

Financial

Capital raised to date
US$180.9m
(December 2022: US$180.9m)

Net asset value ("NAV")
US$89.9m
(December 2022: US$86.6m)

Gross asset value ("GAV")[1 2]
US$92.1m
(December 2022: US$127.3m)

NAV per share[1 3]
51.1 cents
(December 2022: 49.3 cents)

Dividend per share[8]
0.88 cents
(Period to 30 June 2022: 0.44 cents)

NAV total return per share since IPO[1]
(46.8)%
(December 2022: (49.2)%)

Cash held at AEIT
US$68.2m
(December 2022: US$115.8m)

Fair value of investment portfolio
US$23.9m
(December 2022: US$11.5m)

Adjusted gross asset value ("Adjusted GAV")[1 4]
US$200.3m
(December 2022: US$173.3m)

Market capitalisation
Shares suspended
(December 2022: US$207.3m)

Net operational asset value[1 5]
US$42.7m
(December 2022: US$23.5m)

Gearing ratio[1 6]
54%
(December 2022: 27%)

Impact[7]

Total installed capacity
132 MW

Renewable energy generated in the period
210,974 MWh

Estimated tonnes of carbon avoided from generated electricity
168,825 tCO_2e

Jobs supported (full time equivalents)
315

[1] An alternative performance measure ("APM"). Definitions of APMs together with how these measures have been calculated can be found on page 42.
[2] GAV is the value of all assets of the Company, being the sum of all investments held in the portfolio together with any cash and cash equivalents.
[3] Calculated on the basis of 175,684,705 ordinary shares in issue.
[4] Adjusted GAV is GAV plus proportionate share of asset level debt.
[5] The value of the Company's operational portfolio excluding construction assets.
[6] Group debt and non-Group investment debt (calculated on a proportionate basis) as a % of Adjusted GAV.
[7] These metrics have been proportioned to account for AEIT's share of the SolarArise, NISPI and VSS assets during the reporting period.
[8] Total dividends declared in relation to the period from 1 January 2023 to 30 June 2023.

Investment Portfolio

As at 30 June 2023

Plant or site	Technology	Country	Revenue type	Total renewable energy generating capacity on a 100% basis (MWp)	Total renewable energy generating capacity based on economic share (MWp)	Average remaining life of asset modelled (years)	Economic ownership 30 June 2023
NISPI				**80**	**32**		
Islasol IA	Solar	Philippines	Wholesale electricity market	18	7	18.0	40%
Islasol IB	Solar	Philippines	Wholesale electricity market	14	6	18.0	40%
Islasol II	Solar	Philippines	Wholesale electricity market	48	19	18.0	40%
SolarArise				**433**	**433**		
Telangana I	Solar	India	25 year fixed price PPA	12	12	18.0	100%
Telangana II	Solar	India	25 year fixed price PPA	12	12	18.0	100%
Karnataka I	Solar	India	25 year fixed price PPA	40	40	19.0	100%
Karnataka II	Solar	India	25 year fixed price PPA	27	27	19.5	100%
Maharashtra	Solar	India	25 year fixed price PPA	67	67	21.0	100%
Uttar Pradesh	Solar	India	25 year fixed price PPA	75	75	22.5	100%
Total installed generating capacity				**233**	**233**		
Madhya Pradesh[9]	Solar	India	25 year fixed price PPA	200	200	n/a	100%
Total 'ready to build' generating capacity				**200**	**200**		
VSS				**6**	**6**		
Mo Cay	Solar	Vietnam	20 year PPA	2	2	17.5	99.8%
Hoang Thong	Solar	Vietnam	20 year PPA	4	4	17.5	99.8%
Total generating capacity including committed assets				**319**	**271**		
Total 'ready to build' capacity				**200**	**200**		

[9] A construction-ready project (the "RUMS project"). Post period end, a decision has been taken to proceed with the project and it is expected to commission before 31 March 2024.

Chair's Statement

With thanks to shareholders for their patience, I present the Interim Report for the Asian Energy Impact Trust plc (formerly ThomasLloyd Energy Impact Trust plc) for the period from 1 January 2023 to 30 June 2023.

Our Annual Report for the period ended 31 December 2022 is being published simultaneously with this Interim Report. The Annual Report lays out in detail the challenges the Company faced during 2023, including the events leading up to and following the temporary share suspension.

The unaudited NAV of the Company as at 30 September 2023 was published on 13 December 2023.

This Interim Report provides the first step forward from the baseline of 31 December 2022. In light of the significant delay in the publishing this Interim Report, events up to the signing date are also presented and considered as post period events.

Impact

The Company was launched in response to investor interest in an impact led investment trust and is focused solely on fast-growing emerging economies in Asia where greenhouse gas emissions ("GHG") continue to grow rapidly. At IPO, the Company was the first, and it continues to be the only, London-listed renewable energy investment company focused on Asia, being the region with the most urgent need for investment in sustainable energy infrastructure and capital invested can have the greatest impact.

Our investment portfolio is constructed to address the climate change mitigation priorities set out in our target countries' Nationally Determined Contributions under the Paris Agreement on Climate Change by avoiding GHG emissions. Our investments also support those countries efforts to achieve the United Nations Sustainable Development Goals ("UN SDGs"), while having a positive impact in the communities around our assets. During the period the Company generated 211k MWh of green energy, enough for over 223,000 people, and avoided 169k tCO_2 emissions.

The Company is classified as an Article 9 fund under the EU Sustainable Finance Disclosure Regulation ("SFDR") and will make a minimum of 95%[10] sustainable investments with an environmental objective under the EU Taxonomy. I am pleased to report that 100% of investments made to date are aligned with the EU Taxonomy.

Investment activity

SolarArise is a 433 MW Indian investment platform with six operating solar plants totalling 233 MW and one construction-ready 200MW solar plant. The 43% acquisition of SolarArise was completed in August 2022 for a total consideration of US$32.9m. The remaining 57% of SolarArise was completed for a cash consideration of US$38.5 million on 13 January 2023 and the Company now owns 100% of SolarArise.

On 1 November 2022, the Company committed to acquire Viet Solar System Company Limited ("VSS"), a privately-owned company which holds 6.12 MW of rooftop solar assets, for US$3.1 million. This acquisition completed on 31 May 2023 and represents a 99.8% interest in VSS.

No further acquisitions have been made post period end.

Portfolio performance

During the six-month period ended 30 June 2023, the investment portfolio's electricity generation was 210,974 MWh, 1.6% below budget due to lower than expected irradiation in the period.

During the period, in May 2022, the construction of our 200 MW project in Madhya Pradesh (the "RUMS project"), which was originally scheduled for completion in the first half of 2023, was formally postponed due to a delay in infrastructure construction directed by the solar park owner and deteriorating project economics. Post period end, in October 2023, the Board revisited its decision, taken earlier in the year, to abandon the project in light of an improved position presented by the Former Manager, reflecting a substantial decline in solar module prices in May and June 2023, and the Board has since decided to proceed with the project. As this investment could have resulted in the portfolio breaching the single country limit in the Company's investment policy (50% of GAV), a change to the investment policy was proposed and approved by shareholders in November 2023. Although risks remain due to th size and tight timelines of the project, the RUMS project is expected to be commissioned before 31 March 2024, and, as a new source of renewable energy, will make a significant contribution towards achieving our impact objectives.

Results

The NAV of the Company as at 30 June 2023 was US$89.9 million. Since 31 December 2022, the NAV per share increased from 49.3 cents to 51.1 cents. Further detail on the valuation movements can be found on page 14. Post period end, the NAV of the Company as at 30 September has been published at US$88.5 million, 50.4 cents per share.

The Company had a cash balance of US$68.2 million at the period end. The Company had no gearing and gearing on a 'look-through' basis to its underlying investments was 54% of Adjusted GAV.

The Company's net income for the period was US$7.3 million, giving rise to a profit for the period of US$5.4 million. This was mainly driven by an increase in the value of the RUMS project by US$9 million, offset by a reduction in the value of NISPI by US$1.9 million.

Dividends totalling 0.88 cents per share have been paid in respect of the period 1 January 2023 to 30 June 2023, of which the payments for were split equally on 19 July 2023 and 11 September 2023. All dividends were paid out of the Company's distributable capital reserves. EBITDA from the Company's operational assets over the period, excluding costs within the SolarArise holding company, was US$10.8 million[11] compared to the aggregate cost of dividends paid to shareholders in respect of the period of US$1.5 million.

Challenges faced by the Company

As well documented through our regular updates to shareholders and in our 31 December 2022 Annual Report and Accounts, 2023 presented significant challenges. As a result, the Board terminated the existing Investment Manager and appointed a transitional Investment Manager, Octopus Energy Generation, on 1 November 2023.

The financial results for 2022 were disappointing for the Board and for shareholders, but set a new baseline from which to move forward. This

[10] Excludes cash not yet invested.

[11] EBITDA generated from 1 January 2023 for NISPI and SolarArise and date of ownership (31 May 2023) for VSS, pro rated for economic ownership.

Interim Report is the first opportunity for the Company to move forward on a more level footing and the results are more encouraging and in line with revised expectations.

We are awaiting the final report on full updated technical due diligence across all assets in the portfolio and we expect the report the outcomes by the end of January 2024. This will enable the Company to confirm the generation assumption haircuts already taken that estimate the expected outcomes.

Ultimately, the single biggest challenge faced by the Company now is scale. The significant reduction in the NAV presents an uncertain future on the long-term viability of the Company and is a key focus for the Board in determining the future options for the Company.

Status of the strategic review

The strategic review of the options for the Company's future is reaching an advanced stage. At the date of this Interim Report, based on the information currently available, the most likely outcome of the strategic review remains a proposal for either the relaunch of the Company (potentially with a new investment objective, investment policy, target returns and/or Investment Manager but maintaining the impact-led, Asian focus) or a managed wind-down.

Having analysed with our advisers the initial proposals received for a relaunch of the Company, the Board will be inviting a shorter list of potential investment managers to submit final proposals. Any proposal to relaunch the Company would need to offer a compelling investment proposition for both existing and prospective investors to enable the Company to scale up its size significantly over time as, at its current size, the Company will not have a viable long-term future.

Any managed wind-down proposal would seek to achieve an optimal balance between maximising shareholder value and timely return of cash to shareholders, before a formal winding up once substantially all of the Company's assets have been realised.

The Board will continue to consult shareholders at appropriate stages of the strategic review and expects to conclude the strategic review by the end of the first quarter of 2024. The Board does not intend to declare a dividend in respect of the quarter ended 31 December 2023 prior to completion of the strategic review.

Outlook

Despite the well-documented challenges that the Company has faced over many months, as explained in more detail in the 'Outlook' in my statement in the 2022 Annual Report which is being published simultaneously with this Interim Report, my Board colleagues and I continue to firmly believe in the investment opportunity to deliver an impact-led renewable energy investment strategy in the fast growing and emerging markets in Asia and that the Company's investment philosophy remains sound.

Notwithstanding the investment opportunity, the future of the Company will be determined by the outcome of the strategic review. In particular, a relaunch would rely heavily on shareholders continuing to support that option and their willingness to participate, alongside new investors, in future fundraising growth, without which the Company would remain sub-scale. Having voted against the resolution to wind up the Company at the general meeting held on 19 December 2023, shareholders have provided the Board with the additional time needed to complete the strategic review, which we will continue to work tirelessly to conclude at the earliest opportunity.

Irrespective of the outcome of the strategic review, a key short-term priority is to look for ways to recover value from existing investments and there are opportunities for optimising value through more efficient structuring and asset level improvement initiatives.

Sue Inglis
Chair

22 January 2024

Timeline of Events

Date	Event
13 January 2023	Completion of the acquisition of the remaining 57% economic interest in SolarArise.
25 April 2023	Temporary share suspension at the Company's request due to a material uncertainty regarding the fair value of its assets and liabilities, in particular with regard to the RUMS project.
31 May 2023	Decision not to proceed with construction of the RUMS project, predominantly due to high solar panel prices. Completion of the acquisition of the 99.8% economic interest in VSS and its two solar power projects.
30 June 2023	Annual General Meeting held. Alongside the standard annual resolutions to re-elect the Board which were passed, a Continuation Resolution was proposed as 75% of the net IPO proceeds had not been deployed within 12 months of admission to trading.
Material events post period end	
1 August 2023	The Company's only development project (the 'TT8 Project'), a 150 MW DC solar PV project held by a special purpose vehicle of SolarArise, signed a power purchase agreement with Maharashtra State Electricity Distribution Company Limited.
12 July 2023	Company announced that the final portfolio valuation as at 31 December 2022 could reflect a material downward movement that would be in addition to the costs written off and potential abandonment liabilities associated with not proceeding with the RUMS project.
15 August 2023	Company announced receipt of new information under protections of its whistleblowing policy revealing that ThomasLloyd Global Asset Management (Americas) LLC was aware of material information relating to the RUMS project by August 2022 and, therefore, it appeared that key information had been withheld from the Board, and misleading information given to it, over a protracted period of time.
24 August 2023	Shareholders representing 58% of the votes cast (and a majority of the issued share capital) voted against the Continuation Resolutions, in line with the Board's recommendation. As a result, the Board was required to bring forward proposals for the reconstruction, reorganisation or winding-up of the Company for shareholder approval within four months. Strategic review of options for the Company's future commenced.
15 September 2023	Company served notice terminating ThomasLloyd Global Asset Management (Americas) LLC's appointment as Investment Manager with effect from 31 October 2023.
25 September 2023	Shareholders representing approximately 54% of the Company's total issued share capital supported the current Board and the resolutions to replace the current Board were not passed.
11 October 2023	Decision to proceed with the RUMS project due to it being the least value destructive option for shareholders.
27 October 2023	Company changed its name to Asian Energy Impact Trust plc.
31 October 2023	Shareholders representing 91% of the issued share capital voted in favour of changes to the Company's investment policy (to avoid any potential breach of the single country limit as a consequence of proceeding with the RUMS project and make clarificatory changes to the gearing policy), in line with the Board's recommendation. Termination of the Former Investment Manager's appointment.
1 November 2023	Octopus Energy Generation appointed as Transitional Investment Manager. AEIT launched a new corporate website.
13 December 2023	Unaudited NAV as at 30 September 2023 announced of US$88.5 million (50.4 cents per share). Company announced that moving forward with the development of the TT8 Project may not be the best option for the Company.
19 December 2023	Shareholders representing 83% of the votes cast (and 69% of the issued share capital) voted against a resolution to wind up the Company, in line with the Board's recommendation.

Company Developments

The material uncertainty surrounding the investment portfolio valuation as at 31 December 2022 and the subsequent events that followed throughout 2023, including the temporary share suspension effective from 7.30 am on 25 April 2023 have had adverse consequences for the Company and its shareholders. A summary of the key events is set out below.

