

TUAS

Building Better Connections



Annual Report **2022**

TUAS

Building Better Connections

**Tuas Limited
and its controlled entities
ABN 70 639 685 975**

**Annual Report
For the year ended 31 July 2022**

Tuas Limited and its controlled entities

Annual report

For the year ended 31 July 2022

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Chairman's letter

For the year ended 31 July 2022

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present the annual report for Tuas Limited for FY22.

Building on the previous year, our Singapore business, now known as Simba Telecom Pte Ltd, has continued on its positive trajectory.

We have seen consistent subscriber growth throughout the year, from 392,000 at the end of FY21 to 587,000 at the end of FY22. This successful sales trajectory resulted in an increase in revenue from \$34.3m to \$57.4m. The Company achieved a maiden annual EBITDA of \$15.5m and operating cash flow of \$22.5m.

During the year, Simba secured 5G spectrum, which will be deployed on a standalone 5G network in the coming months. These efforts will promote the continued provision of leading value services to Singapore consumers and businesses. Although we trade in an increasingly competitive market, we feel privileged to be able to bring these benefits to Singaporeans.

I would like to sincerely thank the Simba team, led by our CEO, Richard Tan, for their dedication and outstanding performance.

I also thank my fellow directors for their valued contribution during the year and shareholders for their continued support for the Company.

Sincerely



David Teoh
Executive Chairman

The Directors present their report together with the financial report of the Group, being Tuas Limited ('the Company') and its controlled entities, for the year ended 31 July 2022, and the auditor's report thereon.

Tuas Limited and its controlled entities

Directors' report

For the year ended 31 July 2022

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Directors' report

For the year ended 31 July 2022

1. Establishment of Tuas

In 2016, the company formerly known as TPG Telecom Limited (ASX:TPM) (**TPM**) established a subsidiary in Singapore to compete in the Singapore mobile telecommunications market. That subsidiary is named Simba Telecom Pte Ltd (formerly TPG Telecom Pte Ltd) (**Simba**). Simba incorporated a subsidiary in Malaysia called Tuas Solutions Sdn Bhd (**Tuas Malaysia**), which employs certain staff to provide services for Simba.

In 2018, TPM and Vodafone Hutchison Australia Limited entered into a Scheme Implementation Deed to merge their two businesses (**Merger**) by a scheme of arrangement (**Scheme**). Under the Scheme, it was agreed that TPM shareholders would be entitled to retain their indirect economic interest in the Simba business.

The Board of TPM resolved to demerge the Simba business by an in-specie dividend to TPM shareholders. Tuas was incorporated on 11 March 2020 as the vehicle to own Simba and to be listed on the Australian Stock Exchange as the listed holding company. Shares in Tuas were distributed to TPM Shareholders to give effect to the demerger.

On 26 June 2020, TPM transferred all its shares in Simba to Tuas. On 29 June 2020, the Scheme became effective and Tuas was admitted to the ASX. Tuas shares commenced trading on a conditional and deferred settlement basis on 30 June 2020 and the distribution of shares in Tuas to TPM shareholders occurred on 13 July 2020.

During 2022, Simba incorporated three new subsidiaries, Simba 5G Pte Ltd, Netco East Pte Ltd and Netco West Pte Ltd, to assist with contract management.

In this annual report, the Group refers to Tuas together with Simba and its subsidiaries.

2. Board of Directors

- (a) Details of Directors of the Company who held office on 31 July 2022 and continue to do so are set out below:

| Name | Experience |
|----------------------------------|--|
| David Teoh Executive Chairman | <p>David Teoh founded the TPG group of companies in 1986 and was the Executive Chairman and CEO of TPG Corporation Limited (formerly known as TPG Telecom Limited (ASX:TPM)) from 2008 until its merger with Vodafone Hutchison Australian Pty Ltd in July 2020. Following the merger, he was Chairman of TPG Telecom Limited (ASX:TPG) until March 2021.</p> <p>David has been a director of Tuas Limited since incorporation on 11 March 2020.</p> <p>Special Responsibilities: Executive Chairman</p> |

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Directors' report

For the year ended 31 July 2022

| | |
|--|---|
| <p>Robert Millner Non-Executive Director</p> | <p>Robert Millner was appointed a director on 14 May 2020.</p> <p>Mr Millner is a current director of TPG Telecom Limited (ASX:TPG). He served as Chairman of TPG Corporation Limited (formerly TPG Telecom Limited (ASX:TPM)) from 2000 until 2008 and then as a Non-Executive Director from 2008 to 2020 when its merger with Vodafone Hutchison Australia Pty Ltd was completed.</p> <p>Mr Millner has over 30 years' experience as a company director and is currently a director of the following listed companies: Apex Healthcare Berhad, Aeris Resources Limited, Brickworks Limited, BKI Investment Company Limited, New Hope Corporation Limited and Washington H. Soul Pattinson and Company Limited.</p> <p>Mr Millner was also an interim director at Hunter Hall Global Value Limited from April 2017 to June 2017, a director of Australian Pharmaceutical Industries Limited from May 2000 to July 2020 and of Milton Corporation Limited from 1998 until October 2021.</p> <p>Special Responsibilities: Member of the Audit & Risk Committee</p> |
| <p>Bob Teoh Non-Executive Director</p> | <p>Bob Teoh is a businessman with shareholdings and management interests in a number of companies operating in wide ranging industries.</p> <p>He holds a Bachelor of Science in Economics from the Wharton School of Business, University of Pennsylvania, and has been the CEO and Managing Director of the Oscar Wylee group.</p> <p>Mr Teoh was appointed a director on 28 July 2022.</p> <p>Special Responsibilities: Member of the Remuneration Committee.</p> |
| <p>Sarah Kenny Independent Non- Executive Director</p> | <p>Sarah Kenny is an accomplished and experienced legal adviser and director, having a 20 year career as a partner with global law firm Herbert Smith Freehills, with whom she continues to work as a consultant. During that time, she advised on a broad range of issues and specialised in regulated industries including technology, telecommunications and media, gaming, wagering, and sport. She held a number of leadership roles including the Head of Sydney Corporate Group.</p> <p>She was a board member of the ASX listed Propertylink Group from 2017 to 2019, on which she filled roles on the Audit and Risk and the Remuneration and Nomination committees. Sarah also serves as Chair of the Advisory Council of Sport Integrity Australia and is a Vice President of World Sailing.</p> <p>Sarah is a Graduate member of the Australian Institute of Company Directors.</p> <p>Ms Kenny was appointed a director on 14 May 2020.</p> <p>Special Responsibilities: Chairman of the Remuneration Committee Member of the Audit & Risk Committee</p> |

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For the year ended 31 July 2022

Alan Latimer
Independent Non-Executive Director

Alan Latimer (BCom, CA) was Chief Financial Officer for the TPG group of companies from the 1990s until 2008 and then an Executive Director of TPG Corporation Limited (formerly TPG Telecom Limited (ASX:TPM)) until 2014. Over that career, Alan held financial and operational responsibilities, assisting with the growth of the TPG group from being an assembler and distributor of personal computers and other technology equipment through the early days of the internet, to being a national carriage service provider selling voice, internet and mobile services to Australian residential, business, and government customers.

Mr Latimer was appointed a director on 14 May 2020.

Special Responsibilities: Chairman of the Audit & Risk Committee
Member of the Remuneration Committee

(b) The following person was a director of the Company during the financial year until the date specified below:

| Name | Role | Final Date as Director |
|-----------|------------------------|------------------------|
| Jack Teoh | Non-Executive Director | 28 July 2022 |

3. Company secretary

Antony Moffatt
Company Secretary

Tony Moffatt was appointed Company Secretary of the Company on 11 June 2021.

Tony was the General Counsel for TPG Corporation Limited and its group of companies from 2001 until the merger with Vodafone Hutchison Australia Pty Ltd in July 2020. He then took the role of Company Secretary of TPG Telecom Limited (ASX:TPG) until March 2021. He has been a director of TPG Telecom Limited since March 2021.

4. Directors' meetings

The number of Board and committee meetings held during the reporting period and the number of meetings attended by each of the Directors as a member of the Board or relevant committee were as follows:

| Director | Board Meetings | | Audit & Risk Committee (ARC) Meetings | | Remuneration Committee Meetings | |
|---------------------|----------------|----|---------------------------------------|-----|---------------------------------|-----|
| | A | B | A | B | A | B |
| D Teoh | 10 | 10 | N/A | N/A | N/A | N/A |
| R Millner | 10 | 10 | 5 | 5 | N/A | N/A |
| J Teoh ¹ | 10 | 10 | N/A | N/A | 2 | 2 |
| S Kenny | 10 | 10 | 5 | 5 | 2 | 2 |
| A Latimer | 10 | 10 | 5 | 5 | 2 | 2 |
| B Teoh | 0 | 0 | N/A | N/A | 0 | 0 |

A: Number of meetings attended. B: Number of meetings held while a member

¹ Director resigned on 28 July 2022.

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Directors' report

For the year ended 31 July 2022

5. Operating and financial review

Unless otherwise stated, all financial numbers are presented in Singapore dollars, which is the functional currency of Simba.

a) Operating results overview

The financial results for the Company were as follows:

| | S\$'000 |
|---|----------|
| Revenue from ordinary activities | 57,432 |
| Total comprehensive loss for the period attributable to owners of the Company | (26,732) |
| Profit before interest, tax, depreciation and amortisation | 15,506 |
| Operating Cash Flow | 22,575 |

Revenue grew month on month throughout the reporting period to total S\$57.4m, representing an increase of approximately 67% compared to the 17 months ending 31 July 2021. Tuas reported profit before interest, tax, depreciation and amortisation of S\$15.5m for the full reporting period.

b) Mobile network rollout

Simba has now established its mobile network, having commenced building in 2017.

