

AFCONS OVERSEAS PROJECT GABON SARL

Independent Auditor's Report

Financial statements for the year ended December 31, 2023

Independent Auditor's Report:
Accompanying special purpose financial information:

4 pages (including cover page)
5 pages



AFCONS OVERSEAS PROJECT GABON SARL

Independent Auditor's Report

Financial statements for the year ended December 31, 2023

Opinion

We have audited the accompanying special purpose financial information (hereafter the "Financial Statements") of Afcons Overseas Project Gabon SARL (hereafter the « Company »), which comprise the statement of financial position as of December 31, 2023 and the income statement and the statement of cash flows for the year then ended, including notes of Financial Statements.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Company as of December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with OHADA accounting principles.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Gabon, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the following notes of the Financial Statements:

- Note A – Going concern
- Note B – Tax advantages included in the contracts signed with GSEZ
- Note C – Fixed assets – Net realizable value

Our opinion is not modified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with OHADA accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

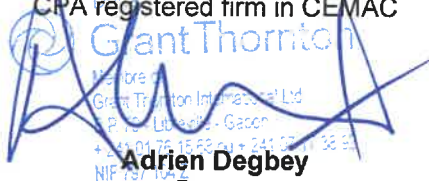


From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation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

Libreville, May 17, 2024

The independent auditor

Delta Grant Thornton
Member firm of *Grant Thornton International Ltd*
CPA registered firm in CEMAC



Grant Thornton
Members
Grant Thornton International Ltd
P. 100 - Libreville - Gabon
+241 01 75 15 59 00 +241 07 11 38 80
NIF 797 10A

Adrien Degbey
Partner
CPA registered in France and in CEMAC

BALANCE SHEET
Closing date: 31/12/2023

R E F	ASSETS	N O T E	31/12/2023			31/12/2022
			Gross amount	Amortizations depreciations and provisions	Net amount	Net amount
AD	Intangible assets	3				
AE	Development and prospection costs					
AF	Patents, licenses, softwares and equivalent rights					
AG	Goodwill and leasehold					
AH	Other intangible assets					
AI	Tangible assets	3	96 517 050	57 403 975	39 113 075	54 080 763
AJ	Lands					
AK	Constructions, buildings					
AL	Facilities, installations and fittings					
AM	Plant, equipment, machinery and biological assets		96 517 050	57 403 975	39 113 075	54 080 763
AN	Transportation equipment					
AP	Advances, prepayments and downpayments on assets	3				
AQ	Financial Assets	4				7 998 757
AR	Investments					
AS	Other financial assets					7 998 757
AZ	TOTAL LONG-TERM ASSETS		96 517 050	57 403 975	39 113 075	62 079 520
BA	NON-OPERATING CURRENT ASSETS (HAO)	5	3 876 449 985		3 876 449 985	3 735 669 307
BB	INVENTORIES	6				202 063 595
BG	ACCOUNTS RECEIVABLES		7 881 582		7 881 582	156 733 701
BH	Prepayments to suppliers	17	6 630 909		6 630 909	154 139 961
BI	Trade and related receivables	7				
BJ	Other receivables	8	1 250 673		1 250 673	2 593 740
BK	TOTAL CURRENT ASSETS		3 884 331 567		3 884 331 567	4 094 466 603
BQ	Marketable securities	9				
BR	Other marketable securities	10				
BS	Bank accounts, cash, petty cash and equivalents	11	78 949 888		78 949 888	109 493 427
BT	TOTAL CASH AND CASH EQUIVALENTS		78 949 888		78 949 888	109 493 427
BU	Foreign currency translation adjustment (unrealized losses)	12				
BZ	TOTAL ASSETS		4 059 798 505	57 403 975	4 002 394 530	4 266 039 550