Temporary share suspension

On 25 April 2023 the Company announced a temporary suspension in the listing of, and trading in, the Company's shares (the "temporary share suspension"). The temporary share suspension was at the Company's request due to a material uncertainty regarding the fair value of its assets and liabilities, in particular with regard to the 200 MW construction-ready RUMS project, which was acquired as part of the SolarArise portfolio. Further work was required to assess the quantum of the liabilities and commercial viability of the project. Due to this, the Company was unable to finalise the accounts within four months after the accounting period end date, as required by the FCA's Disclosure Guidance and Transparency Rules.

Decision not to proceed with the RUMS project

Following the temporary share suspension, the Board appointed independent advisors to undertake detailed reviews of the liabilities associated with abandoning the RUMS project and the Company's options for the project (including proceeding with constructing it or abandoning it). In parallel, the Former Investment Manager re-evaluated the options for the RUMS project, including the funding requirement in the event of proceeding with construction. Based on the reviews undertaken at that time, and the information provided to the Board on 31 May 2023 by the Former Investment Manager, the Board concluded that it would not be in the interests of shareholders to proceed with the construction of the RUMS project. As well as being commercially unviable, predominantly due to the high solar panel prices at that time, proceeding would breach the Company's investment policy restrictions.

Re-evaluation of 31 December 2022 portfolio valuation proposed by the Former Investment Manager

Due to the ongoing material uncertainties regarding the Company's financial position and in support of progressing the audit and annual report and accounts for the period ended 31 December 2022, the Board also appointed, in May 2023, PricewaterhouseCoopers LLP ("PwC") to undertake a detailed review of the key assumptions included in the financial models and the valuation methodology of the operational assets within the portfolio, namely the SolarArise portfolio and NISPI, as at 31 December 2022 proposed by the Former Investment Manager. On 12 July 2023, the Board announced it had received a draft report from PwC and that, based on that draft, it anticipated that the final portfolio valuation as at 31 December 2022 could reflect a material downward movement that would be in addition to the costs written off and potential abandonment liabilities associated with not proceeding with the RUMS project.

2023 Annual General Meeting

At the Annual General Meeting held on 30 June 2023, alongside the standard annual resolutions to re-elect the Board which were passed, Continuation Resolutions were proposed as 75% of the net IPO proceeds had not been deployed within 12 months of admission to trading. If the Continuation Resolutions did not pass, the Directors would be required by the Company's Articles of Association to put forward proposals for the reconstruction, reorganisation or winding up of the Company to shareholders for their approval within four months of the date of the meeting at which the Continuation Resolutions were proposed. Given the uncertainty of the Company's financial situation, the Board recommended that shareholders abstain from voting on the Continuation Resolutions and adjourned the AGM ahead of the shareholder vote on the Continuation Resolutions.

General meetings requisitioned by entities and funds affiliated with the Former Investment Manager

On 11 July 2023, the Company received a notice from certain entities and funds affiliated with the Former Investment Manager (the "Requisitioners"), which held 14.8% of the Company's issued share capital, requisitioning a general meeting of the Company's shareholders to vote on, against other things, the Continuation Resolutions.

On 31 July 2023 in the notices for the requisitioned general meeting and adjourned Annual General Meeting (the "August Meetings"), the Board recommended shareholders to vote against the Continuation Resolutions to be proposed at those meetings as shareholders would be unable to form a considered view of the Company as, at that time, (i) its valuation was uncertain, (ii) its principal construction asset was believed to be economically unviable and the non-completion liabilities were expected to be substantial, (iii) the audit of its financial statements for the period ended 31 December 2022 and associated annual report and accounts could not be completed, (iv) its shares were suspended from trading and (v) there was no clear strategy for the future of the Company.

Prior to the August Meetings a second notice from the Requisitioners was received by the Company requisitioning a further general meeting to consider ordinary resolutions that the current Board be removed from office as directors of the Company and replaced with new directors nominated by the Requisitioners with immediate effect.

Ahead of the August Meetings that were held on 24 August 2023, the Board continued to provide updates to shareholders on material new information in support of its recommendation to vote against the Continuation Resolutions. At the August Meetings, shareholders representing 58% of the votes cast (and a majority of the issued share capital) voted against the Continuation Resolutions in line with the Board's recommendation. The Board immediately commenced an evaluation of the options for the Company's future in view of its obligation, under the Company's Articles of Association, to put proposals to shareholders for the reconstruction, reorganisation or winding-up of the Company by 24 December 2023.

The second requisitioned general meeting was held on 25 September 2023. Shareholders representing approximately 54% of the Company's total issued share capital supported the current Board and the resolutions to replace the current Board were not passed.

Change of Investment Manager

As the Continuation Resolutions were not passed at the August Meetings, the Company was entitled to terminate its investment management agreement with the Former Investment Manager summarily at any time and without further payment in respect of the Former Investment Manager's initial five-year term of appointment. Due to the deteriorated relationship with the Former Investment Manager and concerns on the quality and timeliness of information provided by it to the Board, the Board determined it would be in the best interests of shareholders to terminate the Former Investment Manager's appointment as the Investment Manager.

Following a competitive tender process, the Board announced on 28 September 2023 that it had agreed heads of terms to appoint Octopus Energy Generation as the Transitional Investment Manager for an initial term expiring on 30 April 2024. Following completion of the customary take-on and regulatory procedures, Octopus Energy Generation's appointment with immediate effect was subsequently confirmed on 1 November 2023.

Decision to proceed with the RUMS project due to changed circumstances

On 11 October 2023 the Board announced its decision to proceed with the RUMS project due to it having become the least value destructive option for shareholders. This was based on the advice received from the Former Investment Manager that:

- panel prices had fallen by 30% which meant that the negative NPV was significantly less than at 31 December 2022;
- aborting the RUMS project would: (i) crystallise an immediate write off of US$8.9 million of costs incurred in respect of the project as at 30 September 2023; (ii) result in the encashment of US$1.2 million of performance bank guarantees; (iii) potentially indirectly expose SolarArise to abandonment liabilities (net of the performance bank guarantees) of up to US$32.3 million and likely protracted associated litigation; and (iv) lead to reputational damage that could adversely impact the value of the SolarArise platform; and
- whilst the RUMS project was clearly not value accretive, proceeding to construct it would: (i) allow SolarArise to better manage its liabilities in respect of the RUMS project, providing greater certainty compared to a very uncertain process of aborting it, both in terms of the value of any potential abandonment liabilities and the expected timeline for settlement; and (ii) add a further 200 MW of capacity to the SolarArise platform and, once operational as part of a wider portfolio, may facilitate a more attractive exit of SolarArise in any future liquidity event.

To proceed with the RUMS project, the Board put forward a resolution to amend the single country limit in the Company's investment policy to avoid any potential breach of that limit as a consequence of proceeding with the RUMS project (and also to make clarificatory changes to the gearing policy), which was passed at a general meeting held on 31 October 2023.

Change of name and new corporate website

On 27 October 2023, the Company changed its name to Asian Energy Impact Trust plc. The Company launched a new corporate website, https://www.asianenergyimpact.com/, on 1 November 2023.

Unaudited NAV as at 30 September 2023

On 13 December 2023, the Board announced the unaudited NAV as at 30 September 2023 in order to provide investors with the most recent financial information at the earliest possible time.

Unaudited net assets as at 30 September 2023 were US$88.5 million (NAV of 50.4 cents per share), a marginal decrease on the net assets (and NAV per share) as at 30 June 2023.

The unaudited NAV as at 30 September 2023 (relative to 30 June 2023) reflects an uplift the portfolio valuation of US$1.3 million, which is offset by dividends paid of US$0.8 million, costs incurred by the Company of US$1.3 million and other movements of US$0.6 million.

At 30 September 2023, the Company had cash balances of US$63.6 million and held US$1.7 million in its UK subsidiary, AEIT Holdings Limited ("AEIT Holdings"). The Company has invested a further US$20.0 million in SolarArise to fund the equity required for constructing the RUMS project.

As at 30 September 2023, gearing in AEIT's investment portfolio represented 54.6% of the Adjusted GAV.

Winding-up proposal

In accordance with its obligation to put forward proposals for the reconstruction, reorganisation or winding-up of the Company to shareholders for their approval within four months of the Continuation Resolutions not having been passed, the Board convened a further general meeting on 19 December 2023 to consider a resolution to wind-up the Company and appoint liquidators. The Board had considered possible options for a reconstruction or reorganisation of the Company but, given, in particular, the concentrated and illiquid nature of the Company's portfolio and the current size of the Company, the Board concluded that a reorganisation or reconstruction was not viable or in the best interests of shareholders as a whole. Accordingly, in order to comply with its obligation under the Articles, the Board's only option was to put a winding up proposal, but recommend shareholders vote against the resolution principally for the following reasons: (i) if the resolution was passed, it was expected that the listing of the Company's shares would be permanently suspended; and (ii) if the resolution was not passed (in-line with the Board's voting recommendation), the Board would have the additional time needed to complete the strategic review of the options for the Company's future and shareholders would have the opportunity to vote on the outcome of the strategic review. Shareholders representing 83% of the votes cast (and 69% of the issued share capital) voted against the winding-up resolution, in line with the Board's recommendation.

Investments

No. of individual assets purchased in the period	Net operational asset value[12]	Adjusted GAV
2	US$ 42.7m	US$ 200.3m

On 13 January 2023 the Company completed its acquisition of the remaining 57% economic interest in SolarArise, owning 100% of SolarArise from this date. The acquisition was made for a cash consideration of US$38.5 million. As at 31 December 2022, the Company had recognised an onerous contract provision in respect of this commitment as the fair value of the investment was deemed to be lower than the consideration paid to acquire the investment, primarily due to potential penalties relating to aborting the 200 MW construction-ready asset in Rewa Ultra Mega Solar Park (the "RUMS project").

On 31 May 2023 the Company, through its subsidiary AEIT Holdings, completed the acquisition of 99.8% of VSS, a privately-owned company which holds 6.12 MW of rooftop solar assets for US$3.1 million. The gross value of the assets was US$4.6 million including external debt.

As at 30 June 2023, the Company had invested US$99.9 million, 55% of total capital raised. Following the temporary share suspension, the Board suspended acquisitions of, or commitments to, new investments. The Board will not make any acquisitions or commitments to new investments pending the outcome of the Board's strategic review of the options for the Company's future.

200 MW construction-ready

The RUMS project is held by a wholly-owned special purpose subsidiary, Talettutayi Solar Projects Nine Private Limited ("TT9") of SolarArise.

Background

TT9 successfully bid for the RUMS project in a reverse auction conducted on 19 July 2021 and received the letter of award on 1 September 2021. Power purchase agreements ("PPAs") were signed on 25 November 2021 with M.P. Power Management Company Limited and Indian Railways, at a fixed rate tariff of INR 2.339 per kWh for 25 years. The original deadline for the scheduled commercial operating date ("SCOD") was 25 June 2023, but in September 2022 this was extended to 8 September 2023 due to a delay by Rewa Ultra Mega Solar Limited ("RUMSL") in getting the initial tariff and other related approvals from the state regulatory agencies. The original bid projections were for an overall project cash cost of INR 5,880 million (US$78.4 million) funded by debt of INR 4,700 million (US$62.7 million) and equity of INR 1,180 million (US$15.7 million) with an INR IRR of 13.5%. It was expected that the equity financing required for the construction of the RUMS project would be funded entirely from existing cash resources within SolarArise and ongoing operating cash flow from its operational solar portfolio.

Increased cost estimates leading to temporary share suspension

During April 2023 it was disclosed to the Board that the cost of the RUMS project and the attendant equity funding requirement had gone up significantly thereby calling into question its economic viability. These cost increases had arisen principally due to increases in module costs, the cost of the EPC contract, goods and services tax and adverse movements in exchange rates in comparison to the costs in the original bid assumptions. For example, the RUMS project was originally bid with a module cost of US24.2 cents per watt peak ("c/Wp") but prices rose significantly during 2022, in particular due to supply chain issues in the market and following the implementation of basic customs duty of 40% on imported solar modules and 25% on imported solar cells from 1 April 2022. This caused prices to rise to a peak of approximately US40 c/Wp, but had fallen to approximately US29 c/Wp by December 2022.

Later in April 2023, the Board was further advised by the Former Investment Manager that potentially significant non-completion liabilities would arise in TT9 in the event that it did not proceed with the construction of the RUMS project. Having received information that suggested the RUMS project may no longer be commercially viable and that there were potentially significant non-completion liabilities, the Company immediately sought the temporary share suspension to undertake further work to clarify the position and complete its 2022 Annual Report and Accounts.

Valuation of RUMS project

As at 31 December 2022, the valuation of proceeding with the construction project was estimated to be negative US$33.3 million based on 100% ownership, whereas the liabilities associated of aborting the project were estimated to be US$14.1-US$33.2 million, with the lower end assuming 100% success in implementing a mitigation strategy. As there is significant subjectivity in determining the specific abort case liabilities to include in the valuation, it has been determined that a market participant would view the SolarArise portfolio in its entirety and that an appropriate assumption would be to write the SolarArise portfolio down to zero. This results in applying an abort liability of US$27.9 million for a 100% ownership.

Falling solar module prices during the period resulted in improving economics for the project. Updating the model with the declining panel prices and other assumption changes reduced the overall negative NPV. As at 30 June 2023, the fair value of the RUMS project included within the valuation of SolarArise was negative US$18.8 million. As this is less than the US$27.9 million assumed abort liabilities, the RUMS project is valued on a proceed basis.

[12] The value of the Company's operational investment portfolio excluding construction assets. These are not IFRS measures and are KPIs used to monitor the performance of the underlying assets.

Latest updates

Falling solar module prices resulted in the Former Investment Manager continuing to re-evaluate the project and the Board appointed an Indian-based independent adviser to complete a commercial assessment of the RUMS project. The EPC provider was identified with high-level commercials agreed and JA Solar was selected as the preferred solar panel provider with an agreed price of US15.5c/Wp (US22.3c/Wp including import duties). Updating the model with the declining panel prices and other assumption changes reduced the overall negative NPV of the project to approximately US$13 million. Based on advice from the Former Investment Manager, on 11 October 2023, the Board agreed to provide funding of US$20 million by way of an INR-denominated external commercial borrowings loan from the Company to SolarArise to enable construction of the RUMS project to proceed.