Four network quality conditions were set by the Infocomm Media Development Authority of Singapore (**IMDA**) at the time Simba was issued its 4G facilities-based operator licence (FBO Licence).

Simba has met all those conditions, being outdoor coverage, in-building coverage, coverage in road tunnels and coverage in rail tunnels.

With the acquisition of 5G 2.1GHz spectrum in early 2022, Simba has embarked on the upgrade of its existing network using this new mid-band spectrum which is well supported globally. Technical trials will begin late 2022 and commercial service is targeted for 1H 2023.

c) Subscriber performance

As at 31 July 2022, Simba had paid subscriptions of 587,000, up from 392,000 at 31 July 2021, with growth achieved month on month throughout the year.

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Directors' report

For the year ended 31 July 2022

d) Cashflow and capital expenditure

| From 1 August 2021 to 31 July 2022 | S\$'000 |
|---|-----------------|
| Cash and Term Deposits at 31 July 2021 | 94,583 |
| Cash receipts from customers | 64,021 |
| Cash paid to suppliers and employees | (41,490) |
| Interest Received | 44 |
| Net cash from operating activities | 22,575 |
| Acquisition of Plant & Equipment | (35,079) |
| Acquisition of Intangible Assets | (31,991) |
| Net Cash used in investing activities | (67,070) |
| Lease Liabilities and Finance Costs paid | (544) |
| Net Cash used in financing activities | (544) |
| Effect of exchange rate fluctuations | 10 |
| Cash and Term Deposits at 31 July 2022 | 49,554 |

The majority of the Plant & Equipment acquisition was for mobile base station equipment and installation costs, while the Intangible Assets acquisition was for 5G Spectrum.

No dividend was declared or paid during the reporting period

e) Outlook

As Singapore exits the pandemic and with the reopening of borders, customers are embracing Simba's services, many of which have free roaming inclusions. The new Financial Year has started with continued strong growth momentum on our mobile plans featuring leading value-for-money plans together with high network quality, customer service and the competitive roaming differentiators for which Simba is well known.

The Company expects Simba to incur capital expenditure in the amount of approximately S\$45m to S\$50m for the financial year ending 31 July 2023, including investments in 5G.

With the planned launch of its 5G services, Simba is well placed to grow its share of the market for mobile subscriptions.

f) Principal business risks

Like other businesses, the Group is exposed to a number of risks which may affect future financial performance. The material business risks identified by the Company and how they are addressed are set out below.

1. Competitive environment

Increased competition, including as it arises from technological developments, could impact the Group's financial performance by affecting its ability to grow its customer base and/or its ability to make money from its service offerings.

The Group attempts to mitigate this risk by continually reviewing its customer offerings, their pricing relative to the market and customer needs. This is combined with constant reviews of the Group's cost structures with the objective of optimising costs to ensure the Group is best placed to continue providing value leading services.

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2. *Business interruption*

A significant disruption of the Group's business through network or systems failure, cybersecurity breaches and the like, could cause financial loss for the Group and increased customer churn. The Group maintains business interruption insurance and continually invests in its network and systems to improve their resilience and performance.

3. *Regulatory environment*

Changes in regulation and the decisions of regulators can significantly impact the Group's business. In addition, failure to comply with regulatory requirements could create financial loss for the Group. The Group attempts to mitigate this risk through close monitoring of regulatory developments, engaging where necessary with the relevant regulatory bodies, and monitoring its own compliance with existing regulations.

4. *Data security*

Failures or breaches of data protection and systems security can cause reputational damage, regulatory impositions and financial loss. Each of the countries in which the Group operates has regulations that govern privacy and data protection and significantly enhance privacy and data protection for the residents in those countries. The Group's companies are required to comply with those regulations.

The Group has policies regarding information security and has risk protection measures in place to promote adherence to regulations and to provide safeguards to Group and customer information. These measures include restricted access to company premises and areas housing equipment, restricted access to systems and network devices, change control measures, anti-virus software and firewall protection at various network points.

5. *COVID-19*

The COVID-19 situation remains fluid and uncertain and it has the potential to inhibit the Group's ambitions to grow market share, particularly through supply chain disruptions on network equipment or customer equipment.

The Group has managed through the COVID-19 restrictions by complying with regulations and generally working with customers and staff to continue its business as effectively as possible.

6. *Macro-economic risk*

The Singapore economy is currently robust but supply chain threats and increasing inflation present potential risks to economic growth which may impact on the Group's customer base and, accordingly, the Group. The Group notes that such macro-economic risks also present potential opportunity, with consumers looking to reduce expenditure by taking up Simba's value plans.

6. Remuneration report – Audited

6.1 Introduction

This remuneration report sets out the remuneration structures of the Directors of the Company and of other key management personnel ('KMP') of the Group and explains the principles underpinning those remuneration structures.

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For the purpose of this report, KMP are defined as those individuals who have authority and responsibility for planning, directing and controlling the activities of the Group. KMP include the Directors of the Company and key Group executives. In this remuneration report, the following individuals are identified as KMP during the reporting period.

Board of Directors:

| | |
|--------------|--|
| Mr D Teoh | Executive Chairman, Tuas Limited |
| Mr R Millner | Non-Executive Director, Tuas Limited |
| Mr J Teoh | Non-Executive Director, Tuas Limited, resigned on 28 July 2022 |
| Ms S Kenny | Non-Executive Director, Tuas Limited, Independent |
| Mr A Latimer | Non-Executive Director, Tuas Limited, Independent |
| Mr B Teoh | Non-Executive Director, Tuas Limited, joined on 28 July 2022 |

Other KMP of the Company and of the Group during the period were as follows

| | |
|---------------|-----------------------------------|
| Mr R Tan | Chief Executive Officer, Simba |
| Mr H Wong | Chief Financial Officer, Simba |
| Mr B Tan | Chief Technology Officer, Simba |
| Mr T Ng Chong | Head of Network Operations, Simba |

6.2 Remuneration principles

Remuneration levels for KMP are designed to attract and retain appropriately qualified and experienced directors and executives. The Remuneration Committee considers the suitability of remuneration packages relative to trends in comparable companies and to the objectives of the Group's remuneration strategy.

The remuneration structures explained below are designed to attract suitably qualified candidates, to reward the achievement of strategic objectives and to achieve the broader outcome of value creation for shareholders by:

- providing competitive remuneration packages to attract and retain high calibre executives;
- ensuring that a significant proportion of executives' remuneration is performance-linked; and
- setting performance hurdles for the achievement of performance-linked incentives at a sufficiently demanding level to ensure value creation for shareholders.

It is important to note that the commercial operations of the Group are presently limited to Singapore and, as such, the board of Simba is ultimately responsible for determining the remuneration for Singapore and Malaysian employees, subject to any guidance from the Remuneration Committee.

The Board considers that the performance of the Group, with increasing subscribers and EBITDA, and securing of 5G spectrum during the year has been positive, and that there is therefore a suitable relationship between the remuneration principles described above and the Group's performance.

The Company has not engaged a remuneration consultant.

6.3 Remuneration structure

Remuneration packages include a mix of fixed and performance-linked remuneration.

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(i) Fixed remuneration

Fixed remuneration consists of base salary, employer contributions to superannuation or similar retirement funds, and non-monetary benefits which typically only comprise annual leave entitlements but may also include other benefits.

Fixed remuneration levels are reviewed annually through a process that considers individual performance, overall performance of the Group, and remuneration levels for similar roles in comparable companies. The fixed remuneration of executive directors is determined by the Tuas Board. The fixed remuneration of other KMP is determined by the board of Simba subject to any guidance from the Remuneration Committee.

(ii) Performance-linked remuneration

Performance-linked remuneration provided by the Group currently includes a performance rights plan and cash bonuses.

Details of the performance rights plan is provided below. Cash bonuses may be paid by the Group, including to KMP, depending on the Group's performance and to reward individual performance. Bonuses awarded to executive directors are determined by the Tuas Board. Bonuses awarded to other KMP and staff are determined by the Board of Simba subject to any guidance from the Remuneration Committee.

6.4 KMP remuneration detail

(i) Remuneration awarded to David Teoh, Executive Chairman, Tuas Limited

The Company Board recognises the importance of having talented and experienced managers to drive the business towards achieving its objectives. The Company is fortunate to have the continued support of David Teoh in the Executive Chairman role. David brings his many years of experience as an entrepreneur and manager in the telecommunications industry to benefit the Group.

David is employed by the Company on a typical form of employment contract which is terminable by either party on three months' written notice.

Under his employment contract with the Company, David's current annual remuneration is A\$150,000 plus superannuation up to the amount required under the Superannuation Guarantee (Administration) Act 1992 (Cth).

David is a significant shareholder in the Company and, during the initial phase of the Group's operations, he has not sought to be included in any incentive scheme, and his employment contract does not contain any provision for termination benefits other than as required by law. Remuneration payable to the Executive Chairman will be reviewed annually and fixed by the Company Board.

(ii) Remuneration awarded to non-executive Directors of Tuas Limited

Under the Tuas Constitution, the Tuas Board may decide the total amount paid by the company to each Director as remuneration for their services as a Company Director. However, under the Tuas Constitution and the ASX Listing Rules, the total amount of fees paid to all Non-Executive Directors in any financial year must not exceed the aggregate amount of Non-Executive Directors' fees approved by the Company Shareholders at a Company general meeting. This amount has been fixed by the Company at A\$500,000 per annum.