BALANCE SHEET
Closing date: 31/12/2023

R E F	LIABILITIES	N O T E	2023	2022
			Net amount	Net amount
CA	Share capital	13	1 000 000	1 000 000
CB	Uncalled capital	13	0	0
CD	Capital premiums	14	0	0
CE	Revaluation premiums	3e	0	0
CF	Unavailable reserves	14	200 000	200 000
CG	Other reserves	14	1 189 377 534	2 629 666 169
CH	Retained Earnings (+ or -)	14	0	0
CJ	Net profit or loss for the year (profit + or loss -)		157 636 159	311 711 365
CL	Investment subsidies	15	0	0
CM	Regulated and tax-driven provisions	15	0	0
CP	SHAREHOLDERS' EQUITY		1 348 213 693	2 942 577 534
DA	Borrowings and other financial debt	16	0	0
DB	Leasing liabilities	16	0	0
DC	Provisions for charges and contingencies	16	0	0
DD	LONG-TERM LIABILITIES		0	0
DF	EQUITY AND LONG-TERM LIABILITIES		1 348 213 693	2 942 577 534
DH	Non operating current debts and liabilities	5	2 539 657 303	991 939 825
DI	Prepayments to customers	7	0	4 451 895
DJ	Trade and related payables	17	49 938 933	63 073 056
DK	Accrued taxes and personnel expenses	18	55 884 601	107 193 937
DM	Other liabilities	19	8 700 000	156 803 303
DN	Other accruals and current provisions for contingencies	19	0	0
DP	TOTAL CURRENT LIABILITIES		2 654 180 837	1 323 462 016
DQ	Bank credit facilities	20	0	0
DR	Bank borrowings and current account advances	20	0	0
DT	TOTAL BANK CREDIT FACILITIES		0	0
DV	Foreign currency translation adjustment (unrealized gains)	12	0	0
DZ	TOTAL LIABILITIES		4 002 394 530	4 266 039 550

INCOME STATEMENT

Closing date: 31/12/2023

R E F			N O T E	2023	2022	
				Net amount	Net amount	
TA	Revenue on goods sold	A	+	21	199 557 367	53 124 997
RA	Purchase of goods for resale		-	22		
RB	Change in inventory (goods for resale) (- or +)		-/+	6		
XA	COMMERCIAL MARGIN (TA to RB)				199 557 367	53 124 997
TC	Revenues on finished goods	B	+	21		
TC	Services provided	C	+	21		
TD	Other operating revenues	D	+	21		24 851 400
XB	TURNOVER (A + B + C + D)				199 557 367	77 976 397
TE	Change in inventory (finished goods) (- or +)		-/+	6		
TF	Capitalized production		+	21		
TG	Operating subsidies		+	21		
TH	Other income		+	21	229 850 514	1 438 958
TI	Operating expenses transferred		+	12		
RC	Purchase of raw materials		-	22		1 196 763
RD	Change in inventory (raw materials and other supplies) (- or +)		-/+	6		
RE	Other purchases		-	22	3 170 126	8 095 284
RF	Change in inventory (other purchases) (- or +)		-/+	6	199 556 298	39 609 858
RG	Transportation		-	23		29 115 368
RH	External services and expenses		-	24	31 568 157	35 992 433
RI	Taxes and duties other than corporate income tax		-	25		1 848 889
RJ	Other expenses		-	26		
XC	VALUE ADDED (XA+RA+RB) + (TE to RJ)				195 113 300	-36 443 240
RK	Personnel Expenses		-	27		31 371 242
XD	GROSS OPERATING SURPLUS (LOSS) (XC+RK)			28	195 113 300	-67 814 482
TJ	Reversals of depreciation, amortization and provisions		+	28		
RL	Depreciation, amortization and provisions		-	3C&28	8 274 695	8 628 074
XE	OPERATING INCOME (LOSS) (XD+TJ+RL)				186 838 605	-76 442 556
TK	Financial revenues and equivalents		+	29	1 894 256	365 640 121
TL	Reversal of financial provisions and depreciations		+	28		
TM	Financial expenses transferred		+	12		
RM	Financial expenses and equivalents		-	29	23 097 945	
RN	Financial provisions and depreciations		-	3C&28		
XF	FINANCIAL INCOME (LOSS) (TK to RN)				-21 203 689	365 640 121
XG	ORDINARY ACTIVITIES INCOME (LOSS) (XE+XF)				165 634 916	289 197 565
TN	Income from sales of assets		+	3D	6 692 993	
TO	Other non operating gains		+	30		22 513 800
RO	Net book value of assets disposal		-	3D	14 691 750	
RP	Other non operating expenses		-	30		
XH	NON-ORDINARY ACTIVITIES INCOME (LOSS) (TN to RP)				-7 998 757	22 513 800
RQ	Employees' profit sharing		-	30		
RS	Corporate income tax		-			
XI	NET RESULT (LOSS) (XG+XH+RQ+RS)				157 636 159	311 711 365