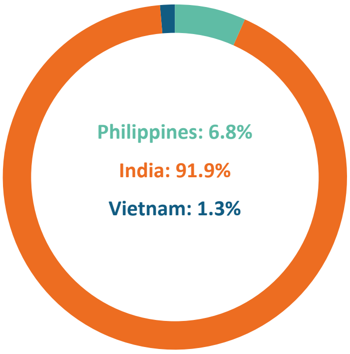
The Transitional Investment Manager has since refined the RUMS project model and the published valuation as at 30 September 2023 is a negative NPV of US$14.6 million.

Construction of the RUMS project has commenced. On the recommendation of the Transitional Investment Manager, the Company has appointed Fichtner as the owner's technical advisor to the RUMS project, providing boots on the ground to oversee the construction of the asset on a day-to-day basis. An official extension has been granted for the SCOD to 5 February 2023. As at early January, the third of five shipments of panels have arrived on site. Although risks remain due to the size and tight timelines of the project, it is currently expected to be commissioned before 31 March 2024.

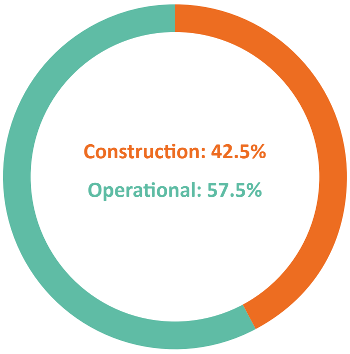
Portfolio Breakdown

The following charts are representative of the pro-rata share of the assets owned as at 30 June 2023.

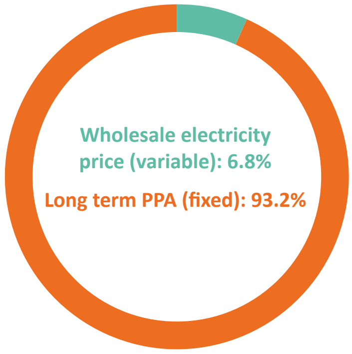
Geographical diversification - as a % of generating capacity (MWp)



Asset phase - as a % of generating capacity (MWp)



Revenue structure - as a % of generating capacity (MWp)



Portfolio Performance

During the six-month period to 30 June 2023, the investment portfolio's electricity generation was 210,974 MWh, 1.6% below budget due to lower than expected irradiation in the period. This reflects the proportionate share of the electricity generated by investments from the date of acquisition and therefore takes into account 100% of SolarArise from 13 January 2023, the date on which AEIT purchased the remaining 57% stake, and 99.8% of VSS from 31 May 2023.

Output generated by underlying operational assets[14]

210,974 MWh

(-1.6% to budget[13])

Revenue generated by underlying operational assets[14]

US$13.3m

(+1.6% to budget[13])

EBITDA generated by underlying operational assets[14 15]

US$10.8m

(-2.6% to budget[13])

Note: Performance for NISPI and SolarArise have been compared to FY23 performance expected per the 31 December 2022 valuation models. The assumptions that drove the cashflows of those models are detailed in the 2022 Annual Report and Accounts available on the Company's website.

[13] Budget is based on December 2022 valuation models for NISPI and SolarArise.

[14] Pro-rated for economic ownership.

[15] Excludes SolarArise holding company.

Philippines

The Philippines portfolio comprises NISPI, an investee company with three operating solar plants with a total capacity of 80 MW situated on the island of Negros, Philippines. All three solar plants export electricity to the grid at the wholesale electricity spot market ("WESM") price.

Generation during the first six months of the year was 53.9 GWh, an increase of 36.3% compared to the same period in 2022, primarily due to the one-off grid curtailment seen in 2022 stemming from the effects of Typhoon Rai (December 2021) and the damaged Negros-Cebu submarine cable.

However, generation for the period ended 30 June 2023 was 2% below budgeted generation of 54.8 GWh. The key driver for this was irradiation which was 5% below expectation. Adjusting for irradiation, the assets outperformed the weather adjusted budget by 4%.

Despite the decrease in generation, NISPI generated revenues of PHP 397.2 million in the first six months of the year, a 6.3% increase to budgeted revenues of PHP 373.8 million, primarily due to higher than expected WESM prices being achieved of 7.4PHP/kWh compared to a budgeted price of 6.8PHP/kWh.

As at 30 June 2023, on a 100% basis, NISPI held PHP 839 million of cash reserves, equivalent to US$15.1 million and generated EBITDA of PHP 297 million, equivalent to US$5.3 million during the six months to June 2023. NISPI has no debt.

India

As at 30 June 2023, the Indian portfolio comprised a 100% economic interest in SolarArise, an Indian platform with interests in six operating solar plants with total generation of 233 MW and one 200 MW construction-ready solar plant, situated across five states in India. All plants are or will export electricity under a 25-year fixed-price government PPA.

During the six months to 30 June 2023, generation for the SolarArise operational portfolio was 2% below budget, primarily due to lower than expected irradiance, which was 3% below budgeted irradiation for the period. In particular, performance of Telangana II was 13% below the budgeted generation as irradiance was 16% lower than expected due to air pollution in the area.

Turnover for the operational portfolio for the period was INR 853 million, equivalent to US$10.4 million, compared to a budgeted amount of INR 855 million, an underperformance of 0.2%. This is due to the underperformance in generation, offset by carbon credit income received during the period of INR 38 million. EBITDA (excluding management fees payable to the SolarArise holding company) for the period was INR 710 million, equivalent to US$8.6 million, compared to a budget of INR 746 million, an underperformance of INR 36 million due to costs being higher than forecasted. This is predominantly due to increased costs incurred to address issues with excess flooding and higher than expected spares expenses of INR 8.3 million to replenish stock used.

Over the period, management fees of INR 38.4 million were paid from the operational SPVs to the SolarArise holding company. This was used to fund, in part, holding company costs of INR 87.9 million, which comprise asset management fees of INR 41.7 million and other ongoing holding company running costs of INR 46.2 million, with the remainder being funded via interest income and loan repayments from the operational SPVs.

At 30 June 2023, SolarArise had INR 594 million of cash reserves, equivalent to US$7.2 million, a fall of INR 59 million (US$ 0.7 million) since 31 December 2023, due to the payment of a performance bank guarantee ("PBG") for the TT8 development project of US$1.7 million during the period (see page 15 for further details). SolarArise had approximately US$106.8 million of borrowings.

Vietnam

On 31 May 2023, AEIT completed the acquisition of a 99.8% stake in VSS and its four subsidiaries, which hold 6.12MW of rooftop solar assets for US$3.1 million.

Over the period following acquisition, the assets performed 17% below investment case driven by underperformance of the Hoang Thong system (33% below budget). This is a result of the sawdust from the facility below escaping and settling on the panels. A solution for this is under investigation with the O&M provider.

At 30 June 2023, VSS had VND 5.8 billion of cash reserves, equivalent to US$0.2 million and approximately US$1.4 million of borrowings.

Portfolio Valuation

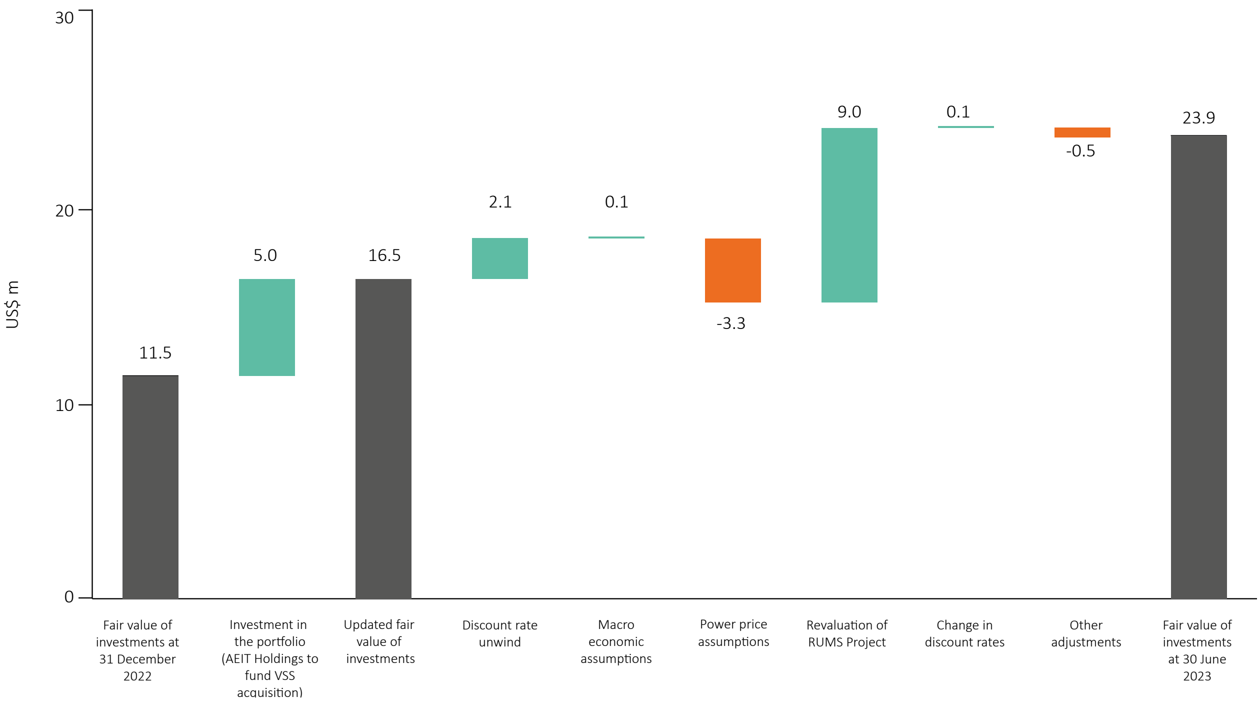
Regular valuations are undertaken for the Company's portfolio of assets. The process follows International Private Equity Valuation Guidelines, typically using a discounted cash flow ("DCF") methodology. The DCF methodology is deemed the most appropriate valuation basis where a detailed projection of likely future cash flows is possible. Due to the asset class, availability of market data and the ability to project the asset's performance over the forecast horizon, a DCF valuation is typically the basis upon which renewable assets are traded in the market. In a DCF analysis, the fair value of the investee companies is the present value of the expected future cash flows, based on a range of operating assumptions for revenues, costs, leverage and any distributions, before applying an appropriate discount rate. Key macroeconomic and fiscal assumptions for the portfolio valuation are set out in note 7 to the Interim Financial Statements. The assets held in the Company's UK subsidiary, AEIT Holdings, substantially comprise working capital balances and therefore the Directors consider the fair value of AEIT Holdings to be equal to its book value.

In accordance with the Company's valuation policy, the investment portfolio as at 30 June 2023 has been valued by the Transitional Investment Manager. PwC was engaged as an independent valuation expert to provide a private independent opinion on the reasonableness of the valuations of SolarArise, NISPI and VSS as at 30 June 2023 which were prepared by the Transitional Investment Manager, and adopted by the Board and AIFM when they approved the 30 June 2023 valuations.

The net asset value as at 30 June 2023 was US$89.9 million or 51.2 cents per share, an increase of US$3.3 million since the previous valuation of US$86.6 million as at 31 December 2022. Included in the net asset value as at 30 June 2023 is cash held at the Company of US$68.2 million (31 December 2022: US$115.8 million).

The fair value of the Company's underlying investment portfolio as at 30 June 2023 was US$23.9 million, an increase of US$12.4 million since 31 December 2022. This is predominantly driven by the investment in the Vietnamese assets and the inclusion of a proceed NPV for the RUMS project within the SolarArise portfolio. Previously, as at 31 December 2022, the SolarArise portfolio had been written down to zero reflecting the abort liabilities associated with not proceeding with the RUMS project.

Fair value of investments from 31 December 2022 to 30 June 2023



Investments in the portfolio

During the period, AEIT announced the following investments:

- In January 2023, the Company completed its acquisition of the remaining 57% economic interest in SolarArise, owning 100% of SolarArise from this date. The acquisition was made for a cash consideration of US$38.5 million. As at 31 December 2022, the Company recognised an onerous contract provision in respect of this commitment as the fair value of the investment was deemed to be lower than the consideration paid to acquire the investment, primarily due to penalties relating to aborting the 200 MW construction-ready asset in the RUMS project. As a result, the impact of the valuation as at 30 June 2023 of this acquisition was neutral.
- In 31 May 2023, the Company, through its subsidiary AEIT Holdings, completed the acquisition of a 99.8% stake in VSS and its four subsidiaries, which hold 6.12 MW of rooftop solar assets. Total funding into AEIT Holdings was US$5.0 million, of which US$3.1 million was used to fund the acquisition of VSS. As at 30 June 2023, US$1.7 million remains as cash sitting within AEIT Holdings and is included within the fair value of the investment portfolio. Given proximity of the acquisition of VSS to the valuation date, the fair value of VSS as at 30 June 2023 is deemed to be equal to cost.

Discount rate unwind

This bridge step reflects the net present value of future cashflows being brought forward from the valuation date used for the acquisitions to 30 June 2023.

Macroeconomic assumptions

The main economic assumptions used in the portfolio valuation as at 30 June 2023 are inflation forecasts and foreign exchange rates. Updating for assumptions as at 30 June 2023 had a small positive impact on the valuation.

- **Inflation forecasts:** Our approach is to blend two inflation forecasts from reputable third-party sources.
- **Interest rates:** Interest rate forecasts are only relevant for the Indian portfolio of assets. As existing facility agreements are in place, we have assumed the current rates as at 30 June 2023 as the fixed rates long term.
- **Foreign exchange rate:** Underlying valuations are calculated in local currency and converted back to USD at the spot rate at the relevant valuation date.

Power price forecasts

Unless fixed under PPAs (such as the India portfolio) or otherwise hedged, the power prices used in the valuations are based on an equal blend of two independent and widely used market consultants' technology-specific capture price forecasts for each asset.

Updating the valuations for the most recent power price forecasts available resulted in a decrease in the valuation. This is primarily due to reduced market forecasts, particularly commodity prices in the near term (with delivered coal and Liquified Natural Gas ("LNG") being two of these major commodities) being key drivers in the expected power prices in the Philippines. Prices were revised down further as market forecasters are expecting a shift from a previous oversupply of coal in the region to greater renewable energy penetration over the near to medium term.

Revaluation of the RUMS project

As at 31 December 2022, the valuation of proceeding with the construction project was estimated to be negative US$33.3 million based on a 100% ownership, whereas the liabilities associated of aborting the deal were estimated to be US$14.1-$33.2 million. As there is significant subjectivity in determining the specific abort case liability to include in the valuation, it has been determined that a market participant would view the SolarArise portfolio in its entirety and that an appropriate assumption would be to write the SolarArise portfolio down to zero. As such, an abort liability of US$27.9 million was recognised (based on 100% ownership). Falling solar module prices over the 6 months to June 2023 has resulted in improving economics for the project. Updating the model with the declining panel prices and other assumption changes reduced the overall negative NPV. As at 30 June 2023, the fair value of the RUMS Project included within the valuation of SolarArise was negative US$18.8 million. As this is less than the negative US$27.9 million assumed abort liabilities, the RUMS project is now valued on a proceed basis.