Currently, the annual base fee agreed to be paid by the Company to each of the Non-Executive Directors is A\$65,000.

Non-Executive Directors will also be paid Committee fees of A\$10,000 per year for each Committee of which

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they are a member or A\$20,000 if they are Chair of the Committee.

All Non-Executive Directors' fees are exclusive of statutory superannuation contributions.

(iii) Remuneration awarded to executives of Simba

Aside from the Board of Directors, all of the Group's employees are currently employed by Simba or its subsidiary, Tuas Solutions Sdn Bhd.

The principal remuneration objectives of Simba are to:

- fairly reward executives having regard to their individual performance against agreed objectives, the overall performance of the Simba business and the external compensation environment in which Simba operates;
- enable Simba to attract and retain key executives capable of contributing to the development of Simba's business, who will create sustainable value for shareholders and other stakeholders; and
- appropriately align the interests of executives with shareholders of the Company.

The remuneration of the Chief Executive Officer of Simba, Mr Richard Tan, is set out in section 6.4(v) below. For other Simba executives, remuneration currently predominantly comprises fixed salaries and a specified bonus, the discretionary payment of which is determined on the recommendation of the CEO of Simba having regard to the overall performance of the executive and their contribution to the performance of the mobile network. In addition to bonuses, a share based performance incentive scheme was established in 2021, as described below. The full amounts of specified bonuses were paid during the reporting period. Fixed salaries are reviewed annually and benchmarked regularly against competitors. All Simba executives are paid in Singapore dollars.

Performance linked remuneration provided by the group includes cash bonuses to reward individual performance. Bonuses awarded to Simba executives are recommended by the CEO and determined by the Board of Simba, subject to any guidance of the Remuneration Committee. Bonuses awarded to other staff are made at the recommendations of the CEO and the Executive Chairman.

(iv) Incentive Scheme for executives and key employees of Simba and Tuas Malaysia

In response to the recommendation of the Board of Simba, in April 2021, the Company established an incentive scheme to further align the KMPs' and certain key employees' remuneration with the Company shareholders' interests. The incentive scheme takes the form of a performance rights plan under which selected employees are granted performance rights, vesting over a 4 year or 5 year period.

Under the rules of the performance rights plan, participants will be awarded fully paid ordinary shares in the Company for no consideration, subject to certain performance conditions. The key terms of the plan are as follows:

- A percentage of the performance rights granted will vest following the release of the Group's audited financial statements for each of the four/five financial years (as applicable) commencing with the financial year ending 31 July 2022, subject to the satisfaction of performance conditions.
- The performance conditions, at each vesting date are:
 - **The Personal Performance Condition:** 40% of the performance rights that are due to vest on that date will vest if the rights holder has been continuously employed by the Group up until and including the relevant vesting date and the individual performance of the employee meets performance requirements set by Simba; and
 - **The EBITDA Condition:** Up to 60% of the performance rights that are due to vest on that date will vest (a) if the rights holder meets the Personal Performance Condition AND (b) Simba has met its EBITDA objectives for the financial year immediately preceding the relevant vesting date, in which case the percentage to vest will be as follows:
 - If Simba achieves 95% or more of target EBITDA – the full 60% will vest.
 - If Simba achieves between 80% and 94% of target EBITDA – 45% will vest.
 - If Simba does not achieve at least 80% of target EBITDA – the full 60% will lapse.

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- Any performance rights which do not vest, automatically lapse.

The policy principles behind the vesting conditions are the following:

- To promote the retention of our most valuable employees, which is critical in the industry in which our Group operates; and
- To promote the financial performance of the business, in respect of which the EBITDA objective is determined annually by the Board of Directors of the Company.

For performance rights issued in FY21, the percentage of performance rights eligible for vesting each year was 20% (i.e., vesting over a five-year period). For performance rights issued in FY22, the percentage of performance rights eligible for vesting each year was 25% (i.e., vesting over a four-year period).

A total of 5,024,000 (2021: 4,616,000) performance rights were granted and not lapsed as at the year ended 31 July 2022, to certain executives and employees of Simba and Tuas Malaysia which will vest in accordance with the conditions described above.

The vesting of performance rights eligible to vest relating to the year ended 31 July 2022 will be determined by the Board after the issue of this Annual Report and therefore will vest in the FY23 year. The maximum number of performance rights pertaining to FY21 and FY22 that are available to vest in FY23 is 1,054,600 being 20% of the non-lapsed FY21 grant and 25% of the non-lapsed FY22 grant.

This number of performance rights granted to KMP is as follows:

| | <u>April 2021</u> | <u>March 2022</u> |
|---------------|-------------------|-------------------|
| Richard Tan | 1,500,000 | 551,000 |
| Harry Wong | 211,000 | 39,000 |
| Benjamin Tan | 443,000 | 102,000 |
| Ng Chong Teck | 267,000 | 62,000 |

(v) Remuneration awarded to Richard Tan, Chief Executive Officer of Simba

Richard Tan is employed by Simba. Richard is entitled to receive annual fixed remuneration of S\$753,900 (inclusive of base salary and superannuation). Richard is also provided with certain insurance and car allowance benefits by Simba.

Richard is also entitled to a cash bonus of S\$300,000 each year, subject to achieving performance metrics set by Simba. Eligibility for this bonus is determined by the Board of Simba prior to approval by the Tuas Board. The determination of the achievement of those criteria will be undertaken by the Company at times of the Company's choosing. For the reported financial period, the factors considered for the cash bonus included the following items

- Simba EBITDA performance
- Expanding dealer and distribution network
- Securing 5G spectrum
- Network development, including ensuring that IMDA QoS milestones were met or exceeded
- Network performance
- Product development and successful brand transition
- Management of operating expenditure.

Under his employment contract, either Richard or Simba can terminate Richard's employment by giving the other party 6 months' notice (or by Simba making payment in lieu of notice for part or all of the notice period). All payments on termination will be subject to the termination benefits cap under the Corporations Act.

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6.5 Directors' and executive officers' remuneration

The tables below set out the statutory remuneration disclosures for each Director of the Company and for other KMP of the Group. The amounts shown reflect the expense recognised in the Group's financial statements.

| Directors | | Short-term | | | | Post-employment | (Note D) Share-based payments S\$ | Total S\$ | Proportion of remuneration performance related % | Share-based payments as proportion of remuneration % | |
|--------------------------------|-------------|----------------------|--------------------------------------|---------------------------------|---|------------------|--|------------------|--|--|-----------------------------------|
| | | Salary & fees S\$ | (Note A) STI cash bonus S\$ | (Note B) Other Allowances | (Note C) Non- monetary benefits S\$ | Total S\$ | | | | | Superannuation benefits S\$ |
| Executive Directors | | | | | | | | | | | |
| Mr D Teoh (Executive Chairman) | FY22 | 147,905 | - | - | - | 147,905 | 14,793 | - | 162,698 | - | - |
| | FY21 | 158,654 | - | - | 11,540 | 170,194 | 15,134 | - | 185,328 | - | - |
| Non-Executive Directors | | | | | | | | | | | |
| Mr R Millner | FY22 | 73,953 | - | - | - | 73,953 | 7,395 | - | 81,348 | - | - |
| | FY21 | 91,131 | - | - | - | 91,131 | 8,689 | - | 99,820 | - | - |
| Mr J Teoh* | FY22 | 73,953 | - | - | - | 73,953 | 7,395 | - | 81,348 | - | - |
| | FY21 | 91,131 | - | - | - | 91,131 | 8,689 | - | 99,820 | - | - |
| Ms S Kenny | FY22 | 93,673 | - | - | - | 93,673 | 9,367 | - | 103,040 | - | - |
| | FY21 | 115,433 | - | - | - | 115,433 | 11,005 | - | 126,438 | - | - |
| Mr A Latimer | FY22 | 93,673 | - | - | - | 93,673 | 9,367 | - | 103,040 | - | - |
| | FY21 | 115,433 | - | - | - | 115,433 | 11,005 | - | 126,438 | - | - |
| Mr B Teoh* | FY22 | - | - | - | - | - | - | - | - | - | - |
| Executives | | | | | | | | | | | |
| Mr R Tan | FY22 | 731,438 | 300,000 | 26,000 | 59,494 | 1,116,932 | 13,680 | 746,002 | 1,876,614 | 56% | 40% |
| | FY21 | 766,288 | 300,000 | 28,383 | 50,645 | 1,145,316 | 14,476 | 104,377 | 1,264,169 | 32% | 8% |
| Mr H Wong | FY22 | 145,080 | - | - | 8,885 | 153,965 | 12,240 | 79,056 | 245,261 | 32% | 32% |
| | FY21 | 152,989 | - | - | 9,957 | 162,946 | 13,362 | 14,682 | 190,990 | 8% | 8% |
| Mr B Tan | FY22 | 333,084 | 80,000 | - | 9,061 | 422,145 | 17,340 | 179,501 | 618,986 | 42% | 29% |
| | FY21 | 355,905 | 80,000 | - | 21,075 | 456,980 | 18,930 | 30,826 | 506,736 | 22% | 6% |
| Mr T Ng Chong | FY22 | 204,240 | 25,000 | - | 14,929 | 244,169 | 7,580 | 108,539 | 360,288 | 37% | 30% |
| | FY21 | 212,625 | 25,000 | - | 14,444 | 252,069 | 7,770 | 18,579 | 278,418 | 16% | 7% |
| Total | FY22 | 1,896,999 | 405,000 | 26,000 | 92,369 | 2,420,368 | 99,157 | 1,113,098 | 3,632,623 | | |
| | FY21 | 2,059,589 | 405,000 | 28,383 | 107,661 | 2,600,633 | 109,060 | 168,464 | 2,878,157 | | |

Tuas Limited and its controlled entities

Directors' report

For the year ended 31 July 2022

Notes in relation to the table of directors' and executive officers' remuneration

* Jack Teoh ceased, and Bob Teoh commenced, as a director on 28 July 2022.

