

**RED DOT RENERGY PTE. LTD.**

(Registration No: 201323585H)

**ANNUAL FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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**RED DOT RENERGY PTE. LTD.**

**DIRECTOR'S STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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The director is pleased to present the statement to the members together with the unaudited financial statements of the Red Dot Renergy Pte. Ltd. (the "Company") for the financial year ended 31 December 2022.

**1. Opinions of director**

In the opinion of the director:

- a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and the financial performance and cash flows of the Company for the year then ended; and
- b) at the date of this statement there are reasonable grounds to believe that the Company, will be able to pay its debts as and when they fall due.

**2. Director**

The director of the Company in the office at the date of this statement is:

Vincenzo Fagioli

**3. Arrangements to enable director to acquire shares or debentures**

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

**4. Director's interests in shares or debentures**

According to the register of director's shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967, the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

**5. Share options**

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

**RED DOT RENERGY PTE. LTD.**

**DIRECTOR'S STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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**6. Audit exemption**

The Company qualifies as a small company under the Singapore Companies Act 1967 (the Act) and is exempt from audit for the financial year ended 31 December 2022. No notice has been received by the Company under section 205C of the Act to obtain an audit of its accounts for the year.

**7. Issue of financial statements**

The director has on the date of this statement authorised the accompanying financial statements for the year ended 31 December 2022 for issue.



.....  
Vincenzo Faggioli  
Director

Date:

RED DOT RENERGY PTE. LTD.

STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		\$	\$
Revenue	5	83,408	93,198
Cost of sales	6	30,444	93,996
<b>Gross (loss)/profit</b>		52,964	(798)
<b>Other gains</b>			
Other income		3,449	-
Interest income		-	-
Foreign exchange gain		17,691	12,492
Bad debt expense		(1,140)	(4,519)
Loan from related party waived		-	-
Write-off of amount due from related party		-	(1,894)
		20,000	6,079
<b>Expenses</b>			
Bank charges		537	3,634
Depreciation	8	32,578	35,578
Interest expense	11	14,669	9,826
Consulting fee	4	-	94,386
Legal and professional fees		(1,340)	39,451
Project support service fee		-	-
Others		2,924	1,073
		49,368	183,948
<b>(Loss)/profit before tax</b>		23,596	(178,667)
Income tax expense	7	-	436
<b>Net (loss)/profit for the financial year</b>		23,596	(179,103)
Accumulated losses at beginning of financial year		(212,572)	(33,572)
<b>Accumulated losses at end of financial year</b>		(189,079)	(212,675)

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

RED DOT REENERGY PTE. LTD.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022

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	<u>Note</u>	<u>2022</u> \$	<u>2021</u> \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	8	502,435	532,106
<b>Current assets</b>			
Cash and cash equivalents	9	8,756	10,949
Trade and other receivables	10	16,412	17,064
		25,168	28,013
<b>Total assets</b>		527,603	560,119
<b>LIABILITIES AND EQUITY</b>			
<b>Non-current liabilities</b>			
Borrowings	11	244,310	292,035
<b>Current liabilities</b>			
Other payables	12	16,926	25,313
<b>Equity</b>			
Share capital	13	455,446	455,446
Accumulated losses		(189,079)	(212,675)
		266,367	242,771
<b>Total liabilities and equity</b>		527,603	560,119