Change in discount rates

A range of discount rates are applied in calculating the fair value of the investments, considering the location, technology and lifecycle of each asset as well as leverage and the split of fixed and variable revenues.

In determining the reasonableness of discount rates, these have been estimated by considering data points from transactional and other valuation benchmarks, disclosures in broker reports, other public disclosures and broader market experience of investors in the market. Discount rates are in the range 10-12.5% across the assets with the construction asset in India being top of the range and Vietnam assets at the bottom of the range. Changes to discount rates had minimal impact on valuations.

Other movements

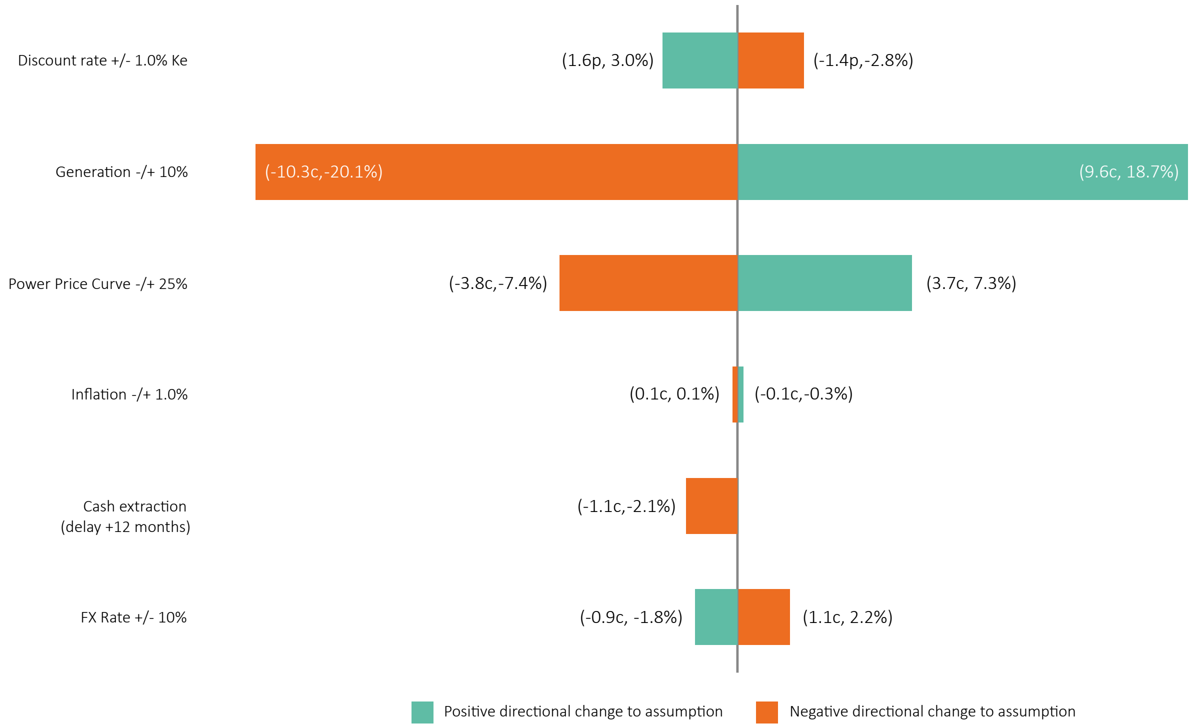
This refers to the balance of valuation movements in the period excluding the factors noted above.

Of this, -US$0.5 million relates to underperformance of the operational portfolio primarily driven by lower irradiance than budget in India and the Philippines as well as the impact of delaying the dates of assumed capital reductions in the operational portfolios that are assumed to eliminate cash traps in the portfolio assets.

Also within the step, resulting in a neutral valuation impact, is the funding of TT8 development costs and the RUMS project construction costs out of excess cash sitting in the SolarArise holding company. In June 2023, a PBG of US$1.7 million was paid in relation to the TT8 project. The PBG became payable when the SPV, Talettutayi Solar Project Eight Private Limited ("TT8") was confirmed as a successful bidder for the PPA with Maharashtra State Electricity Distribution Company Limited ("MSEDCL"). As at 30 June 2023, the PBG was fully refundable and therefore held at cost as an asset within the investment portfolio. The PPA was signed post period end in August 2023. Further payments were also made in relation to construction of the RUMS project during the period.

Portfolio valuation sensitivities

For each of the sensitivities shown, it is assumed that potential changes occur independently with no effect on any other assumption. The sensitivity movements are presented both on a cents per share basis and as a percentage of the Company NAV. As VSS projects are held at cost as at 30 June 2023, the sensitivities for VSS are not included below however are not expected to have a material impact on the overall results.



Discount rate: A range of discount rates are applied in calculating the fair value of investments, considering the location, technology and lifecycle stage of each asset as well as leverage and the split of fixed to variable revenues. A 100bps increase and decrease in the discount rate for each portfolio has been applied.

Generation: The sensitivity assumes a 10% increase or decrease in total forecast generation relative to the base case for each year of the asset life.

Power price curve: The sensitivity assumes a 25% increase or decrease in power prices relative to the base case for each year of the asset life.

Inflation: The sensitivity assumes a 0.5% increase or decrease in inflation relative to the base case for each year of the asset life. Where revenue or cost items have a contractually defined indexation profile, this has not been sensitised.

FX rate: Investments are held in the currency of the territory in which the asset is located. A flat decrease or increase of 10% in the relevant rate over the remaining asset life of each plant has been applied to the final values as at 30 June 2023.

Cash extraction: As at 30 June 2023, NISPI, the SolarArise holding company and each of the SolarArise SPVs had significant negative distributable reserve balances, prohibiting the payment of dividends. The valuations have been updated to reflect this but assume that some measures to eliminate cash traps within a reasonable timeframe are implemented, for example, capital reductions. The sensitivity assumes that such measures to eliminate cash traps are delayed by c. 12 months at both NISPI and SolarArise.

Financial Review

The Interim Financial Statements of the Company for the six-month period ending 30 June 2023 are set out on pages 24 to 41. These Interim Financial Statements have been prepared in accordance with UK-adopted international accounting standard IAS 34 Interim Financial Reporting and the applicable legal requirements of the Companies Act 2006.

Basis of accounting

The Company applies IFRS 10 and Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 28, which state that investment entities should measure all their subsidiaries that are themselves investment entities at fair value. The primary impact of this application, in comparison to consolidating subsidiaries, is that the cash balances, the working capital balances and borrowings in its subsidiaries are presented as part of the Company's fair value of investments.

Results for the period

	As at 30 June 2023 US$m	As at 31 December 2022 US$m
Net asset value	89.9	86.6
Fair value of Company's investments	23.9	11.5
Net assets per share (cents)	51.2	49.2
Onerous contract provision with respect to 57% acquisition of SolarArise	–	(38.5)

	For the period to 30 June 2023 US$m	For the period to 30 June 2022 US$m
Movement on fair value of investments	7.3	2.6
Profit for the period	5.4	2.6

Net assets

Net assets principally comprise the fair value of the Company's investments of US$23.9 million, the Company's cash balance of US$68.2 million and US$2.2 million of the Company's other assets and liabilities. See further breakdown below:

	30 June 2023 US$m	31 December 2022 US$m
Fair value of operational assets[16]	39.4	23.5
Fair value of construction assets (the RUMS project)	(18.8)	(12.0)
Fair value of development assets (TT8 project)	1.7	–
Fair value of AEIT Holdings	1.6	–
Fair value of Company's investments	**23.9**	**11.5**
Company's cash	68.2	115.8
Onerous contract provision	–	(38.5)
Company's other assets and liabilities	(2.2)	(2.2)
Net asset value	**89.9**	**86.6**
Number of shares (million)	175.7	175.7
Net asset value per share (cents)	**51.2**	**49.3**

Income

In accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in July 2022 by the Association of Investment Companies ("AIC"), the statement of comprehensive income differentiates between the 'revenue' account and the 'capital' account, and the sum of both items equals the Company's profit for the year. Items classified as capital in nature either relate directly to the Company's investment portfolio or are costs deemed attributable to the long-term capital growth of the Company.

In the period ending 30 June 2023, the Company's operating profit was US$5.4 million which is mainly comprised of the movement of fair value of investments, which have increased in value by US$7.3 million since 31 December 2022. The operating expenses included in the statement of comprehensive income for the year were US$1.8 million. Following the temporary suspension of the Company's shares, exceptional costs of US$1.1 million have been incurred during the period in respect of professional advice and services received.

Dividends

During the period, interim dividends totalling US$2.1 million were paid (1.18 cents per share paid in respect of the period from 1 October 2022 to 31 December 2022).

Post period end interim dividends were paid on 19 July 2023 of 0.44 cents per share in respect of the period from 1 January 2023 to 31 March 2023, a dividend paid on 11 September 2023 of 0.44 cents per share in respect of the period from 1 April 2023 to 30 June 2023, and a dividend paid on 11 December 2023 of 0.44 cents per share in respect of the period from 1 July 2023 to 30 September 2023. The Board does not intend to declare a dividend in respect of the quarter ended 31 December 2023 prior to completion of the strategic review, which is expected by the end of the first quarter of 2024.

[16] Based on economic ownership of assets in SolarArise, NISPI and VSS and includes the SolarArise holding company.

Impact Report

As at 30 June 2023

Asia pays a critical role in the global climate challenge. Strategic investments in Asia can significantly contribute to the reduction of global emissions and prevent widespread socioeconomic losses. Asia is home to four of the top 10 largest greenhouse gas emitters, contributing over 50 percent of the world's total emissions[17]. One of AEIT's current market countries, India, takes third place in the world's top GHG emitting countries.

AEIT is fully committed investment into renewable energy assets. This not only enables people to invest in line with their values but also helps to facilitate the transition to a more sustainable future. Such investments directly contribute to the United Nations Sustainable Development Goals ("UN SDGs"), primarily through the increase in access to affordable clean energy (SDG 7). The investment strategy finances renewable energy generation, avoids GHG emissions, while having a positive impact in the communities where it invests.

The Company integrates environmental, social and governance ("ESG") risk management into its due diligence and management systems and applies a triple-return approach that considers social and environmental objectives alongside the financial returns of the Company.

Financial Return	Environmental Return	Social Return
Providing shareholders with attractive dividend growth and prospects for long-term capital appreciation.	Protecting natural resources and the environment.	Delivering economic and social progress, through job creation and contribution to UN SDGs.

AEIT is classified as an Article 9 financial product with a sustainable objective under the EU Sustainable Finance Disclosure Regulation ("SFDR") and has made its periodic disclosures in its latest annual report.

Given the delay in publishing the Interim Report, a detailed Impact Report has not been provided. Instead, a high-level overview of impact metrics has been disclosed. See the 2022 Annual Report for an update on the Company's Impact performance. An updated view will be provided in the 2023 Annual Report, which is expected to be available in April 2024.

Impact highlights[18]

Proving financial returns through clean energy generation

The financial return target, in particular yield through dividends, is contributed to through the generation of clean energy and the operational performance of assets. Put simply, with all other things being equal, the more green energy an asset produces, the better the financial returns for investors through receiving revenue for the electricity that is sold. In this respect, there is no tradeoff between financial returns and positive impact through avoided emissions.

In looking through the impact lens, financial returns are generated though the installed operational capacity and the resulting clean energy generated, and these returns are sustainable through the alignment to the EU Taxonomy.

Installed operational capacity – MW

233 – SolarArise

32 – NISPI

6 – VSS

Clean energy generated – MWh

210,974

Equivalent number of people provided with clean electricity – No.[19]

197,508 – India

25,543 – Philippines

258 – Vietnam

Providing environmental returns through GHG emission avoidance

Through investments in renewable energy, the Company protects natural resources and the environment, directly avoiding greenhouse gas emissions.

Avoided emissions[20]– tCO_2e

168,825

Equivalent UK cars taken off the road[21] – No.

92,595

[17] https://www.wri.org/insights/interactive-chart-shows-changes-worlds-top-10-emitters.

[18] These metrics have been proportioned to account for AEIT's share of the SolarArise, NISPI and VSS assets during the reporting period. This considers a: 43% ownership of SolarArise from 1st January 2023 and then 100% of SolarArise from 13th January 2023, a 40% ownership of NISPI from 1st January 2023 and a 99.8% ownership of VSS from 31st May 2023.

[19] On the basis of: IEA 2020. Average per capita electricity consumption in India (0.96 MWh), in the Philippines (0.84 MWh) and in Vietnam (2.44 MWh).

[20] Carbon avoided is calculated using the International Financial Institution's approach for harmonised GHG accounting.

[21] Equivalent cars is calculated using a factor for displaced cars derived from the UK government GHG Conversion Factors for Company reporting.

Providing social returns through quality jobs created

The Company aims to contribute to delivering economic and social progress and help build resilient communities through supporting jobs and contributing to the UN SDG's.

Employment directly supported full time equivalent ("FTE") jobs – No.	Major health and safety incidents reported resulting in lost working time – No.
315	0

Contributing to UN SDGs

Through its investments and additional impact activities, the Company made active contributions to four UN SDGs as outlined below.

Interim Management Report

The Directors are required to provide an Interim Management Report in accordance with the Financial Conduct Authority ("FCA") Disclosure Guidance and Transparency Rules ("DTR"). The Chair's Statement, Company Developments section and the Investments section on pages 5 to 11 in this Interim Report provide details of the important events which have occurred during the period and their impact on the Interim Financial Statements. The following statements on principal risks and uncertainties, related party transactions, going concern and the Directors' Responsibility Statement below, together constitute the Interim Management Report for the Company for the six months ended 30 June 2023. The outlook for the Company is discussed in the Chair's Statement.