CASH FLOW STATEMENT

Closing date: 31/12/2023

REF			2023	2022
ZA	Net cash balance as at 1st January (cash assets N-1 - cash liabilities N-1)	A	109 493 427	252 401 513
	Cash flow from (used in) operating activities			
FA	Operational cash flow		173 909 611	320 339 439
FB	-Change in non-operating current assets [1]		1 406 936 800	-363 083 294
FC	-Change in inventories		202 063 595	46 950 489
FD	-Change in account receivables		148 852 119	1 574 938 114
FE	+ Change in current liabilities [1]		-216 998 657	-1 721 352 834
	Change in operational activities working capital (FB + FC + FD + FE)		1 540 853 857	-462 547 525
ZB	Cash flow from (used in) operating activities (FA to FE)	B	1 714 763 468	-142 208 086
	Cash flow from (used in) investing activities			
FF	- Disbursements related to acquisitions of intangible assets			
FG	- Disbursements related to acquisitions of tangible assets			
FH	- Disbursements related to acquisitions of financial assets			-700 000
FI	+ Proceeds from disposals of intangible and tangible assets		6 692 993	
FJ	+ Proceeds from disposals of financial assets			
ZC	Cash flow from (used in) investing activities (FF to FJ)	C	6 692 993	-700 000
	Cash flow from (used in) equity financing activities			
FK	+ Capital increase			
FL	+ Investment subsidies			
FM	- Capital decrease			
FN	- Dividends paid		-1 752 000 000	
ZD	Cash flow from (used in) equity financing activities (FK to FN)	D	-1 752 000 000	
	Cash flow from (used in) external financing activities			
FO	+ Borrowings			
FP	+ Other financial debts			
FQ	- Decrease in borrowings and other financial debts			
ZE	Cash flow from (used in) external financing activities (sum FO to FQ)	E		
ZF	Cash flow from (used in) financing activities (D + E)	F	-1 752 000 000	
ZG	CHANGE IN CASH DURING THE PERIOD (B + C + F)	G	-30 543 539	-142 908 086
ZH	Net cash balance as at December 31 (G + A)	H	78 949 888	109 493 427
	Control: cash assets N - cash liabilities N		78 949 888	109 493 427

[1] excluding changes in assets and liabilities related to investment activities (change in receivables from disposals of assets and debts on capital acquisition or capitalized production) and financing activities (e.g. change in receivables from investment subsidies).

Afcons Overseas Singapore Ltd – Notes to the special purpose financial information for the year ended December 31, 2023

A – Going concern

The company has no contracts in its backlog.

In this context, Afcons Overseas Singapore Ltd, sole shareholder, will therefore provide immediate and any necessary financial support to its subsidiary, Afcons Overseas Project Gabon SARL for at least the 24-month period following December 31, 2022.

B – Tax advantages included in the contracts signed with GSEZ

Contracts signed by the company with Gabon Special Economic Zone (GSEZ) were exempted from corporate tax, withholding tax on non-resident service providers and value added tax.

As Afcons Overseas Project Gabon SARL has only delivered those contracts since its registration, none of the taxes mentioned above are recorded or pay.

C – Fixed assets – Net realizable value

Majority of the fixed assets as of December 31, 2022 (net book value of XAF39.1 million) will be sold in 2024 to Afcons Infrastructure Limited or other group company at net book value.