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

**RED DOT RENERGY PTE. LTD.**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>		\$	\$
(Loss)/profit before tax		23,596	(178,667)
Adjustments for:			
Interest income		-	-
Bad debt expense		1,140	4,519
Depreciation	8	32,578	35,578
Interest on borrowings	11	14,669	9,826
Waive-off of other payables		(3,450)	-
Write-off of amount due from related party	4	-	1,894
Unrealised foreign exchange difference	11	(18,856)	(13,834)
Operating cash flows before changes in working capital		49,677	(140,684)
Changes in working capital:			
Trade and other receivables		(138)	(10,802)
Other payables		(5,287)	16,183
Cash (used in)/generated from operations		44,252	(135,303)
Withholding tax paid		-	(436)
<b>Net cash (used in)/generated from operating activities</b>		44,252	(135,739)
<b>Cash flows from investing activities</b>			
Interest income received		-	-
Addition of plant and equipment	8	(2,907)	(10,672)
<b>Net cash (used in)/generated from investing activities</b>		(2,907)	(10,672)
<b>Cash flows from financing activities</b>			
Loan from related party		-	-
Repayment of loan from holding company	12	-	(150,000)
Issuance of bond	11	-	319,811
Repayment of borrowing from third party	11	(43,538)	(23,768)
<b>Net cash generated from financing activities</b>		(43,538)	146,043
<b>Net (decrease)/increase in cash and cash equivalents</b>		(2,193)	(368)
Cash and cash equivalents at beginning of financial year		10,949	11,317
<b>Cash and cash equivalents at end of financial year</b>	9	8,756	10,949

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

## RED DOT RENERGY PTE. LTD.

### NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

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#### 1. General

The Company is incorporated and domiciled in Singapore with its registered office and principal place of business at 36 Robinson Road, #13-01 City House, Singapore 068877.

The principal activity of the Company is in the provision of energy demand response services.

The Company's immediate holding company is Entoria Energy Pte. Ltd., a company incorporated in Singapore. The Company's ultimate holding company is Entoria Energy Group Pte. Ltd., a company incorporated in Singapore.

#### 2. Basis of preparation

##### 2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Companies Act 1967 and the Singapore Financial Reporting Standard (SFRS) for Small Entities issued by the Accounting Standards Council.

##### 2.2 Basis of measurement

The financial statements have been prepared on a going concern and under the historical cost basis except as otherwise described in the notes below.

##### 2.3 Functional and presentation currency

These financial statements are presented in United States Dollars (\$), which is the Company's functional currency.

##### 2.4 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods. There are no significant areas of estimation uncertainties and critical judgment in applying accounting policies.

There are no significant assumption or estimation uncertainties that have a significant risk of resulting in a material adjustment to the financial statements within the next financial year.



**RED DOT RENERGY PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS  
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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**3. Summary of significant accounting policies**

**3.1 Foreign currency transactions and balances**

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

**3.2 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will follow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

*Sale of electricity*

Revenue from sale of electricity is recognised based on the meter reading recordings at each billing cycle and the transaction price agreed under the contract with customers.

*Certification service*

Revenue from certification service is recognised in the period which the services are completed within the agreed terms.

**3.3 Income tax**

Current income tax liabilities and assets for current and prior periods are recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been or substantially enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary difference arising between the bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred income tax are recognised as income or expense in the income statement for the period, except to the extent that the tax arises from a transaction which is recognised directly in equity.

**RED DOT RENERGY PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS  
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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**3. Summary of significant accounting policies (Continued)**

**3.4 Plant and equipment**

All items of plant and equipment are initially recorded at cost. Subsequently to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Solar equipment	-	24 years
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The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

All items of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

**3.5 Cash and cash equivalents**

Cash and cash equivalents comprise of bank balances which are subject to an insignificant risk of changes in value.

**3.6 Trade and other receivables**

Provision of services are made on the basis of normal credit terms and are initially recorded at fair value. At the end of each financial year, the carrying amounts are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

**3.7 Other payables**

Other payables are obligations on the basis of normal credit terms and do not bear interest. Other payables in foreign currency are translated using the exchange rate at the reporting date. Foreign exchange gains or losses are included in profit or loss.

RED DOT RENERGY PTE. LTD.

NOTES TO FINANCIAL STATEMENTS  
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

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4. Related party transactions

Related parties in the context of the financial statements include the Company's shareholders, entities controlled by them and any key management personnel. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Transactions with related parties are on terms agreed between the parties.

Significant transactions and balances with related parties are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Transactions with related parties</u>		
Loan from related party waived	-	-
Write-off of amount due from related party	-	1,894
Consulting fee charged from related party		94,386
Asset management and service costs charged from related party	28,000	90,000
	<hr/>	<hr/>
	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Balances with related parties</u>		
Amount due to related party (Note 12)	7,998	150,000
	<hr/>	<hr/>

Amount due to related party is non-trade in nature, unsecured, interest free and payable on demand.