- A. The short-term incentive bonuses paid during the year were for performance for the year ended 31 July 2022.
- B. The other allowances comprise of car allowance.
- C. The non-monetary benefits comprise movement in accrued annual leave entitlements and health insurance.
- D. The fair value of the 2021 rights at date of grant was A\$0.65 per performance right based on the market price of the Tuas shares on that day. The fair value of the 2022 rights at date of grant was A\$1.70. Share based payment expense recognition occurs from the grant date. The expense recognition for each year is graded, such that the expense is not straight-lined over the 5 or 4 year vesting period. The number of rights granted to each KMP is disclosed below. The rules of the performance rights plan are explained in 6.4(iv) above.
- E. Remuneration in FY21 was higher than in FY22 because FY21 covered a period of approximately 17 months and FY22 was a standard 12 month period.

Tuas Limited and its controlled entities

Directors' report

For the year ended 31 July 2022

6.6 Share-based payments

As disclosed above, an allocation of performance rights occurred during the reporting period but no performance rights vested during the reporting period. The number of performance rights outstanding for KMP are set out in the below table.

| FY22 Performance rights grant | Held at 31 Jul 2021 | Granted during the period | Vested during the period | Held at 31 Jul 2022 | Fair value per right at grant date | Vested and exercisable at 31 Jul 2022 |
|--|--------------------------------|--|---|--------------------------------|---|--|
| Mr R Tan | - | 551,000 | - | 551,000 | A\$1.70 | - |
| Mr H Wong | - | 39,000 | - | 39,000 | A\$1.70 | - |
| Mr B Tan | - | 102,000 | - | 102,000 | A\$1.70 | - |
| Mr T Ng Chong | - | 62,000 | - | 62,000 | A\$1.70 | - |

| FY21 Performance rights grant | Held at 31 Jul 2021 | Granted during the period | Vested during the period | Held at 31 Jul 2022 | Fair value per right at grant date | Vested and exercisable at 31 Jul 2021 |
|--|--------------------------------|--|---|--------------------------------|---|--|
| Mr R Tan | 1,500,000 | - | - | 1,500,000 | A\$0.65 | - |
| Mr H Wong | 211,000 | - | - | 211,000 | A\$0.65 | - |
| Mr B Tan | 443,000 | - | - | 443,000 | A\$0.65 | - |
| Mr T Ng Chong | 267,000 | - | - | 267,000 | A\$0.65 | - |

6.7 KMP shareholdings

The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially by each KMP, including by their related parties, is as follows:

| | Held at 31 July 2021 | Acquired during the Period | Disposed during the Period | Held at 31 July 2022 |
|-------------------|-------------------------------------|---------------------------------------|---|-------------------------------------|
| Directors | | | | |
| D Teoh | 172,986,163 | 0 | 0 | 172,986,163 |
| R Millner | 5,186,531 | 0 | 0 | 5,186,531 |
| J Teoh | 66,630 | 0 | 0 | 66,630 |
| S Kenny | 0 | 0 | 0 | 0 |
| A Latimer | 150,000 | 0 | 0 | 150,000 |
| B Teoh | 66,630 | 0 | 0 | 66,630 |
| Executives | | | | |
| R Tan | 0 | 0 | 0 | 0 |
| Mr H Wong | 0 | 0 | 0 | 0 |
| Mr B Tan | 65,000 | 40,000 | 65,000 | 40,000 |
| Mr T Ng Chong | 0 | 0 | 0 | 0 |

There is no difference in shareholding as at 31 July 2022 and the date of this Directors' Report.

6.8 KMP Employment contract terms

All KMP other than directors have usual form employment contract terms that have no fixed expiry date.

The employment contract of the CEO can be terminated by either Richard or Simba giving the other party six months' notice (or by Simba making payment in lieu of notice for part or all of the notice period).

Tuas Limited and its controlled entities

Directors' report

For the year ended 31 July 2022

The employment contracts of other KMP other than directors are standard employment contracts and can be terminated by either the employee or Simba giving the other party two months' notice (or by Simba making payment in lieu of notice for part or all of the notice period).

6.9 Transactions with KMP

Loans to KMP and their related parties

There were no loans in existence between the Group and any KMP or their related parties at any time during or since the financial year.

Other KMP transactions with the Company or its controlled entities

From time to time, KMP of the Company or its controlled entities, or their related entities, may purchase goods or services from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

7. Sustainability report

About Tuas

Tuas is an ASX Listed company with no operations in Australia. Tuas's business is holding shares in Simba, which is a Singapore telecommunications company, holding the 4th facilities-based operator licence for mobile telecommunications in Singapore. It has no industrial manufacturing base and produces no greenhouse emissions, other than through the use of electricity.

Stakeholders

For the purposes of sustainability reporting in Australia, Tuas's primary stakeholders are its investors. Tuas conducts briefing sessions with its investors during key reporting periods each year.

Footprint

Tuas has no employees in Australia other than its directors and therefore no offices. Tuas consumes no power in its Australian operations.

In Singapore, Simba has one office, two data centres (required to meet regulatory conditions in Singapore), and a number of mobile telecommunications cell sites needed to provide coverage for its customers.

Approach to Sustainability

Tuas is a relatively new company, seeking to establish itself as a profitable organisation to benefit Tuas stakeholders. Given its early stage, it does not purport to hold sophisticated policies and procedures around sustainability, but the board considers sustainability matters as it makes decisions.

Sustainability Issues

Environmental

Tuas acknowledges the importance of environmental issues on the community and notes that degree of environmental impact for businesses is on a continuum.

Tuas considers that its environmental impact is on the very low end of the continuum and that it is a net positive contributor to the environment by improving connectivity and hence reducing reliance of carbon intensive forms of travel.

Tuas Limited and its controlled entities

Directors' report

For the year ended 31 July 2022

Simba is not a significant consumer or producer of carbon-based fuels or water. Electrical power is the key input for the offices and the cell sites.

During the year, both for cost and environmental concerns, Simba has endeavoured to minimise its consumption of electrical power and, by innovative approaches focussing on using the most modern equipment and operating the smallest practical number of cell sites, has managed to maintain relatively flat usage of electrical power whilst our customer base has increased considerably.

Employees

There are fewer than 150 employees in the Group and the Company takes appropriate steps to manage its staff with a positive approach, appropriate compensation, and sensitive management. Diversity in terms of gender and ethnic background is an important feature of doing business in Singapore and, in its recruitment process, Simba pays attention to these factors whilst trying to secure the best people for the roles that need to be filled.

Customers

Customers are the primary driver for the Tuas business. Simba's entry into the Singapore market has brought substantial benefit to consumers in Singapore, whether our customers or not. The competitive response has seen mobile providers lowering prices to compete with Simba's innovative plans. The consumers are the winners. Simba's focus is to provide its customers the best possible experience, not merely the lowest price. Our business processes are deliberately simple and attractive. It is essential to the sustainability of the business that these processes and our customer handling systems be maintained at the most efficient possible level for the capital that is available.

Data Security

With the recent surge of cybersecurity incidents around the world, Simba's Board and Executive team are acutely aware of the need to protect sensitive customer data within our business process systems. External independent experts and the Tuas Audit and Risk Committee play a role in monitoring capability and delivery of data security initiatives.

Furthermore, Singapore's regulatory regime, under which Simba operates, stipulates an array of CyberSecurity requirements to which compliance must be audited by designated third parties. These requirements are a superset of the usual ISO 27001 audits. To date, Simba has complied fully with these Codes of Practice which are comprehensive.

Financial

Financially (as described above), Tuas has secured positive EBITDA with positive cash flow from operations, and is moving toward positive cash flow after capital expenditure. The key drivers for the Company's financial future are our quality network and customer growth. The Board invests in procuring and maintaining the most up-to-date infrastructure to provide this quality network, including by the acquisition of 5G spectrum and network assets, and is pleased with customer growth. These factors support the ongoing sustainability of the Tuas business for its stakeholders.

8. Principal activities

The Company is a company domiciled in Australia. The address of the Company's registered office is Level 11, 117 Clarence Street, Sydney, NSW 2000. On 29 June 2020, the Company was admitted to the Official List of ASX Limited. The Group is a for-profit entity.

Tuas Limited and its controlled entities

Directors' report

For the year ended 31 July 2022

The primary operations of the Group are via its investment in Simba, a company which is primarily involved in owning and operating a mobile network and providing telecommunications services in Singapore.

9. Dividends

Tuas Limited has not paid or declared any dividends during the year ended 31 July 2022.

10. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

11. Likely developments

There are no likely developments that need to be disclosed.

12. Environmental regulation

The Group's operations are not subject to significant environmental regulation under a law or legislation of the Commonwealth or of a State or Territory.

13. Directors' interests

The relevant interest of each Director in the shares and options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report are as disclosed in section 6 above.

14. Unissued shares note

As also disclosed in section 6.4(iv) of the Remuneration Report, the Company has issued performance rights to employees of the Group, including certain KMP that entitle those employees, upon meeting the vesting criteria, to be issued ordinary shares in the Company. The number of unissued shares of the Company under performance rights is 5,024,000 shares as at the date of this report.