Risk and Risk Management

The Company's approach to risk governance and its risk review process are set out in the risks and risk management section of the 2022 Annual Report. Following the issues that came to light during the audit of the 2022 Annual Report and Financial Statements, the Audit and Risk Committee have reflected on risks that have subsequently crystallised and the changes they have made as a result. These are detailed in the table below:

Crystalised risk	Impact of crystallisation	Steps taken/changes made
Valuation process	• Temporary share suspension due to a material uncertainty regarding the fair value of its assets • Identified errors and inaccuracies in the prior period valuations	• A detailed review of the key assumptions included in the financial models and the valuation methodology for the Company's operational assets in India and the Philippines which had been prepared by the Former Investment Manager carried out by an independent third-party, PricewaterhouseCoopers LLP ("PwC") • Inaccurate or aggressive valuation assumptions identified by the Company following this review have been updated in line with best practice and market standards • Introduction of a SolarArise holding company model to accurately reflect asset management costs, Indian tax liabilities and cash repatriation out of India • Replacement of the Former Investment Manager effective 31 October 2023 by the Transitional Investment Manager • Replacement of the former independent valuer • Appointment of PwC as an independent valuation expert to provide a private independent opinion on the reasonableness of the valuations that are prepared by the Transitional Investment Manager in respect of the 31 December 2022 and subsequent valuations • Commenced a review of value optimisation strategies with Transitional Investment Manager
Asset valuations	• Decreases in the NAV when subsequent valuations carried out using less aggressive assumptions in line with best practice and market standards	• Replacement of the Former Investment Manager effective 31 October 2023 by the Transitional Investment Manager • Updated valuation process as detailed above • The Transitional Investment Manager has additional controls in place for any conflicted transactions
Reliance on third-party service providers (Company and asset level)	• Valuations based on inaccurate or aggressive assumptions subsequently being updated in line with best practice and market standards, leading to a large decline in the NAV • Inherited asset structures that do not optimise cash extraction by AEIT, thus requiring reorganisation • Asset management contracts have not been formalised • Reports from whistleblowers of key information being withheld from the Board, particularly with regard to the cost and funding of the proposed construction of the RUMS project and the potential penalties that could result from aborting it	• Replacement of the Former Investment Manager effective 31 October 2023 by the Transitional Investment Manager. The Transitional Investment Manager has a comprehensive due diligence process that should flag pre-construction risks at the point at which commitments were made • The Transitional Investment Manager is currently undertaking a review of governance procedures across all of the investment portfolio to propose potential improvements to the Board • The former independent valuer has stepped down and PwC have been appointed as the independent valuation expert to provide a private independent opinion on the reasonableness of the valuations that are prepared by the Transitional Investment Manager in respect of the 31 December 2022 and subsequent valuations • The Board, which had embedded itself in the detail of the Company's activities, has ensured, in so far as possible, that the new service providers have been given the appropriate handover and information to carry out their duties • Getting in place appropriate asset management agreements is a priority for the Transitional Investment Manager. • Changes made to SPV governance to ensure that the Board are aware of all commitments made in the underlying investments prior to signing

Crystalised risk	Impact of crystallisation	Steps taken/changes made
Construction risk	• Changes in macro-economic factors from the commitment date to the construction commencement date, such as the increase in solar panel prices (and EPC costs) and the changes in FX rates • Commitments made without the Board being made aware of all associated risks of the project	• Appointment of independent legal advisors to review potential abandonment liabilities associated with the RUMS project and determine probability of crystalisation • Appointment of an independent India-based financial adviser to advise the Board on the options for the RUMS project, including proceeding with construction and aborting it, and the associated risks of each option • Appointment of an independent technical advisor, Fichtner, to oversee the RUMS project and provide independent reports to the Transitional Investment Manager and the Board
Generation	• Operational assets acquired underperformed against P50 technical assumptions	• Appointment of independent technical advisor, Sgurr, to conduct refreshed due diligence on the P50 technical assumptions to validate or update modelled assumptions in 31 December 2023 and subsequent valuations • Pending receipt of the Sgurr report, a reduction has been applied to the P50 yield assessments used for the 31 December 2022, 30 June 2023 and 30 September 2023 valuations to reflect observed historical underperformance of the operational assets when compared with the level of generation assumed at the time of acquisition

The principal and emerging risks to the achievement of the Company's objectives are unchanged from those reported on pages 37 to 41 of the 2022 Annual Report.

Task Force on Climate-related Financial Disclosures ("TCFD")

Our TCFD approach is detailed on pages 42 to 45 of the 2022 Annual Report. An updated TCFD disclosure covering the investments made in 2023 will be provided in the 2023 annual report.

Temporary share suspension

Following the material uncertainty regarding the fair value of the Company's investment portfolio as at 31 December 2022, the Company requested the FCA to suspend the listing of its ordinary shares (with a corresponding request made to the London Stock Exchange for a suspension of trading) with effect from 7.30 a.m. on 25 April 2023, with reference to the FCA's Listing Rule 5.1.2G(3).

Restoration of the listing

The Company is working on the electronic tagging of the 2022 Annual Report and Accounts, following which it will apply to the FCA for the restoration of the listing and will make a further announcement in due course.

Related party transactions

The Company's AIFM is considered a related party under the Listing Rules. The Company's AIFM is Adepa Asset Management S.A. The AIFM is entitled to an annual management fee, subject to a minimum fee of US$75,000 per annum, at the following rates, based on the NAV and payable quarterly in arrears:

NAV	Fee rate
Up to US$200 million	0.055%
Between US&200-400 million	0.045%
Between US&400-1,000 million	0.035%
Above US$1 billion	0.025%

The AIFM is also entitled to annual risk management fee and AIFMD reporting fees of EUR14,500. The AIFM's appointment is terminable by either party on not less than six months' notice in writing.

The AIFM, with the agreement of the Company, has delegated the portfolio management of the Company to the Investment Manager. The Investment Management Agreement between the AIFM, Company and Investment Manager (the "IMA") sets out the matters in respect of which the Investment Manager has authority and responsibility, subject to the overall control and supervision of the Board.

For the period from IPO to 31 October 2023, the Investment Manager was ThomasLloyd Global Asset Management (Americas) LLC (the "Former Investment Manager"). Under the relevant IMA, the Former Investment Manager was entitled to a management fee, details of which are included in note 12 to the Interim Financial Statements. On 15 September 2023, following the failure of the Continuation Resolutions at the requisitioned general meeting and the adjourned annual general meeting held on 24 August 2023, the Board served notice on the Former Investment Manager terminating the IMA with effect from 31 October 2023. From 1 November 2023, Octopus Energy Generation ("OEGEN") was appointed as Transitional Investment Manager to cover an initial period through to 30 April 2024. For this initial term, the Company will pay OEGEN a management fee of US$1.35 million. At the end of the term, at the discretion of the Board, there is scope for OEGEN to earn an additional management fee of up to US$0.55 million for its services during the transitional period.

The Board, together with its advisers, is currently conducting a strategic review of the options for the Company's future, including the appointment of an Investment Manager for the period post 30 April 2024.

Details of the amounts paid to the Company's AIFM, Former Investment Manager and the Directors during the period are included in the note 12 to the Interim Financial Statements. There were no amounts paid to the Transitional Investment Manager for the period under review.

Going concern

The Company has undertaken an evaluation of its cashflow forecasts and going concern position, including downside scenarios. This evaluation demonstrated that the Company has sufficient cash to meet all of its liabilities within the going concern assessment period, which is a period of at least 12 months from the date the Financial Statements were authorised for issue.

In reaching this conclusion, the Directors considered the Company's net assets as at 30 June 2023 of US$89.9 million, its cash reserves at that date of US$68.2 million, consequences of the share suspension and its recurring operating expenditure requirements, both to date and into the future. During the 6 months ended 31 December 2023, the Company funded the construction of the RUMS project via a US$20.0 million loan, paid dividends to its shareholders of US$2.3 million and paid the running costs of the Company. As at 31 December 2023 the Company had cash reserves of US$41.4 million and AEIT Holdings had cash reserves of US$1.7 million. This cash position has been used in assessing the Company's going concern position and cash flow forecasts.

The Company continues to meet its day-to-day liquidity needs through its cash resources. Assumed future cash inflows over the going concern period include the receipt of dividend and interest income from its underlying investments and the main cash outflows are the ongoing running costs of the Company and the payment of dividends to its shareholders. A key priority for 2024 for the Board and Transitional Investment Manager is to undertake capital restructuring to facilitate the repatriation of cash out of the underlying investment portfolio. A downside scenario modelled within the cash flows in the going concern assessment assume this repatriation is delayed until after the end of the going concern period (i.e. no dividend or interest income is received from the Company's investments during that period). Even in this scenario, the Company still has sufficient cash reserves to continue as a going concern. The cash flow forecasts in the downside scenario also assume no further investment commitments during the going concern period (the Company had no outstanding investment commitments at 31December 2023 and at the date of signing this Interim Report).

The future of the Company relies heavily on the outcome of the current strategic review of the options for the future of the Company which is expected to conclude by the end of the first quarter of 2024. At the date of this Interim Report, based on the information currently available, the most likely outcomes of the strategic review remain a proposal for either the relaunch of the Company (potentially with a new investment objective, investment policy, target returns and/or Investment Manager but maintaining the impact-led, Asian focus) or a managed wind-down. Shareholders will have the opportunity to vote on the outcome of the strategic review.

The Board does not intend to declare a dividend in respect of the quarter ended 31 December 2023, nor does it intend to make any further acquisitions or commitments prior to completion of, the strategic review.

While the Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and the going concern basis of accounting has been adopted in preparing the Interim Financial Statements, the outcome of the strategic review as set out above is not within the control of the Board and is therefore uncertain, and will solely be down to a vote of the shareholders, who may vote for a managed wind up of the Company. In light of this shareholder vote and that shareholders may vote for a managed wind up of the Company, there remains a material uncertainty surrounding the Company's future and in whether it constitutes an ongoing going concern.

Responsibility Statement of the Directors

The Directors acknowledge responsibility for the interim results and approve this Interim Report. The Directors confirm that to the best of their knowledge:

a) the condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and give a true and fair view of the assets, liabilities and financial position and the profit of the Company as required by the FCA's Disclosure Guidance and Transparency Rules. DTR 4.2.4R;

b) the interim management report, included within the Chair's Statement and Investment Manager's Report, includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

This responsibility statement has been approved by the Board.

Sue Inglis
Chair

22 January 2024

Condensed Statement of Comprehensive Income

		For the six-month period ended 30 June 2023 (unaudited)			For the eight-month period ended 30 June 2022 (unaudited)		
	Notes	Revenue $'000	Capital $'000	Total $'000	Revenue $'000	Capital $'000	Total $'000
Investment income		–	–	–	–	–	–
Movement in fair value of investments	7	–	7,304	7,304	–	2,618	2,618
Total revenue		–	**7,304**	**7,304**	–	**2,618**	**2,618**
Investment management fees		(156)	(156)	(312)	(389)	(389)	(778)
Administration and professional fees	3	(1,763)	–	(1,763)	(610)		(610)
Net foreign exchange losses		154	–	154	1,367	–	1,367
(Loss)/profit before taxation		**(1,765)**	**7,148**	**5,383**	**368**	**2,229**	**2,597**
Taxation	4	–	–	–	–	–	–
(Loss)/profit for the period		**(1,765)**	**7,148**	**5,383**	**368**	**2,229**	**2,597**
(Loss)/earnings per share (cents) – basic and diluted	6	(1.01)	4.09	3.08	0.39	2.37	2.76

The total column of the above statement of comprehensive income is the profit and loss account of the Company. The 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies. All expenses are presented as revenue items except 50% of the investment management fee, which is charged as a capital item within the Statement of Comprehensive Income.

All revenue and capital items in the above statement derive from continuing operations.

Comparatives are for the period from 1 November 2021 to 30 June 2022 and represent operating activities from the date of listing of its ordinary shares on the London Stock Exchange on 14 December 2021 to 30 June 2022.

The accompanying notes are an integral part of these Interim Financial Statements.

Condensed Statement of Financial Position

	Notes	As at 30 June 2023 (unaudited) $'000	31 December 2022 (audited) $'000
Non-current assets			
Investments at fair value through profit or loss	7	23,875	11,491
Current assets			
Trade and other receivables		1,328	633
Cash and cash equivalents		68,215	115,819
		69,543	**116,452**
Current liabilities: amounts falling due within one year			
Trade and other payables		(3,525)	(2,863)
Onerous contract provision	7	–	(38,500)
		(3,525)	**(41,363)**
Net current assets		**66,018**	**75,089**
Net assets		**89,893**	**86,580**
Capital and reserves			
Share capital	8	1,757	1,757
Share premium account		63,518	63,518
Special distributable reserve	9	108,019	110,089
Revenue reserve		(4,048)	(2,283)
Capital reserve		(79,353)	(86,501)
Equity attributable to owners of the Company		**89,893**	**86,580**
Net assets per share (cents)	10	51.17	49.28

The unaudited Interim Financial Statements were approved by the Board of Directors and authorised for issue on 22 January 2024 and were signed on its behalf by:

Sue Inglis
Chair

The accompanying notes are an integral part of these Interim Financial Statements. Incorporated in England and Wales with registered number 13605841.

Condensed Statement of Changes in Equity

For the period ended 30 June 2023 (Unaudited)

	Notes	Share capital $'000	Share premium account $'000	Special reserve $'000	Revenue reserve $'000	Capital reserve $'000	Total shareholders' funds $'000
Opening equity as at 1 January 2023		**1,757**	**63,518**	**110,089**	**(2,283)**	**(86,501)**	**86,580**
(Loss)/profit and total comprehensive (expense)/ income for the period		–	–	–	(1,765)	7,148	5,383
Dividends paid	5	–	–	(2,070)	–	–	(2,070)
Closing equity as at 30 June 2023		**1,757**	**63,518**	**108,019**	**(4,048)**	**(79,353)**	**89,893**

For the period ended 30 June 2022 (unaudited)

	Notes	Share capital $'000	Preference shares $'000	Share premium account $'000	Special distributable reserve $'000	Revenue reserve $'000	Capital reserve $'000	Total shareholders' funds $'000
Opening equity as at 1 November 2021		**–**	**66**	**–**	**–**	**–**	**–**	**–**
Shares issues in the period		1,154	–	114,239	–	–	–	115,393
Share issue costs		–	–	(2,247)	–	–	–	(2,247)
Transfer to special distributable reserve		–	–	(111,992)	111,992	–	–	–
Cancellation of share capital		–	(66)	–	–	–	–	(66)
Profit and total comprehensive income for the period		–		–	–	368	2,229	2,597
Dividends paid	5	–		–	(508)	–	–	(508)
Closing equity as at 30 June 2022		**1,154**	**–**	**–**	**111,484**	**368**	**2,229**	**115,235**

The accompanying notes are an integral part of these Interim Financial Statements.