5. Revenue

	<u>2022</u>	<u>2021</u>
	\$	\$
Sale of electricity	74,240	68,195
Rendering of certification service	9,168	25,003
	<hr/>	<hr/>
	<u>83,408</u>	<u>93,198</u>

**RED DOT RENERGY PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS  
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**6. Cost of sales**

	<u>2022</u>	<u>2021</u>
	\$	\$
Asset management costs	28,000	60,000
Service costs	2,444	33,996
	<u>30,444</u>	<u>93,996</u>

**7. Income tax expense**

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Current income tax expense</u>		
Current financial year	-	-
Withholding tax	-	436
	<u>-</u>	<u>436</u>

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
(Loss)/profit before tax	23,596	(178,667)
Income tax (credit)/expense at 17% (31.12.21: 17%)	4,011	(30,373)
Non-deductible expenses	5,968	6,048
Income not subjected to tax	-	-
Utilisation of previously unrecognized capital allowance	(9,979)	
Deferred tax credits not recognised	-	24,325
Withholding tax	-	436
	<u>-</u>	<u>436</u>

The Company has available tax losses of approximately \$22,155 (31.12.21: \$22,155) and capital allowances of \$91,979 (31.12.21: \$150,681) which may be utilised for set off against future taxable profit subject to agreement with the tax authorities. The deferred tax credit is not recognised due to the uncertainty of future operating profits.

RED DOT RENERGY PTE. LTD.

NOTES TO FINANCIAL STATEMENTS  
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

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8. Plant and equipment

	<u>Solar equipment</u> \$
<u>Cost</u>	
At 1 January 2021 and 31 December 2021	646,643
Addition	2,907
At 31 December 2022	<u>649,550</u>
 <u>Accumulated depreciation</u>	
At 1 January 2021	78,959
Depreciation	35,578
At 31 December 2021	<u>114,537</u>
Depreciation	32,578
At 31 December 2022	<u>147,115</u>
 <u>Net book value</u>	
At 31 December 2022	<u>557,012</u>
 At 31 December 2021	<u>502,435</u>

9. Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
	\$	\$
Bank balances	<u>8,756</u>	<u>10,949</u>

Cash and cash equivalents are denominated in Singapore Dollars.

**RED DOT RENERGY PTE. LTD.****NOTES TO FINANCIAL STATEMENTS  
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022****10. Trade and other receivables**

	<u>2022</u>	<u>2021</u>
	\$	\$
Amount due from third parties – trade	731	7,018
Amount due from third parties – non-trade	74	-
GST receivables	-	-
Prepayments	912	2,918
Unbilled income	14,695	7,128
	<u>16,412</u>	<u>17,064</u>

**11. Borrowings**

	<u>2022</u>	<u>2021</u>
	\$	\$
Face value of bond at issuance	292,035	319,811
Accumulated amortisation of interest expense	14,669	9,826
Accumulated repayments	(43,538)	(23,768)
Gain on foreign exchange	(18,856)	(13,834)
	<u>244,310</u>	<u>292,035</u>

On 25 May 2022, the Company issued a 5.5% non-convertible bond denominated in Euro with a nominal value of €200,000. The bond is due for repayment 3 years from the issue date. The fair value of the bond approximates its carrying amount.

**12. Other payables**

	<u>2022</u>	<u>2021</u>
	\$	\$
Amount due to related companies – non-trade (Note 4)	7,998	-
Amount due to third parties – non-trade	7,747	14,889
Accrued expenses	-	9,307
GST payable	340	223
Others	841	894
	<u>16,926</u>	<u>25,313</u>

RED DOT RENERGY PTE. LTD.

NOTES TO FINANCIAL STATEMENTS  
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

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13. Share capital

	<u>2022</u>		<u>2021</u>	
	No. of shares	\$	No. of shares	\$
<u>Issued and fully paid-up</u>				
Balance at beginning and end of year	5,049,290	455,446	5,049,290	455,446

The ordinary shares have no par value.