15. Indemnification and insurance of officers and directors

Indemnification

The Company has agreed to indemnify all Directors and officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as a Director or as an officer of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Tuas Limited and its controlled entities

Directors' report

For the year ended 31 July 2022

Insurance policies

The Group maintains policies in respect of directors' and officers' liability insurance for current and former directors and officers, including senior executives of the Company and directors, senior executives and officers of Group companies. The terms of the insurance contract prohibit disclosure of the premiums payable and other terms of the policies.

16. Non-audit services

During the period KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the period by the auditor and is satisfied that the provision of those non-audit services during the period by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit & Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to KPMG and its related practices for audit and non-audit services provided during the period are set out in note 24 to the financial statements.

17. Proceedings on behalf of the Company

No proceedings have been brought on behalf of the Group, nor have any applications been made in respect of the Group under section 237 of the *Corporations Act 2001* (Cth).

18. Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required by Section 307C of the *Corporations Act 2001* is included at page 23 of this report.

19. Rounding off

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) instrument 2016/191 dated 24 March 2016 and, in accordance with that instrument, all financial information presented in Singapore dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

Tuas Limited and its controlled entities

Directors' report

For the year ended 31 July 2022

This report is made with a resolution of the Directors.



David Teoh

Chairman

Dated at Sydney this 21st day of October, 2022

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Tuas Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Tuas Limited for the financial year ended 31 July 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



Caoimhe Toouli

Partner

Sydney

21 October 2022

Tuas Limited and its controlled entities
 Consolidated statement of comprehensive income
 For the year ended 31 July 2022

| | <i>Note</i> | Year ended 31-Jul-22 S\$000 | 11-Mar-20 to 31-Jul-21 S\$000 |
|---|--------------|--|--|
| Revenue | 4 | 57,432 | 34,307 |
| Network, carrier and hardware costs | | (22,283) | (18,527) |
| Employee benefits expense | | (9,125) | (9,008) |
| Other expenses | 5 | (10,518) | (9,220) |
| Profit/(loss) before interest, tax, depreciation and amortisation | | 15,506 | (2,448) |
| Depreciation – Plant and Equipment and Right of Use Assets | 10,12 | (31,067) | (25,918) |
| Amortisation of intangibles | 11 | (10,988) | (11,870) |
| Loss from operating activities | | (26,549) | (40,236) |
| Foreign exchange (loss)/gain | | (19) | 2,424 |
| Interest income | | 53 | 251 |
| Finance and Lease interest expenses | | (1,692) | (1,157) |
| Net financing income | | (1,658) | 1,518 |
| Loss before income tax | | (28,207) | (38,718) |
| Income tax benefit | 6 | 1,474 | 6,151 |
| Loss after tax | | (26,733) | (32,567) |
| Items that may subsequently be reclassified to the income statement, net of tax: | | | |
| Foreign currency translation differences | | 1 | 2 |
| Total other comprehensive income, net of tax | | 1 | 2 |
| Total comprehensive loss for the period | | (26,732) | (32,565) |
| Attributable to: | | | |
| Owners of the Company | | (26,732) | (32,565) |
| Loss per share attributable to owners of the Company: | | | |
| Basic and diluted loss per share (cents) | 7 | (5.76) | (8.89) |

The notes on pages 29 to 53 are an integral part of these consolidated financial statements.

Tuas Limited and its controlled entities
Consolidated statement of financial position
For the year ended 31 July 2022

| | Note | 31-Jul-22 S\$000 | 31-Jul-21 S\$000 |
|---|------|---------------------|---------------------|
| Assets | | | |
| Cash and cash equivalents | | 16,614 | 61,035 |
| Term deposits | | 32,940 | 33,548 |
| Trade and other receivables | 9 | 5,610 | 6,989 |
| Inventories | | 147 | 281 |
| Prepayments and other assets | | 1,585 | 1,928 |
| Total Current Assets | | 56,896 | 103,781 |
| Plant and equipment | 10 | 261,884 | 254,724 |
| Right of use assets | 12 | 2,853 | 3,299 |
| Spectrum assets | 11 | 138,256 | 117,081 |
| Other intangible assets | 11 | 4,147 | 4,433 |
| Deferred tax assets | 6 | 11,153 | 9,679 |
| Prepayments and other assets | | 927 | 983 |
| Total Non-Current Assets | | 419,220 | 390,199 |
| Total Assets | | 476,116 | 493,980 |
| Liabilities | | | |
| Trade and other payables | 13 | 14,757 | 8,623 |
| Lease liabilities | 17 | 535 | 545 |
| Deferred revenue | | 3,993 | 2,517 |
| Employee benefits | | 571 | 746 |
| Total Current Liabilities | | 19,856 | 12,431 |
| Lease liabilities | 17 | 1,986 | 2,354 |
| Provisions | 15 | 488 | 441 |
| Total Non-Current Liabilities | | 2,474 | 2,795 |
| Total Liabilities | | 22,330 | 15,226 |
| Net Assets | | 453,786 | 478,754 |
| Equity | | | |
| Share capital | 16 | 525,000 | 525,000 |
| Share based payment reserve | 16 | 2,091 | 327 |
| Common control reserve | 16 | (14,008) | (14,008) |
| Foreign currency translation reserve | | 3 | 2 |
| Accumulated losses | | (59,300) | (32,567) |
| Total Equity attributable to owners of the Company | | 453,786 | 478,754 |

Tuas Limited and its controlled entities

Consolidated statement of changes in equity

For the year ended 31 July 2022

| | <i>Note</i> | Share Capital | Share base payment reserve | Common Control Reserves | Foreign currency translation reserves | Accumulated Losses | Total |
|--|-------------|----------------|----------------------------------|-------------------------------|--|-----------------------|----------------|
| | | S\$000 | S\$000 | S\$000 | S\$000 | S\$000 | S\$000 |
| At 11 March 2020 (date of incorporation) | | - | - | - | - | - | - |
| Effect of acquisition of a subsidiary under common control | 16 | - | - | (14,008) | - | - | (14,008) |
| Share-based payment | 16 | - | 327 | - | - | - | 327 |
| Loss for the period | | - | - | - | - | (32,567) | (32,567) |
| Total comprehensive loss for the period | | - | 327 | (14,008) | - | (32,567) | (46,248) |
| Other comprehensive income, net of tax | | - | - | - | 2 | - | 2 |
| Shares issued during the period | 16 | 525,000 | - | - | - | - | 525,000 |
| Balance at 31 July 2021 | | 525,000 | 327 | (14,008) | 2 | (32,567) | 478,754 |
| At 1 August 2021 | | 525,000 | 327 | (14,008) | 2 | (32,567) | 478,754 |
| Share-based payment | 8 | - | 1,764 | - | - | - | 1,764 |
| Loss for the period | | - | - | - | - | (26,733) | (26,733) |
| Total comprehensive loss for the period | | - | 1,764 | - | - | (26,733) | (24,969) |
| Other comprehensive income, net of tax | | - | - | - | 1 | - | 1 |
| Balance at 31 July 2022 | | 525,000 | 2,091 | (14,008) | 3 | (59,300) | 453,786 |

The notes on pages 29 to 53 are an integral part of these consolidated financial statements.

Tuas Limited and its controlled entities

Consolidated statement of cash flows

For the year ended 31 July 2022

| | Year ended 31-Jul-22 | 11-Mar-20 To 31-Jul-21 |
|---|----------------------------|------------------------------|
| Notes | S\$000 | S\$000 |
| Cash flows from operating activities | | |
| Cash receipts from customers | 64,021 | 38,656 |
| Cash paid to suppliers and employees | (41,490) | (44,942) |
| Cash from/(used in) operating activities | 22,531 | (6,286) |
| Interest received | 44 | 251 |
| Net cash from/(used in) operating activities | 22,575 | (6,035) |
| Cash flows from investing activities | | |
| Cash acquired from acquisition of a subsidiary under common control | - | 56,025 |
| Returns from/(Investment in) term deposits | 608 | (33,548) |
| Acquisition of plant and equipment | (35,079) | (45,268) |
| Acquisition of spectrum assets | (31,000) | - |
| Acquisition of other intangible assets | (991) | (89) |
| Net cash used in investing activities | (66,462) | (22,880) |
| Cash flows from financing activities | | |
| Proceeds from issue of share capital | - | 88,449 |
| Repayment of lease liabilities | (512) | (669) |
| Net Finance costs paid | (32) | (303) |
| Net cash (used) in/from financing activities | (544) | 87,477 |
| Net (decrease)/increase in cash and cash equivalents | (44,431) | 58,562 |
| Cash and cash equivalents at beginning of the year | 61,035 | - |
| Effect of exchange rate fluctuations | 10 | 2,473 |
| Cash and cash equivalents at end of the year | 16,614 | 61,035 |

In addition to cash and cash equivalents, at 31 July 2022 the Group has Term deposits of S\$32.9m (2021: S\$33.5m) as shown in the statement of financial position.

Tuas Limited and its controlled entities
Notes to the consolidated financial statements
For the year ended 31 July 2022

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Tuas Limited and its controlled entities

Notes to the consolidated financial statements

For the year ended 31 July 2022

1. Reporting entity

Tuas Limited (the 'Company') is a company limited by shares, incorporated in Australia whose shares are publicly traded on the Australia Securities Exchange (ASX). The address of the Company's registered office is Level 11, 117 Clarence Street, Sydney, NSW 2000. The consolidated financial statements for the year ended 31 July 2022, comprise the accounts of the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for-profit entity involved through Simba Telecom Pte Ltd (its wholly owned subsidiary) in the development of a mobile network and provision of mobile telecommunications services in the Singapore market.