Condensed Statement of Cash Flows

	Notes	For the six-month period ended 30 June 2023 (unaudited) $'000	For the eight-month period ended 30 June 2022 (unaudited) $'000
Operating activities cash flows			
Profit before taxation		5,383	2,597
Adjustments for:			
Movement in fair value of investments	7	(7,304)	(2,618)
Foreign exchange gains on operating balances		(154)	(1,367)
Operating cash flow before movements in working capital		**(2,075)**	**(1,388)**
Changes in working capital:			
Increase in trade and other receivables		(695)	(1,145)
Increase in trade payables		572	788
Net cash flow from operating activities		**(2,198)**	**(1,745)**
Investing activities cash flows			
Acquisition of investments		(43,490)	(25,382)
Net cash flow used in investing activities		**(43,490)**	**(25,382)**
Financing activities cash flows			
Dividends paid to shareholders	5	(2,070)	(508)
Proceeds from issue of share capital during the period		–	115,393
Costs in relation to issue of shares		–	(2,247)
Net cash flow used in financing activities		**(2,070)**	**112,638**
Net (decrease)/increase in cash and cash equivalents		**(47,758)**	**85,511**
Cash and cash equivalents at start of period		115,819	–
Foreign exchange gains on cash or cash equivalents		154	1,370
Cash and Cash equivalents at end of period		**68,215**	**86,881**

The accompanying notes are an integral part of these Interim Financial Statements.

Notes to the Condensed Unaudited Financial Statements

For the period ended 30 June 2023

1. General informa on

Asian Energy Impact Trust plc ("AEIT" or the "Company") is a public company limited by Ordinary Shares incorporated in England and Wales on 6 September 2021 with registered number 13605841. The Company changed its name from ThomasLloyd Energy Impact Trust plc on 27th October 2023. The Company is a closed-ended investment company with an indefinite life. The Company commenced its operations on 14 December 2021 when the Company's Ordinary Shares were admitted to trading on premium segment of the London Stock Exchange's Main Market (the 'IPO'). The Directors intend, at all times, to conduct the affairs of the Company as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010, as amended.

The registered office and principal place of business of the Company is The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF, United Kingdom.

The Company's principal activity is to invest in a diversified investment portfolio of sustainable energy infrastructure assets in fast-growing and emerging economies in Asia. The Company has a 'Triple Return' investment objective which consists of: (i) providing shareholders with attractive dividend growth and prospects for long-term capital appreciation (the financial return); (ii) protecting natural resources and the environment (the environmental return); and (iii) delivering economic and social progress, helping build resilient communities and supporting purposeful activity (the social return). The Company seeks to achieve its investment objective by delivering on its principal activity.

The interim condensed unaudited financial statements of the Company (the "Interim Financial Statements") are for the six-month period ended 30 June 2023 and comprise only the results of the Company, as all of its subsidiaries are measured at fair value through profit or loss following the amendment to IFRS 10 as explained below in Note 2. The comparatives shown in these Interim Financial Statements refer to the eight-month period to 30 June 2022 and as at 31 December 2022.

The Company has appointed Adepa Asset Management S.A to be the alternative investment fund manager of the Company (the "AIFM") for the purposes of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers. Accordingly, the AIFM is responsible for the portfolio management of the Company and for exercising the risk management function in respect of the Company. The AIFM has delegated portfolio management services to the Investment Manager.

The AIFM, with the agreement of the Company, has delegated the portfolio management of the Company to the Investment Manager. For the period from IPO to 31 October 2023, the Investment Manager was ThomasLloyd Global Asset Management (Americas) LLC (the "Former Investment Manager"). Under the relevant investment management agreement between the AIFM, Company and Investment Manager (the "IMA") the Former Investment Manager was entitled to a management fee, details of which are included in Note 12 to the Interim Financial Statements. On 15 September 2023, the Board served notice on the Former Investment Manager terminating the IMA with effect from 31 October 2023. From 1 November 2023, Octopus Energy Generation ("OEGEN") was appointed as Transitional Investment Manager to cover an initial period through to 30 April 2024. For this initial term, the Company will pay OEGEN a management fee of US$1.35 million. At the end of the term, at the discretion of the Board, there is scope for OEGEN to earn an additional management fee of up to US$0.55 million for its services during the transitional period.

JTC Limited (the "Administrator") provides administrative and company secretarial services to the Company under the terms of the Administration Agreement between the Company and the Administrator.

The annual financial statements of the Company for the period ended 31 December 2022 were approved by the Directors on 22 January 2024 and are available on the Company's website https://www.asianenergyimpact.com/.

2. Basis of prepara on

The Interim Financial Statements included in this report have been prepared in accordance with UK-adopted international accounting standard IAS 34 Interim Financial Reporting and the applicable requirements of the Companies Act 2006. The Interim Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The Interim Financial Statements have also been prepared as far as is relevant and applicable to the Company in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued in July 2022 by the Association of Investment Companies ("AIC").

The Interim Financial Statements are presented in US Dollar ('US$'), which is the Company's functional currency and are rounded to the nearest thousand, unless otherwise stated. The accounting policies, significant judgements, key assumptions and estimates are consistent with those used in the latest audited financial statements to 31 December 2022 and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2022.

Going concern

The Company has undertaken an evaluation of its cashflow forecasts and going concern position, including downside scenarios. This evaluation demonstrated that the Company has sufficient cash to meet all of its liabilities within the going concern assessment period, which is a period of at least 12 months from the date the Interim Financial Statements were authorised for issue.

In reaching this conclusion, the Directors considered the Company's net assets as at 30 June 2023 of US$89.9 million, its cash reserves at that date of US$68.2 million, consequences of the share suspension and its recurring operating expenditure requirements, both to date and into the future. During the 6 months ended 31 December 2023, the Company funded the construction of the RUMS project via a US$20.0 million loan, paid dividends to its shareholders of US$2.3 million and paid the running costs of the Company. As at 31 December 2023 the Company had cash reserves of US$41.4 million and AEIT Holdings had cash reserves of US$1.7 million. This cash position has been used in assessing the Company's going concern position and cash flow forecasts.

The Company continues to meet its day-to-day liquidity needs through its cash resources. Assumed future cash inflows over the going concern period include the receipt of dividend and interest income from its underlying investments and the main cash outflows are the ongoing running costs of the Company and the payment of dividends to its shareholders. A key priority for 2024 for the Board and Transitional Investment Manager is to undertake capital restructuring to facilitate the repatriation of cash out of the underlying investment portfolio. A downside scenario modelled within the cash flows in the going concern assessment assume this repatriation is delayed until after the end of the going concern period (i.e. no dividend or interest income is received from the Company's investments during that period). Even in this scenario, the Company has sufficient cash reserves to continue as a going concern. The cash flow forecasts in the downside scenario also assume no further investment commitments during the going concern period. The Company had no outstanding investment commitments at 31 December 2023 and at the date of signing this Interim Report.

The future of the Company relies heavily on the outcome of the current strategic review of the options for the future of the Company which is expected to conclude by the end of the first quarter of 2024. At the date of this Interim Report, based on the information currently available, the most likely outcome of the strategic review remain a proposal for either the relaunch of the Company (potentially with a new investment objective, investment policy, target returns and/or Investment Manager but maintaining the impact-led, Asian focus) or a managed wind-down. Shareholders will have the opportunity to vote on the outcome of the strategic review.

The Board does not intend to declare a dividend in respect of the quarter ended 31 December 2023, nor does it intend to make any further acquisitions or commitments prior to completion of, the strategic review.

While the Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and the going concern basis of accounting has been adopted in preparing the Interim Financial Statements, the outcome of the strategic review as set out above is not within the control of the Board and is therefore uncertain, and will solely be down to a vote of the shareholders, who may vote for a managed wind up of the Company. In light of this shareholder vote and that shareholders may vote for a managed wind up of the Company, there remains a material uncertainty surrounding the Company's future and in whether it constitutes an ongoing going concern.

Critical accounting judgements, estimates and assumptions

The preparation of the Interim Financial Statements 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 regularly on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant estimates, judgements and assumptions for the period are set out as follows:

Key sources of estimation uncertainty: fair value estimation for investments at fair value

The Company's investments at fair value are not traded in active markets. As such, the fair value of these investments are calculated using discounted cash flow ("DCF") models based on valuation methods and techniques generally recognised as standard in the industry, specifically taking into account the International Private Equity and Venture Capital Valuation Guidelines, which includes recommendations and best practice.

The DCF models use observable data, to the extent practicable. However, the key inputs require management to make estimates. The key assumptions used in the DCF models at 30 June 2023 that the Directors believe would have a material impact on the fair value of the investments should they change are set out in Note 7. The key unobservable inputs, and therefore the key sources of estimation uncertainty, are future power prices, renewable energy generation, discount rates, inflation rates and the timing of dividends given some of the investments have capital structures which makes realisation of dividends more difficult. Sensitivities of the key inputs used in the DCF models are detailed in Note 7.

As at 30 June 2023, the Company held an investment in SolarArise which owns 6 operational solar farms and 1 under construction asset in India. The asset under construction is termed the RUMS project.

In preparing the June 2023 valuation of SolarArise, the Board identified a risk that the fair value of the RUMS project was negative. At the Balance Sheet date, the valuation of proceeding with the project was estimated to be negative US$18.8 million on a 100% basis. The Board has considered ways to mitigate this exposure including aborting the project and not proceeding with construction. However, termination penalties would arise if the project were aborted which are estimated to be in the region of US$14.1 million to US$33.4 million (on a 100% basis).

There is therefore significant subjectivity and estimation uncertainty in determining the fair value of the Company's investment in SolarArise and the valuation of the RUMS project. In determining the fair value of SolarArise, it has been determined that the information available as at the Balance Sheet date would lead the Company to proceed with construction of the RUMS project, rather than aborting the project, as the least value destructive option.

The sensitivity of this key input is detailed in Note 7. Decreases in solar module prices as China came out of lockdowns and opened up supply through 2023 is the primary reason why the overall negative NPV of the project has now fallen. On 11 October 2023, the Board agreed to provide funding of US$20 million by way of an INR denominated external commercial borrowings loan from the Company to SolarArise to enable construction of the RUMS project to proceed on the basis that proceeding with the project was now the best option rather than paying termination penalties. This decision was based on advice from the Former Investment Manager, who at this time, had valued the RUMS project at a negative NPV of US$13 million. On 13 December 2023, the Company announced that the Transitional Investment Manager had valued the RUMS project at a negative NPV of US$14.6 million as at 30 September 2023.

Critical accounting judgement: equity and loan investments

The Company considers the equity and loan investments to share the same investment characteristics and risks and they are therefore treated as a single unit of account for fair value purposes (IFRS 13) and a single class for financial instrument disclosure purposes (IFRS 9). As a result, the evaluation of the performance of the Company's investments is done for the entire portfolio on a fair value basis, as is the reporting to the key management personnel and to the investors. In this case, all equity, derivatives and debt investments form part of the same portfolio for which the performance is evaluated on a fair value basis together and reported to the key management personnel in its entirety.

Critical accounting judgement: basis of non-consolidation

The Company has adopted the amendments to IFRS 10 which states that investment entities should measure all of their subsidiaries that are themselves investment entities at fair value (in accordance with IFRS 9 Financial Instruments: Recognition and Measurement, and IFRS 13 Fair Value Measurement). Under the definition of an investment entity, the Company should satisfy all three of the following tests:

i. the Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;

ii. the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

iii. the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether the Company meet the definition of an investment entity set out in IFRS 10 the Directors note that:

i. the Company has multiple investors and obtains funds from a diverse group of shareholders who would otherwise not have access individually to invest in renewable energy infrastructure investments due to high barriers to entry and capital requirements;

ii. the Company intends to hold its investments for the remainder of their useful lives for the purpose of capital appreciation and investment income in line with the Company's stated strategy and the Directors believe the Company is able to generate returns to the investors during that period[22]; and

iii. the Company measures and evaluates the performance of all of its investments on a fair value basis which is the most relevant for investors in the Company. Management use fair value information as a primary measurement to evaluate the performance of all of the investments and in decision making.

The Directors are of the opinion that the Company meets all the typical characteristics of an investment entity and therefore meets the definition set out in IFRS 10. The Directors are satisfied that investment entity accounting treatment appropriately reflects the Company's activities as an investment trust.

Critical accounting judgement: functional currency

The Directors consider that the US Dollar is the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions that impact the Company.

The Company's ordinary share capital is issued in US Dollars. The primary activity of the Company is to invest in unlisted debt and equity securities issued by companies involved in the construction or operation of sustainable renewable energy infrastructure assets in fast-growing and emerging economies in Asia. Although these unlisted debt and equity securities are held in their local currencies, the fair value associated with each investment held is converted into US Dollars at the prevailing spot exchange rate at the valuation date for presentation within the Company's results. The US Dollar is the currency in which the Company measures its performance and reports its results, as well as the principal currency in which it receives subscriptions from its investors.

The functional currency assessment also considers the cost structure of the Company and the currencies in which it may pay dividends and receive income. The majority of operating expenses are denominated in US Dollars and the Company announces dividend payments in US Dollars (although it may also settle in currencies other than US Dollars). It is expected that the Company will receive dividend income in currencies other than US Dollars, although it may enter into a hedging programme to mitigate against future volatility in those currencies in comparison to US Dollars.

[22] Directors will be putting forward proposals for the reconstruction and reorganisation of the Company to shareholders. Included within these proposals will be a managed wind-down of the Company. Shareholders will be given the option to vote on their preferred proposal.

The functional currency assessment is reviewed periodically in light of investments made and to be made.

3. Operating expenses

	For the period ended 30 June 2023 (unaudited)			For the period ended 30 June 2022 (unaudited)		
	Revenue US$'000	Capital US$'000	Total US$'000	Revenue US$'000	Capital US$'000	Total US$'000
Administration fees	87	–	87	72	–	72
AIFM fees	38	–	38	41	–	41
Legal and professional fees	1,149	–	1,149	111	–	111
Transaction costs	–	–	–	–	–	–
Compliance and Regulatory fees	50	–	50	–	–	–
Directors' fees	131	–	131	149	–	149
Valuation Fees	168	–	168	–	–	–
Company's audit and non-audit fees:						
– in respect of audit services	83	–	83	113	–	113
– in respect of non-audit related services	–	–	–	–	–	–
Other operating expenses	57	–	57	124	–	124
	1,763	**–**	**1,763**	**610**	**–**	**610**

	For the period ended 30 June 2023	For the period ended 30 June 2022
Analysed as:	Total US$'000	Total US$'000
Ongoing and recurring costs of the Company	616	610
Other one-off costs following the temporary share suspension	1,147	–
Total	**1,763**	**610**

The Company has no employees. Full detail on Directors' fees is provided in note 12. The Directors' fees exclude employer's national insurance contribution which is included as appropriate in other operating expenses. There were no other emoluments.

4. Taxation

(a) Analysis of charge/(credit) in the period

	For the six-month period ended 30 June 2023 (unaudited)			For the period ended 30 June 2022 (unaudited)		
	Revenue $'000	Capital $'000	Total $'000	Revenue $'000	Capital $'000	Total $'000
Corporation tax	–	–	–	–	–	–
Tax charge / (credit) for the period	–	–	–	–	–	–

(b) Factors affecting total tax charge for the period:

The effective UK corporation tax rate applicable to the Company for the period is 22% (2022: 19%). The tax charge/(credit) differs from the charge/(credit) resulting from applying the standard rate of UK corporation tax for an investment trust company. The differences are explained below:

	For the period ended 30 June 2023 (unaudited)			For the period ended 30 June 2022 (unaudited)		
	Revenue $'000	Capital $'000	Total $'000	Revenue $'000	Capital $'000	Total $'000
Loss before taxation	(1,765)	7,148	5,383	368	2,229	2,597
Corporation tax at 22%/19%	(388)	1,572	1,184	70	423	493
Effects of:						
Non-taxable capital gains	–	(1,607)	(1,607)	–	(497)	(497)
Unutilised losses carried forward	388	35	423	(70)	74	4
Total tax charge/(credit) for the period	–	–	–	–	–	–

The Directors are of the opinion that the Company has complied with the requirements for maintaining investment trust status for the purposes of section 1158 of the Corporation Tax Act 2010. This allows certain capital profits of the Company to be exempt from UK tax. Additionally, the Company may designate dividends payable wholly or partly as interest distributions for UK tax purposes. Interest distributions are treated as tax deductions against taxable income of the Company so that investors do not suffer double taxation on their returns.

The Interim Financial Statements do not directly include the tax charges for any of the Company's subsidiaries as these are held at fair value. Each of these companies are subject to taxes in the countries in which they operate.

5. Dividends

	For the period ended 30 June 2023 (unaudited)		For the period ended 30 June 2022 (unaudited)	
	Cents per Ordinary Share	Total $'000	Cents per Ordinary Share	Total $'000
Q1 2022 dividend- paid on 24 June 2022	–	–	0.44	508
Q4 2022 dividend- paid on 23 May 2023	1.18	2,070	–	–
Total	**1.18**	**2,070**	**0.44**	**508**

On 6 June 2023, the Company declared an interim dividend in respect of the period from 1 January 2023 to 31 March 2023 of 0.44 cents per share, paid on 19 July 2023 to shareholders on the register at 16 June 2023. On that record date, the number of shares in issue was 175,684,705 and the total dividend paid to shareholders amounted to US$0.8 million. This dividend has not been included as a liability at 30 June 2023.

On 10 August 2023, the Company declared an interim dividend in respect of the period from 1 April 2023 to 30 June 2023 of 0.44 cents per share, paid on 11 September 2023 to shareholders on the register at 18 August 2023. On that record date, the number of shares in issue was 175,684,705 and the total dividend paid to shareholders amounted to US$0.8 million. This dividend has not been included as a liability at 30 June 2023.

On 8 November 2023, the Company declared an interim dividend in respect of the period from 1 July 2023 to 30 September 2023 of 0.44 cents per share, paid on 11 December 2023 to shareholders on the register at 17 November 2023. On that record date, the number of shares in issue was 175,684,705 and the total dividend paid to shareholders amounted to US$0.8 million. This dividend has not been included as a liability at 30 June 2023.

6. Earnings per ordinary share

Earnings per ordinary share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the period as follows.

	For the six-month period ended 30 June 2023 (unaudited)			For the period ended 30 June 2022 (unaudited)		
	Revenue	Capital	Total	Revenue	Capital	Total
(Loss)/profit attributable to the equity holders of the Company (US$'000)	(1,765)	7,148	5,383	368	2,229	2,597
Weighted average number of ordinary shares in issue (000)	174,685	174,685	174,685	94,024	94,024	94,024
Earnings/(loss) per ordinary share (cents) – basic and diluted	**(1.01)**	**4.09**	**3.08**	**0.39**	**2.37**	**2.76**

7. Investments at fair value through profit or loss

As set out in note 2, the Company accounts for its interest in its wholly owned direct subsidiaries as an investment at fair value through profit or loss.

a) Reconciliation of movement in fair value of portfolio of assets

The table below shows the movement in the fair value of the Company's investments. The Company accounts for its interest in its wholly owned direct subsidiaries as an investment at fair value through profit or loss.

	As at 30 June 2023 (unaudited) $'000	As at 31 December 2022 (audited) $'000
Opening balance	11,491	–
Portfolio of assets acquired	43,490	58,484
Onerous contract provision utilised during the period	(38,500)	–
Movement in fair value	5,609	(46,993)
Fair value of portfolio of assets at the end of the period	**22,090**	**11,491**
Cash held in AEIT Holdings	1,824	–
Fair value of other net assets in AEIT Holdings	(129)	–
Fair value of Company's investments at the end of the period	**23,875**	**11,491**

b) Investment losses in the period

	For the period to 30 June 2023 (unaudited) $'000	For the period to 31 December 2022 (audited) $'000
Movement in fair value of investments	7,304	(46,993)

Fair value of the investment portfolio

The Transitional Investment Manager has carried out a fair market valuation of the investments as at 30 June 2023. These valuations have been reviewed by the Company's independent valuation expert, PwC.

The Directors have satisfied themselves as to the methodology used, the discount rates applied and the valuation. All investments are in renewable energy assets and are valued using a DCF methodology.

The key assumptions used in the DCF models at 30 June 2023 that the Directors believe would have a material impact on the fair value of the investments should they change are set out in the table below. The key and most material unobservable inputs, and therefore the key sources of estimation uncertainty, are future power prices, renewable energy generation, discount rates and inflation rates. The table below also includes other assumptions which the Investment Manager consider to be key to the valuation of each investment.

Key assumption	Philippines	India	Description
Power prices	Forecast WESM[23] prices are based on a blend of two wholesale energy price curves as prepared by independent market advisors that are reputable in these markets.	Fixed price PPA	All assets in the Indian portfolio have long-term fixed price power purchase agreements and therefore market forecasts are not required. The Philippine portfolio generates revenue through the sale of power to the grid at the wholesale electricity market price and is fully exposed to volatility in wholesale energy price curves.

[23] Philippine Wholesale Electricity Spot Market.

Key assumption	Philippines	India	Description
Energy generation	P50	P50	Electricity output is based on specifically commissioned yield assessments prepared by technical advisors. Each asset's valuation assumes a 'P50' level of electricity output, which is the estimated annual amount of electricity generation that has a 50% probability of being exceeded - both in any single year and over the long-term - and a 50% probability of being underachieved. The P50 provides an expected level of generation over the long-term. A 3-5% 'haircut' has been applied to the current P50 yields in the models based on historical underperformance.
Discount rate	The discount rate used in each DCF model reflects the current market assessment of the time value of money and the risks specific to each investment. Key inputs to the discount rates have been verified by PwC, the independent valuation expert. The discount rate used in the DCF for these assets are between the ranges of 11.5% - 12.5%.		
FX rate	US$1:PHP 55.359	US$1:INR 82.096	Underlying valuations are calculated in local currency and converted back to USD at the spot rate at the relevant valuation date.
Inflation	CPI trends downwards to a long-term inflation rate assumption of 3%. The Bangko Sentral ng Pilipinas (central bank of the Philippines) target inflation range is 2% to 4%.	India CPI forecasts trend downwards in the near term to a long-term inflation rate assumption of 4.2%. This is in line with the Reserve Bank of India target inflation range of 2% to 6%.	Inflation assumptions used in the model are a blend of a leading market forecaster with International Monetary Fund (IMF) CPI forecasts for all invested markets as at 31 December 2022.
Capital structure	Capital reduction effective on 30 June 2024	Capital reduction effective on 30 June 2024	The current structure of each of these investments is not optimal for cash extraction. The DCF models assume a degree of capital restructuring for each investment to enable cash to be extracted more efficiently. Any delay to these restructuring plans may delay the ability of the Company to extract cash out of its underlying investments.

The fair value of the Vietnam assets are deemed to be equal to cost, given the close proximity of the acquisition to the period end. As such, the Transitional Investment Manager has not prepared a DCF for these assets as at 30 June 2023.

RUMS Project

Within the SolarArise portfolio is a 200 MW asset under construction (the "RUMS project") held through a separate subsidiary. As at 31 December 2022, an abort liability of US$27.9 million was recognised (based on 100% ownership) in relation to the RUMS project.

Falling solar module prices over the 6 months to June 2023 has resulted in improving economics for the project. Updating the model with the declining panel prices and other assumption changes reduced the overall negative NPV. As at 30 June 2023, the fair value of the RUMS project included within the valuation of SolarArise was negative US$18.8 million, excluding the paid in capital as at 30 June 2023 of US$7 million. As this is less than the US$27.9 million assumed abort liabilities, the RUMS project is valued on a proceed basis.

Post period end, following a continuing decrease in panel prices and reevaluation of the project, the Board decided that proceeding with the project represented the least value destructive option for the Company. As at 30th September 2023, the valuation of the RUMS project was a negative NPV of US$14.6 million. This excludes the paid in capital to date of US$10.1 million.

SolarArise Acquisition of 57% Holding

On 20 June 2022 the Company made a commitment to purchase the remaining 57% of SolarArise for a total consideration of US$38.5 million. As at 31 December 2022, the Company had identified an onerous contract and recognised a provision of US$38.5 million in respect of this commitment as on completion of the acquisition in 2023, a fair value loss was recorded which was lower than the consideration paid to acquire this 57% investment, primarily due to termination penalties relating to the RUMS project.

Completion of the purchase of 57% of SolarArise occurred on 13 January 2023 and it is at this date on which the provision was utilised.

AEIT Holdings Limited

On 5 May 2022, the Company incorporated a wholly owned subsidiary, AEIT Holdings Limited, a private company, limited by ordinary shares. AEIT Holdings' principal activity is to act as an investment holding company and it is intended that the Company will acquire its future investments directly through AEIT Holdings. At 30 June 2023, AEIT Holdings directly held the investment in VSS. During the period, the Company invested cash of US$5.0 million into AEIT Holding. AEIT Holdings utilised the cash to acquired a 99.8% holding in VSS on 31 May 2023 for total consideration of US$3.1 million. The other assets and liabilities of AEIT are disclosed in the table within Note 7(a) above, which primarily relate to cash at the Balance Sheet date.

Valuation Sensitivities

The following table presents the results and impact of the sensitivity analysis completed on the key inputs used in the DCF models. The sensitivities assume that the relevant input is changed over the entire useful life of each of the underlying renewable energy investments, while all other variables remain constant. All sensitivities have been calculated independently of each other. Each of these sensitivities have been assessed as reasonably possible based on actual changes seen over the year.

The Directors have assessed the sensitivity applied to each of the significant unobservable inputs and believe that each sensitivity represents a reasonable possible long-term movement in the significant unobservable input to which it relates, notwithstanding the significant short-term movements that have occurred in the period in relation to Philippine wholesale power prices, foreign exchange, inflation rates and government bonds yields due to the recent energy market disruption caused by the ongoing Ukraine-Russia war.

While the Directors believe the changes in inputs calculated to be within a reasonable expected range based on their understanding of market transactions, this is not intended to imply the likelihood of change or that possible changes in value would be restricted to the range considered. Sensitivity analysis is not reflected in respect of Vietnamese assets, since these are held at cost as at 30 June 2023.

		Impact of sensitivity			
Significant unobservable input	**Relationship to fair value**	**Fair value increase**	**Fair value (decrease)**	**NAV per share increase**	**NAV per share (decrease)**
Power prices	Power price sensitivities have only been applied to investments whose underlying assets are exposed to merchant prices (i.e. revenue streams which are not tied to a fixed-price PPA). An increase in forecasted power prices used for these revenue streams would result in an increase in fair value. ***Sensitivity:*** +/- 25%	US$6.5 Million	US$(6.6) million	3.7 Cents	(3.8) Cents
Renewable energy generation	An increase in generation would result in an increase in fair value. ***Sensitivity:*** +/- 10%	US$16.8 million	US$(18.0) million	9.6 cents	(10.3) cents
Discount rate	A decrease in the discount rate used would result in an increase in fair value. ***Sensitivity:*** -/+ 1%	US$2.7 million	US$(2.5) million	1.6 cents	(1.4) cents
Foreign exchange rate	Deflation of the local currencies in which the investments are held against the US Dollar would result in an increase in fair value. ***Sensitivity:*** -/+ 10%	US$2.0 million	US$(1.6) million	1.1 cents	(0.9) cents
Cost inflation	A decrease in the inflation rate used would result in an increase in fair value. ***Sensitivity:*** -/+ 1%	US$0.1 million	US$(0.3) million	0.1 cents	(0.1) cents
Cash extraction	As at 30 June 2023, NISPI, the SolarArise holding company and each of the SolarArise SPVs have significant negative distributable reserve balances, prohibiting the payment of dividends. The valuations have been updated to reflect this but assume that some measures to eliminate cash traps within a reasonable timeframe are implemented for example, capital reductions. The sensitivity assumes that such measures to eliminate cash traps are delayed by c. 12 months at both NISPI and SolarArise. ***Sensitivity:*** Delay to assumed capital reductions +12 months	–	US$(1.8) million	–	(1.0) cents

8. Share capital

Allotted, issued and fully paid:	Number of ordinary shares	Share capital US$'000	Share premium US$'000	Number of preference shares	Preference share capital US$'000
At 31 October 2021	**1**	**–**	**–**	**50,000**	**66**
Issue of shares at IPO (*14 December 2021*)	115,393,127	1,154	114,239	–	–
Cancellation of preference shares (*22 March 2022*)	–	–	–	(50,000)	(66)
Subsequent issue of shares (*16 August 2022*)	26,014,349	260	29,926	–	–
Subsequent issue of shares (*16 November 2022*)	34,277,228	343	34,963	–	–
Share issue costs	–	–	(3,618)	–	–
Transfer to special distributable reserve	–	–	(111,992)	–	–
Closing balance 31 December 2022 and 30 June 2023	**175,684,705**	**1,757**	**63,518**	**–**	**–**

On 14 December 2021, at IPO, the Company issued 115,393,127 ordinary shares of US$0.01 each, at a price of US$1.00 per ordinary share, raising gross proceeds of US$115.4 million.

On 22 March 2022, the Company effected a capital reduction process which included the cancellation of the 50,000 preference shares and the related reduction of an amount receivable from related parties of US$66,000 and the reduction of the share premium reserve and related transfer to the special distributable reserve of US$111,992,000.

On 16 August 2022, the Company issued 26,014,349 ordinary shares of US$0.01 each in consideration for the 43% economic interest in SolarArise. SolarArise forms part of the seed assets of the IPO, with the consideration shares forming part of the gross IPO proceeds. The shares were issued at a price of US$1.16035 per share that was based on the 10-day average share price prior to allotment of the shares.