2. Basis of preparation

a. Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) and the International Financial Reporting Interpretation Committee (IFRIC) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were approved by the Board of Directors on 21 October 2022.

b. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

c. Functional and presentation currency

The Group's primary operations are those of Simba, whose functional and reporting currency is Singapore dollars, and accordingly, all figures in this report are also in Singapore dollars, the reporting currency of Tuas Limited.

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and, in accordance with that instrument, all financial information has been rounded to the nearest thousand dollars unless otherwise stated.

d. Use of estimates and judgements

Preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

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

The significant judgements made by management in applying the Group's accounting policies relate to:

Tuas Limited and its controlled entities

Notes to the consolidated financial statements

For the year ended 31 July 2022

Note 2: Basis of preparation (continued)

- Commencement of depreciation

The Group determines that a network asset is considered completed and ready for use when it is technically ready for commercial paid services to be marketed. The assessment of when the asset is ready for its intended use affects when the depreciation of the asset commences, and the expense to be recognised in profit or loss.

- Impairment of plant and equipment and intangible assets

Impairment is recognised when events and circumstances indicate that the carrying amounts of plant and equipment or intangible assets exceed the recoverable amounts. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. When value in use calculations are undertaken, management estimates the recoverable amount based on a discounted cash flow model. The cash flows are derived from the forecasts approved by the Board.

In determining the forecasts, the Group is required to make a number of judgements which focus on expected economic and market conditions.

- Deferred tax asset

Significant judgement is required in relation to the recognition and the assessment of recoverability of deferred tax assets relating to the unutilised tax losses of Group companies. The recoverability of deferred tax assets is assessed against forecast income streams and the carrying amount of deferred tax assets is reviewed at each reporting date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the Group company for which the deferred tax asset has been recognised.

- Calculation of lease liability

The Group has applied judgement to determine the lease term for certain lease contracts which include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and Right of Use (ROU) assets recognised.

e. Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group continues to trade and to meet its obligations for at least the next twelve months. This is notwithstanding the fact that the Group is not currently generating profits. The Group is in a net current asset position and believes it has sufficient funds to fully meet its obligations as they fall due and financial capacity to fund its business plans.

Tuas Limited and its controlled entities

Notes to the consolidated financial statements

For the year ended 31 July 2022

3. Segment reporting

The Group determines and presents operating segments based on the information that is internally provided to the CEO and Board of Directors, which acts as the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses.

The Group's operations in Singapore represents the only reportable segment. The chief operating decision maker for this segment is the CEO and Directors of Simba. There are no inter-segment transactions.

Profit/(loss) before interest, tax, depreciation and amortisation

| For the period 11 March 2020 to 31 July 2021 | Singapore S\$000 | Others S\$000 | Total S\$000 |
|--|---------------------|------------------|-----------------|
| Revenue | 34,307 | - | 34,307 |
| Network, carrier and hardware costs | (18,527) | - | (18,527) |
| Employee benefits expense | (7,861) | (1,147) | (9,008) |
| Other expenses | (8,303) | (917) | (9,220) |
| Results from segment activities | (384) | (2,064) | (2,448) |

| For the year ended 31 July 2022 | Singapore S\$000 | Others S\$000 | Total S\$000 |
|--|---------------------|------------------|-----------------|
| Revenue | 57,432 | - | 57,432 |
| Network, carrier and hardware costs | (22,283) | - | (22,283) |
| Employee benefits expense | (8,378) | (747) | (9,125) |
| Other expenses | (9,944) | (574) | (10,518) |
| Results from segment activities | 16,827 | (1,321) | 15,506 |

Geographic Information

All the Group's operating revenue is derived from Singapore based entity.

A geographic analysis of the Group's non-current assets, excluding deferred tax assets, is set out below.

| Country | 31-Jul-22 S\$000 | 31-Jul-21 S\$000 |
|--------------|---------------------|---------------------|
| Singapore | 407,954 | 380,500 |
| Others | 113 | 20 |
| Total | 408,067 | 380,520 |

4. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer, i.e. when the customer can benefit from the goods or services.

The Group determines various performance obligations under a contract, allocates the total contract price amongst the performance obligations based on their standalone selling prices, and recognises revenue when

Tuas Limited and its controlled entities

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For the year ended 31 July 2022

Note 4: Revenue (Continued)

the performance obligations are satisfied, i.e. upon delivery of goods sold, and activation of subscription plans.

Mobile Revenue

Performance obligations that arise from contracts with customers comprise the rendering of telecommunications services including provision of data, voice, SMS, roaming and other services. The Group recognises revenue as services are provided over time, i.e. when the customer simultaneously receives and consumes the benefits provided to them.

Billings are made in advance, with each billing cycle currently being 30 days. Invoices are made available to the customers electronically via the Simba online customer portal or mobile application when they login to their accounts.

Project revenue

Revenue derived from technologies and system solution projects are recognised when, or as, performance obligations are satisfied through the transfer of control of a good or service to the customer. For a performance obligation satisfied over time, the Group adopts the cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, to recognise the revenue as this measure faithfully depicts the transfer of control to the customer.

Deferred revenue

Deferred revenue primarily relates to the advance consideration received from customers for which revenue will be recognised on fulfilment of performance obligations under the customer contracts.

Invoicing for project revenue is based on a series of performance related milestones. When a milestone is reached, the customer will provide the Company with a statement to certify the progress. At this point, any amount previously recognised as a contract asset will be reclassified to trade receivables upon invoicing to the customer. If the milestone payment exceeds the revenue recognised to date, then the Company recognises a contract liability for the difference.

Payment terms for these contracts are based on payment milestones over the duration of the contract where a 30-day payment term is given to customers.

Tuas Limited and its controlled entities
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For the year ended 31 July 2022

Note 4: Revenue (Continued)

a. Major product categories:

The following table provides a breakdown of revenue by major product categories.

| | Timing of revenue recognition | Year ended 31-Jul-22 | 11-Mar-20 to 31-Jul-21 |
|-----------------|--|---------------------------------|-----------------------------------|
| | | S\$000 | S\$000 |
| Mobile revenue | Over time | 56,587 | 31,330 |
| Project revenue | Over time | 113 | 1,769 |
| Other | Over time/Point in time | 732 | 1,208 |
| Total | | 57,432 | 34,307 |

b. Contract balances

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the end of the current reporting period. These amounts are transferred to trade receivables when the rights become unconditional.

Deferred revenue liability primarily relates to the advance consideration received from customers for which revenue will be recognised on fulfilment of performance obligations under the customer contracts.

c. Remaining performance obligations

The Group has applied the practical expedient of not disclosing information about the amount of the transaction price allocated to the remaining (unfulfilled) performance obligation where the Group has a right to consideration in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, or the contract duration is less than one year.

5. Other expenses

| | Year ended 31-Jul-22 | 11-Mar-20 to 31-Jul-21 |
|-------------------------------|---------------------------------|-----------------------------------|
| | S\$000 | S\$000 |
| Advertising & marketing costs | 5,315 | 3,556 |
| Professional fees | 1,391 | 1,268 |
| Licence fees | 1,734 | 1,822 |
| Office expenses | 878 | 1,098 |
| Other expenses | 1,200 | 1,476 |
| | 10,518 | 9,220 |

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6. Taxes

Income tax expense

| | 31-Jul-22 S\$000 | 31-Jul-21 S\$000 |
|---|---------------------|---------------------|
| Current tax expense | 1 | - |
| Deferred tax (benefit): Origination and reversal of temporary differences including the recognition of tax losses | (1,633) | (6,151) |
| Adjustment from prior year | 158 | - |
| Income tax (benefit) | (1,474) | (6,151) |

Numerical reconciliation between tax benefit and pre-tax accounting loss

| | | |
|--|----------------|----------------|
| Loss before income tax | (28,207) | (38,718) |
| Income tax (benefit) using Singapore tax rate of 17% | (4,795) | (6,581) |
| Different tax rates in other jurisdictions | 9 | (180) |
| Non-deductible and non-assessable items | 3,151 | 947 |
| Over provision for income tax in prior year | 158 | - |
| Non-taxable income | 3 | (337) |
| Income tax (benefit) | (1,474) | (6,151) |

Deferred tax assets

Movement in temporary differences during the reporting period

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are attributable to the following:

| | Balance 11-Mar-20 S\$000 | Acquired through business combination S\$000 | Recognised in profit or loss S\$000 | Balance 31-Jul-21 S\$000 | Recognised in profit or loss S\$000 | Balance 31-Jul-22 S\$000 |
|--|--------------------------------|--|--|--------------------------------|--|--------------------------------|
| Deferred tax assets/(liabilities) | | | | | | |
| Plant and equipment | - | (7) | 4,221 | 4,214 | 4,197 | 8,411 |
| Leases | - | 4 | (73) | (69) | 12 | (56) |
| Provisions | - | 40 | 129 | 169 | (18) | 150 |
| Tax losses carried forward | - | 3,491 | 1,874 | 5,365 | (2,717) | 2,648 |
| | - | 3,528 | 6,151 | 9,679 | 1,474 | 11,153 |

The group has recognised deferred tax assets arising from unutilised tax losses of S\$2,648,000 (2021:S\$5,365,313) which are available for offset against future taxable income subject to compliance with the relevant provisions of local tax laws.

Tuas Limited and its controlled entities

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For the year ended 31 July 2022

Note 6: Taxes (continued)

Income tax on the profit or loss for the reporting period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that do not relate to a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

7. Loss per share

Basic and diluted loss per share

| | 31-Jul-22 | 31-Jul-21 |
|--|--------------------|--------------------|
| | Cents | Cents |
| Basic and diluted loss per share | <u>(5.76)</u> | <u>(8.89)</u> |
| | S\$000 | S\$000 |
| Loss attributable to owners of the Company used in calculating basic and diluted loss per share | <u>(26,732)</u> | <u>(32,565)</u> |
| Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share | <u>463,909,021</u> | <u>366,195,813</u> |

The Group presents basic and diluted loss per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. The dilutive potential arises from the application of the share-based payments to Simba executives and employees as described in the following section.

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For the year ended 31 July 2022

8. Share-based payment arrangements

A. Description of share-based payment arrangements

In response to the recommendation of the Board of Simba, in April 2021, the Company established an incentive scheme to further align the KMP's and certain key employees' remuneration with the Company shareholders' interests. The incentive scheme takes the form of a performance rights plan under which selected employees are granted performance rights, vesting over a 4 or 5 year period.

Under the rules of the performance rights plan, participants will be awarded fully paid ordinary shares in the Company for no consideration, subject to certain performance conditions. The key terms of the plan are as follows:

- A percentage of the performance rights granted will vest following the release of the Group's audited financial statements for each of the financial years commencing with the financial year ending 31 July 2022, subject to the satisfaction of performance conditions.
- The performance conditions, at each vesting date are:
 - **The Personal Performance Condition:** 40% of the performance rights that are due to vest on that date will vest if the rights holder has been continuously employed by the Group up until and including the relevant vesting date and the individual performance of the Simba employee meets performance requirements set by Simba; and
 - **The EBITDA Condition:** Up to 60% of the performance rights that are due to vest on that date will vest (a) if the rights holder meets the Personal Performance Condition AND (b) Simba has met its EBITDA objectives for the financial year immediately preceding the relevant vesting date, in which case the percentage to vest will be as follows:
 - If Simba achieves 95% or more of target EBITDA – the full 60% will vest.
 - If Simba achieves between 80% and 94% of target EBITDA – 45% will vest.
 - If Simba does not achieve at least 80% of target EBITDA – the full 60% will lapse.
- Any performance rights which do not vest, automatically lapse.

The policy principles behind the vesting conditions are the following:

- (a) To promote the retention of our most valuable employees, which is critical in the industry in which our Group operates; and
- (b) To promote the financial performance of the business, in respect of which the EBITDA objective is determined annually by the Board of Directors of the Company.

For performance rights issued in FY21, the percentage of performance rights eligible for vesting each year was 20% (i.e., vesting over a five-year period). For performance rights issued in FY22, the percentage of performance rights eligible for vesting each year was 25% (i.e., vesting over a four-year period).

At total of 5,024,000 (2021: 4,616,000) performance rights were granted and not lapsed as at the year ended 31 July 2022 to certain executives and employees of Simba and Tuas Malaysia which will vest in accordance with the conditions described above.

The vesting of performance rights eligible to vest relating to the year ended 31 July 2022 will be determined by the Board after the issue of this Annual Report and therefore will vest in the FY23 year. The maximum number of performance rights pertaining to FY21 and FY22 that are available to vest in FY23 is 1,054,600 being 20% of the non-lapsed FY21 grant and 25% of the non-lapsed FY22 grant.

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For the year ended 31 July 2022

Note 8: Share-based payment arrangements (continued)

This number of performance rights granted to KMP is as follows:

| | <u>April 2021</u> | <u>March 2022</u> |
|---------------|-------------------|-------------------|
| Richard Tan | 1,500,000 | 551,000 |
| Harry Wong | 211,000 | 39,000 |
| Benjamin Tan | 443,000 | 102,000 |
| Ng Chong Teck | 267,000 | 62,000 |

The number of rights outstanding during the year ended 31 July 2022 are set out below:

| | 31-Jul-22 | 31-Jul-21 |
|------------------------------|------------------|------------------|
| | Number of | Number of |
| | Rights | Rights |
| Balance as at beginning | 4,616,000 | Nil |
| Granted during the year | 1,439,000 | 4,616,000 |
| Forfeited during the year | (1,031,000) | Nil |
| Vested during the year | Nil | Nil |
| Balance as at 31 July | 5,024,000 | 4,616,000 |

The fair value of the 2022 rights at date of grant was A\$1.70 (2021: A\$0.65) per performance right based on the market price of the Tuas shares on that day, adjusted to take into account the terms and conditions upon which the rights were granted including expected dividends, of which there were none. None of these rights expired, were exercised, nor are exercisable during and as at the period end.

Share based payment expense recognition occurs from the grant date. The expense recognition for each year is graded according to the benefit accrued, such that the expense is not straight-lined over the 5 year or 4 year vesting period.

The amount consequently expensed during the reporting period was S\$1,764,680 (2021: S\$327,117).

9. Trade and other receivables

| | 31-Jul-22 | 31-Jul-21 |
|----------------------------------|------------------|------------------|
| | S\$000 | S\$000 |
| Trade receivables | 1,805 | 1,902 |
| Other receivables | 120 | 312 |
| Bank deposits held as guarantees | 3,685 | 4,775 |
| | 5,610 | 6,989 |

There were no contract assets held by the Group at the period end.

The Group's exposure to credit and currency risk and impairment losses related to trade and other receivables is disclosed in note 17.

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Notes to the consolidated financial statements
For the year ended 31 July 2022

10. Plant and equipment

| | Plant and equipment S\$000 | Office furniture and fittings S\$000 | Work In Progress S\$000 | Total S\$000 |
|--|----------------------------------|--|-------------------------------|-----------------|
| Cost | | | | |
| Balance at 11 March 2020 (date of incorporation) | - | - | - | - |
| Acquired through business combination | 130,195 | 371 | 103,887 | 234,453 |
| Additions | 6,230 | 1,444 | 42,763 | 50,437 |
| Transfer | 120,683 | - | (120,683) | - |
| Disposal | (5) | (311) | - | (316) |
| Balance at 31 July 2021 | 257,103 | 1,504 | 25,967 | 284,574 |
| Additions | 84 | 108 | 37,410 | 37,602 |
| Transfer | 53,270 | - | (53,270) | - |
| Disposal | (3) | - | - | (3) |
| Balance at 31 July 2022 | 310,454 | 1,612 | 10,107 | 322,173 |
| Accumulated Depreciation | | | | |
| Balance at 11 March 2020 (date of incorporation) | - | - | - | - |
| Acquired through business combination | (4,720) | (158) | - | (4,878) |
| Depreciation | (24,916) | (210) | - | (25,126) |
| Disposal | 3 | 151 | - | 154 |
| Balance at 31 July 2021 | (29,633) | (217) | - | (29,850) |
| Depreciation | (30,157) | (282) | - | (30,439) |
| Disposal | - | - | - | - |
| Balance at 31 July 2022 | (59,790) | (499) | - | (60,289) |
| Carrying amounts | | | | |
| At 11 March 2020 (date of incorporation) | - | - | - | - |
| At 31 July 2021 | 227,470 | 1,287 | 25,967 | 254,724 |
| At 31 July 2022 | 250,664 | 1,113 | 10,107 | 261,884 |

a. *Recognition and measurement*

Items of plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes all expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. The cost of self-constructed assets includes the cost of materials, associated labour, and the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets form part of the cost of the asset.

Tuas Limited and its controlled entities

Notes to the consolidated financial statements

For the year ended 31 July 2022

Note 10: Plant and Equipment (continued)

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Any gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item being disposed and are recognised net within other expenses in the income statement.

b. Subsequent costs

Subsequent costs are added to existing assets if it is probable that future economic benefits will flow to the Group.

c. Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each part of an item of plant and equipment.

The estimated useful lives used in the current period are as follows:

- Plant and equipment 3 – 10 years
- Office furniture and fittings 10 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

d. Impairment

At each reporting date, the Group reviews the carrying amounts of its non-financial assets, including intangible assets and plant and equipment, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs. CGUs are determined according to the lowest level of groups of assets that generate largely independent cashflows.

An impairment loss is recognised whenever the carrying amount of the asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in the income statement unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss. Impairment losses recognised in respect of a CGU are allocated first to reduce the carrying amount of any goodwill allocated to a CGU and then to reduce the carrying amount of other assets in the CGU on a pro rata basis.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is

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Note 10: Plant and Equipment (continued)

reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

11. Intangible assets

| | Spectrum licences S\$000 | Other intangibles S\$000 | Total S\$000 |
|--|--------------------------------|--------------------------------|-----------------|
| Cost | | | |
| Balance at 11 March 2020 (date of incorporation) | - | - | - |
| Acquired through business combination | 129,630 | 5,325 | 134,955 |
| Additions | 551 | 485 | 1,036 |
| Balance at 31 July 2021 | 130,181 | 5,810 | 135,991 |
| Additions | 31,000 | 877 | 31,877 |
| Balance at 31 July 2022 | 161,181 | 6,687 | 167,868 |
| Amortisation and impairment | | | |
| Balance at 11 March 2020 (date of incorporation) | - | - | - |
| Acquired through business combination | (2,419) | (188) | (2,607) |
| Additions | (10,681) | (1,189) | (11,870) |
| Balance at 31 July 2021 | (13,100) | (1,377) | (14,477) |
| Additions | (9,825) | (1,163) | (10,988) |
| Balance at 31 July 2022 | (22,925) | (2,540) | (25,465) |
| Carrying amounts | | | |
| At 11 March 2020 (date of incorporation) | - | - | - |
| At 31 July 2021 | 117,081 | 4,433 | 121,514 |
| At 31 July 2022 | 138,256 | 4,147 | 142,403 |

a. Recognition and measurement
Intangible assets with definite useful lives:

Spectrum licences

Spectrum licences are stated at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets comprise software and licences other than spectrum licences. Other intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses.

b. Subsequent expenditure

Other intangible assets expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates such as operating costs that are

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For the year ended 31 July 2022

Note 11: Intangible assets (continued)

incurred in developing or acquiring income producing assets, and capitalised interest related to the acquisition of intangible assets. All other expenditure is expensed as incurred.

c. Amortisation and impairment

Unless otherwise stated, amortisation is charged to the income statement on a straight-line basis, over the estimated useful lives of intangible assets.