On 16 November 2022, pursuant to the subsequent placing programme, the Company issued 34,277,228 ordinary shares of US$0.01 each at a price of US$1.030 per ordinary share, raising gross proceeds of US$35.3 million. The shares were subsequently issued on 18 November 2022.

Expenses incurred of US$3.6 million were determined to be directly attributable to the equity transactions and that would have otherwise been avoided if the shares had not been issued. These expenses include broker fees and commissions, sponsor fees, amounts paid to lawyers, accountants and other professional advisors in relation to the IPO and the subsequent placing programme. Such expenses have been recognised directly in share premium.

9. Special distributable reserve

In March 2022, the Company was granted court approval for a capital reduction process to cancel US$112.0 million of share premium which was transferred to the special distributable reserve. During the period, the Company paid dividends of US$2.1 million from this reserve. At 30 June 2023, the special distributable reserve was US$108.0 million and is fully distributable.

10. Net assets per ordinary share (cents)

	As at 30 June 2023 (unaudited)	As at 31 December 2022 (audited)
Total shareholders' equity ($'000)	89,893	86,580
Number of ordinary shares in issue ('000)	175,685	175,685
Net asset value per ordinary share (cents)	**51.17**	**49.28**

11. Financial instruments by category

The Company held the following financial instruments at fair value at 30 June 2023. There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

	As at 30 June 2023 (unaudited)			
	Financial assets at amortised cost US$'000	Financial assets at fair value through profit or loss US$'000	Financial liabilities at amortised cost US$'000	Total US$'000
Non-current assets				
Investments at fair value through profit or loss	–	23,875	–	**23,875**
Current assets				
Cash and cash equivalents	68,215	–	–	**68,215**
Total assets	**68,215**	**23,875**	**–**	**92,090**
Current liabilities				
Trade payables	–	–	(1,312)	**(1,312)**
Total liabilities	**–**	**–**	**(1,312)**	**(1,312)**
Net assets	**68,215**	**23,875**	**(1,312)**	**90,778**

	As at 31 December 2022 (audited)			
	Financial assets at amortised cost US$'000	Financial assets at fair value through profit or loss US$'000	Financial liabilities at amortised cost US$'000	Total US$'000
Non-current assets				
Investments at fair value through profit or loss	–	11,491	–	**11,491**
Current assets				
Cash and cash equivalents	115,819	–	–	**115,819**
Total assets	**115,819**	**11,491**	**–**	**127,310**
Current liabilities				
Trade payables	–	–	(350)	**(350)**
Total liabilities	**–**	**–**	**(350)**	**(350)**
Net assets	**115,819**	**11,491**	**(350)**	**126,960**

Financial instruments are held at carrying value as an approximation to fair value unless stated otherwise.

IFRS 13 requires the Company to classify its investments in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The three levels of fair value hierarchy under IFRS 13 are as follows:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;	**Level 2:** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and	**Level 3:** fair value measurements are those derived from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

	As at 30 June 2023				As at 31 December 2022			
	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Financial assets								
Investments at fair value through profit or loss	–	–	23,875	23,875	–	–	11,491	11,491
Total financial assets	**–**	**–**	**23,875**	**23,875**	**–**	**–**	**11,491**	**11,491**

There were no Level 1 or Level 2 assets or liabilities during the period. There were no transfers between Level 1 and 2, Level 1 and 3 or Level 2 and 3 during the period.

Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening to closing balances of the investments at fair value through profit or loss is given in note 7.

The fair value of the investments at fair value through profit or loss includes the use of Level 3 inputs. Refer to note 7 for details on the valuation methodology.

12. Related party and key advisor transactions

AIFM

The Company is classified as an Alternative Investment Fund under the EU Alternative Investment Fund Managers' Directive as incorporated into UK law (the "AIFMD") and is, therefore, required to have an AIFM. The Company's AIFM is Adepa Asset Management S.A.

The AIFM is entitled to an annual management fee at the following rates, based on the NAV and payable quarterly in arrears:

	Fee based on NAV
Up to US$200 million	0.055%
Between US&200-400 million	0.045%
Between US&400-1,000 million	0.035%
Above US$1 billion	0.025%

The AIFM is also entitled to an annual risk management fee of EUR14,500.

For the period ended 30 June 2023, the AIFM was entitled to management fees of US$38,915. Of this total, US$20,191 remained outstanding at the Balance Sheet date and was included in payables.

Investment Manager

The AIFM, with the agreement of the Company, has delegated the portfolio management of the Company to the Investment Manager. For the period from IPO to 31 October 2023, the Investment Manager was ThomasLloyd Global Asset Management (Americas) LLC (the "Former Investment Manager").

Management fees are payable quarterly in arrears and are calculated at the following rates, based on the NAV on the last business day of the relevant quarter:

	Fee based on NAV
Up to US$700 million	1.3%
US$700 million to US$2.0 billion	1.1%
Over US$2.0 billion	1.0%

For the period ended 30 June 2023, the Former Investment Manager was entitled to management fees of US$0.3 million. Of this total, the whole amount remained outstanding at the Balance Sheet date and was included in amounts payable to related parties.

The Investment Management Agreement between the AIFM, Company and Investment Manager (the "IMA") was terminated post period end with effect from 31 October 2023. From 1 November 2023, Octopus Energy Generation were appointed as Transitional Investment Manager to cover an initial period through to 30 April 2024.

Directors

The Company has four non-executive Directors. Total Directors' fees of US$89,550, with associated payroll taxes of US$41,352, have been incurred during the period.

The Directors had the following shareholdings in the Company, all of which were beneficially owned.

	Ordinary Shares as at date of this report	Ordinary Shares as at 30 June 2023
Sue Inglis	65,000	65,000
Kirstine Damkjær	–	–
Mukesh Rajani	33,000	33,000
Clifford Tompsett	33,000	33,000

13. Subsidiaries, joint ventures and associates

As a result of applying Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), no subsidiaries have been consolidated in these Interim Financial Statements. The Company's subsidiaries are listed below:

Name	Category	Place of business	Registered Office*	Ownership interest
AEIT Holdings Limited	Intermediate Holdings	UK	A	100%
Negros Island Solar Power Inc. ("NISPI")	Project company	Philippines	B	34%[24]
SolarArise India Projects Private Ltd ("SolarArise")	Intermediate Holdings	India	C	100%
Talettutayi Solar Projects Private Limited	Project company	India	D	100%
Talettutayi Solar Projects One Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Two Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Four Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Five Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Six Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Eight Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Nine Private Limited	Project company	India	D	100%
Talettutayi Solar Projects Ten Private Limited	Project company	India	D	100%
Viet Solar System Company Limited ("VSS")	Intermediate Holdings and project company	Vietnam	E	99.8%
VSS Ba Ria Co., Ltd	Project company	Vietnam	E	99.8%
VSS Vung Tau Co., Ltd	Project company	Vietnam	E	99.8%
Vtech Chau Duc Co., Ltd	Project company	Vietnam	E	99.8%
Vtech Vung Tau Co., Ltd	Project company	Vietnam	E	99.8%

*Registered offices:

A – The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF, United Kingdom

B – Emerald Arcade, F.e. Ledesma 8t., San Carlos, Negros Island, Philippines

C – A-39, LGF, Lajpat Nagar, Part-1 New Delhi-110024, India.

D – Unit No. 1004, 10th Floor, BPTP Park Centra, Sector 30, NH-8, Gurugram-122001, Haryana, India.

E- Lot 21, Road D.02, Chau Duc Industrial Area, Quang Tay Hamlet, Nghia Thanh Commune, Chau Duc District, Ba Ria- Vung Tau Province, Vietnam

As at 31 December 2022, investments into AEIT Holdings, NISPI, SolarArise and VSS were held directly. All other subsidiaries were held indirectly.

14. Guarantees and other commitments

As at 30 June 2023, the Company has no financial guarantees or other commitments into which it has entered.

15. Post period end events

On 10 August 2023 the Company declared an interim dividend for the period from 1 April 2023 to 30 June 2023 of 0.44 cents per ordinary share. The dividend was paid on 11 September 2023 to shareholders on the register on 18 August 2023.

As detailed on page 39, on 15 September 2023, the Board served notice on the Investment Manager terminating the IMA with effect from 31 October 2023. From 1 November 2023, Octopus Energy Generation ("OEGEN") was appointed as Transitional Investment Manager to cover an initial period through to 30 April 2024. For this initial term, the Company will pay OEGEN a management fee of US$1.35 million. At the end of the term, at the discretion of the Board, there is scope for OEGEN to earn an additional management fee of up to US$0.55 million for its services during the initial period.

[24] The Company's economic interest in NISPI is 40%.

On 11 October 2023 the Board announced its decision to proceed with the RUMS project due to it being the least value destructive option for shareholders. This was based on the advice received from the Former Investment Manager as detailed on page 9. To proceed with the RUMS project, the Board put forward an amendment to the Company's investment policy with regard to the single country limit which was passed on 31 October 2023. Please see page 9 for further information.

On 27 October 2023, the Company changed its name to Asian Energy Impact Trust plc. with a new corporate website launched on 1 November 23 https://www.asianenergyimpact.com/.

On 8 November 2023 the Company declared an interim dividend for the period from 1 July 2023 to 30 September 2023 of 0.44 cents per ordinary share. The dividend was paid on 11 December 2023 to shareholders on the register on 17 November 2023.

On 13 December 2023, the Company announced its unaudited NAV at 30 September 2023 is US$88.5 million (50.4 cents per share). As at 30 September 2023, the value of the SolarArise portfolio increased from US$9.7 million as at 30 June 2023 to US$11.3 million and included a negative NPV associated with completing the RUMS project of US$14.6 million. The reduction in the negative NPV associated with completing the RUMS project is due to a reduction in the price of solar panels through 2023, primarily due China opening up from lockdowns and therefore an increase in solar panel supply.

16. Status of this report

These Interim Financial Statements are not the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006. They are unaudited. The unaudited interim financial report will be made available to the public at the registered office of the Company.

The report will also be available in electronic format on the Company's website, https://www.asianenergyimpact.com/

The interim financial report was approved by the Board of Directors on 22 January 2024.

Alternative Performance Measures

In reporting financial information, the Company presents alternative performance measures ("APMs") which are not defined or specified under the requirements of IFRS. The Company believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the Company.

The APMs presented in this report are shown below:

NAV per share

A measure of the value of the Company attributable to each share, at the reporting date. The calculation of NAV per share is shown in Note 10 to the financial statements.

NAV total return

A measure of success of the Company's investment strategy. The NAV total return per share includes both income and capital returns by taking into account any increase or decrease in the NAV per share over the reporting period and assuming that dividends paid to shareholders during the reporting period are reinvested at the NAV per share on the ex-dividend date.

		Page	Jun-23 Cents	Dec-22 Cents
NAV per share at IPO	a	n/a	98.00	98.00
NAV per share at period end	b	37	51.17	49.28
Dividends paid in the period	c	n/a	2.94	1.32
Benefits of reinvesting dividends	d		(1.95)	(0.80)
Total return	**((b+c+d)÷a)-1**		**-46.8%**	**-49.2%**

GAV, Adjusted GAV and Gearing

GAV is measure of the total size of the Company and is the total value of the assets of the Company, being the aggregate of aggregate of the fair value of its investment portfolio and any cash and cash equivalents. Leverage is not employed at the Company level but may be employed within investment portfolio. Adjusted GAV is a measure of the total size of the Company, including, on a look through basis, its proportionate share of any leverage within its investment portfolio, and forms the basis on which the gearing restriction in the Company's investment policy is calculated. Gearing is a measure of the potential financial risk to which the Company is exposed and is its proportionate share of any leverage within its investment portfolio expressed as a percentage of Adjusted GAV.

	Page	Jun-23 US$ m	Dec-22 US$ m
Investments at fair value through profit or loss	a	23.9	11.5
Cash held at the Company	b	68.2	115.8
GAV	**a+b=c**	**92.1**	**127.3**
Debt held in underlying investments	d	108.2	45.9
Adjusted GAV	**c+d=e**	**200.3**	**173.3**
Gearing	**d/e**	**54%**	**27%**

Net operational asset value

The value of the Company's operational asset investments, excluding construction projects. Provides a measure of the value of the investment portfolio that is revenue generating and will make a positive contribution to the Company's dividend cover.

	Page	Jun-23 US$ m	Dec-22 US$ m
Investments at fair value through profit or loss	a	23.9	11.5
NPV of RUMS project	b	(18.8)	(12.0)
Net operational asset value	**a-b**	**42.7**	**23.5**

Glossary

Adjusted GAV	GAV plus the Company's proportionate share of asset level debt
AIC	Association of Investment Companies
AIFM	Alternative Investment Fund Manager
AIFM Directive	The EU Alternative Investment Fund Managers Directive (No. 2011/61/EU)
APM	Alternative performance measures
CO_2	Carbon dioxide
Company or AEIT	Asian Energy Impact Trust plc
DCF	Discounted Cash Flow
DTR	Disclosure Guidance and Transparency Rules
Group	the Company along with all its subsidiaries (as disclosed in note 13)
ESG	Environmental, social and governance
EU	European Union
FCA	Financial Conduct Authority
FCDO	Foreign, Commonwealth and Development Office of the UK Government
Former Investment Manager or ThomasLloyd Group	ThomasLloyd Global Asset Management (Americas) LLC
FRC	Financial Reporting Council
FTE	Full time equivalent
GAV	Gross Asset Value
GW	Gigawatt
IPO	The Company's initial public offering which completed on 14 December 2021, when its shares were admitted to trading on the London Stock Exchange
INR	Indian Rupee
KPI	Key performance indicators
LSE	London Stock Exchange plc
MW	Megawatt
MWp	Megawatts of electricity generated in the form of direct current at peak capacity
NAV	Net asset value
NISPI	Negros Island Solar Power Inc
NSM	National Storage Mechanism
OCR	Ongoing charges ratio
O&M	Operations and maintenance
PHP	Philippine Peso
PPA	Power purchase agreement
SDGs	Sustainable Development Goals
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
SolarArise	SolarArise India Projects Private Limited and its subsidiaries
SORP	Statement of Recommended Practice
SPV	Special purpose vehicle
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	The number of metric tonnes of CO_2 emissions with the same global warming potential as one metric ton of another greenhouse gas
Temporary share suspension	The suspension in the listing of, and trading in, the Company's shares, at the request of the Company due to a material uncertainty regarding the fair value of its assets and liabilities, with effect from 25 April 2023.
Transitional Investment Manager or OEGEN	Octopus Renewables Limited (trading as Octopus Energy Generation)
VSS	Viet Solar System Company Limited and its subsidiaries
WESM	Philippine wholesale electricity spot market

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