The estimated useful lives used in both the current and comparative periods are as follows:

- Spectrum licences - Amortised over useful lives of 13 years.
- Other intangible assets with finite useful lives - Amortised over useful lives of 5 years.

12. Right of use assets

Leases as lessee

The Group leases property. The leases typically run for a period of 6 years with an option to renew. Lease payments are renegotiated upon expiry. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The Group leases some rooftop spaces for the placement of network equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value assets. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

| | 31-Jul-22 Property S\$000 | 31-Jul-21 Property S\$000 |
|---------------------------------------|---------------------------------|---------------------------------|
| Balance at beginning | 3,299 | - |
| Acquired through business combination | - | 513 |
| Depreciation | (628) | (792) |
| Addition to right-of-use assets | 182 | 3,578 |
| Balance at ending | 2,853 | 3,299 |

Amounts recognised in profit or loss

| | Year ended 31-Jul-22 S\$000 | 11-Mar-20 To 31-Jul-21 S\$000 |
|--|-----------------------------------|-------------------------------------|
| Interest on lease liabilities | 32 | 24 |
| Expenses relating to short-term leases | 1,001 | 1,105 |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | 24 | 60 |

Amounts recognised in statement of cash flows

| | Year ended 31-Jul-22 S\$000 | 11-Mar-20 To 31-Jul-21 S\$000 |
|-------------------------------|-----------------------------------|-------------------------------------|
| Total cash outflow for leases | 1,537 | 1,834 |

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13. Trade and other payables

| | 31-Jul-22 | 31-Jul-21 |
|------------------------------|------------------|------------------|
| | S\$000 | S\$000 |
| Trade creditors | 6,286 | 3,618 |
| Other creditors and accruals | 8,471 | 5,005 |
| | <u>14,757</u> | <u>8,623</u> |

Trade payables are non-interest bearing and are normally settled on 30-60 day terms.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 17.

14. Employee benefits

a. Current employee benefits

Liabilities for employee benefits that are due within 12 months of the reporting date represent present obligations resulting from employees' services provided up to the reporting date, and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at the reporting date including related on-costs such as workers' compensation insurance and payroll tax.

b. Superannuation

The Group contributes to several defined contribution superannuation and similar retirement savings plans in its countries of operation. Contributions are recognised as an expense in the income statement on an accruals basis as the related service is provided.

The Group contributed S\$1,121,118 (2021:S\$1,434,951) to defined contribution superannuation or other retirement plans during the reporting period.

15. Provisions

The Group has a provision of S\$488,291 (2021:S\$440,936) which relates to the Group's estimated costs to make good its leased premises.

16. Capital and reserves

Share capital

| | 31-Jul-2022 | | 31-Jul-2021 | |
|--|------------------------|----------------|------------------------|----------------|
| | Ordinary shares | S\$000 | Ordinary shares | S\$000 |
| Balance at beginning | 463,909,021 | 525,000 | 12 | - |
| Ordinary shares issued during the year | - | - | 463,909,009 | 525,000 |
| Balance as at ending | <u>463,909,021</u> | <u>525,000</u> | <u>463,909,021</u> | <u>525,000</u> |

Issue of ordinary shares

463,909,021 shares were issued to shareholders of TPG Telecom Limited resulting from the demerger from TPG Telecom Limited. (Refer note 20).

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Notes to the consolidated financial statements

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Note 16: Capital and reserves (continued)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. The Company does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Common control reserve

The reserve of S\$14,008,187 arises from the difference between the net asset value and the deemed consideration of these net assets acquired through business combination.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Share based payment reserve

The share incentive programme allows the Company's employees to be issued shares of the Company upon the exercise of performance rights as described in the Remuneration Report. The fair value of these share-based employee benefits of S\$1,764,680 (2021:S\$327,117) for this financial period is recognised as an expense with a corresponding recognition in the share-based payment reserve.

17. Financial instruments and risk management

Financial Instruments

The Group has no derivative financial assets or liabilities. The Group's non-derivative financial assets and liabilities comprise Cash and Cash equivalents, Term deposits, Trade and Other Receivables, and Trade and Other Payables.

The Group has limited exposure to risks from its use of financial instruments. Consumer customers, who provide the great majority of Simba's revenue prepay for the use of mobile services.

None of the Company's financial assets are measured at fair value. For Trade and Other Receivables and Other Payables, the carrying amount is a reasonable approximation of fair value.

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For the year ended 31 July 2022

Note 17: Financial instruments and risk management (continued)

The following table shows the financial instruments:

| | 31-Jul-2022 | 31-Jul-2021 |
|------------------------------|------------------------|------------------------|
| | Carrying Amount | Carrying Amount |
| | S\$000 | S\$000 |
| Financial assets | | |
| Cash and cash equivalents | 16,614 | 61,035 |
| Term deposits | 32,940 | 33,548 |
| Trade and other receivables | 5,610 | 6,989 |
| | 55,164 | 101,572 |
| Financial liabilities | | |
| Trade and other payables | 14,758 | 8,623 |

Risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations. Simba requires its consumer mobile customers to prepay for services and, as such, any credit risk to them is insignificant. The trade receivables largely arise from arrangements with project counterparties and interconnected network operators, of financial substance. As such, the Group's exposure to credit risk is low and risk management activity has been limited.

At each reporting date, the Group assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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Note 17: Financial instruments and risk management (continued)

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly overdue without due circumstance or prior arrangement.

Liquidity risk

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

The Group manages the cashflow requirements to optimise its return on cash. The Group ensures that it has sufficient cash on demand to meet expected operational expenses.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

| | Carrying amount | Contractual cashflows | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
|---------------------------------|--------------------|--------------------------|------------------------|----------------|--------------|--------------|-------------------------|
| | S\$000 | S\$000 | S\$000 | S\$000 | S\$000 | S\$000 | S\$000 |
| Trade and other payables | 14,758 | 14,758 | 14,758 | - | - | - | - |
| Lease liabilities | 2,521 | 2,590 | 284 | 275 | 1,129 | 902 | - |
| Total as at 31 July 2022 | 17,279 | 17,348 | 15,042 | 275 | 1,129 | 902 | - |
| Trade and other payables | 8,623 | 8,623 | 8,623 | - | - | - | - |
| Lease liabilities | 2,899 | 3,000 | 286 | 265 | 511 | 1,571 | 367 |
| Total as at 31 July 2021 | 11,522 | 11,623 | 8,909 | 265 | 511 | 1,571 | 367 |

It is not expected that the cashflows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

Market risk

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

a) Currency risk

The Group is exposed to currency risk on expenses and payables that are denominated in a currency other than its functional currency, the Singapore dollar (SGD). These other currencies include primarily the Australian dollar (AUD), the Malaysian ringgit (MYR), and the United States dollar (USD). As at 31 July 2022, currency risks associated with the Group's foreign currency denominated payables are not considered to be

Tuas Limited and its controlled entities

Notes to the consolidated financial statements

For the year ended 31 July 2022

Note 17: Financial instruments and risk management (continued)

significant. The Group's exposure to currency risk on income and receivables is not considered to be significant.

b) Interest rate risk

The Group currently has no external borrowings or other liabilities with an interest component and, as such, has interest rate risk only on cash and cash equivalents and term deposits. Any risk of adverse consequences is considered insignificant.

18. Capital and other commitments

| | 31-Jul-22 S\$000 | 31-Jul-21 S\$000 |
|---|---------------------|---------------------|
| Contracted but not provided for in the financial statements | <u>9,730</u> | <u>7,630</u> |

The commitments made are for purchases of mobile network equipment.

19. Consolidated entities

The following is a list of all entities that formed part of the Group:

| <i>Name of Entity</i> | Country of incorporation | <i>Ownership interest</i> as at 31 July 2022 % | <i>Ownership interest</i> as at 31 July 2021 % |
|---------------------------------|-----------------------------|--|--|
| Parent entity | | | |
| Tuas Limited | Australia | | |
| Subsidiaries | | | |
| Simba Telecom Pte Ltd | Singapore | 100 | 100 |
| Simba 5G Pte Ltd ¹ | Singapore | 100 | 100 |
| Netco East Pte Ltd ² | Singapore | 100 | 100 |
| Netco West Pte Ltd ² | Singapore | 100 | 100 |
| Tuas Solutions Sdn Bhd | Malaysia | 100 | 100 |

¹ Incorporated on 2 February 2022 as wholly owned subsidiary of Simba Telecom Pte Ltd

² Incorporated on 6 April 2022 as wholly owned subsidiary of Simba Telecom Pte Ltd

20. Business combination

Demerger from TPG Corporation Limited

The Company demerged on 13 July 2020 from TPG Corporation Limited ("TPG") which was previously named TPG Telecom Limited.

Prior to the demerger, on implementation of the Demerger Scheme, Simba became a wholly owned subsidiary of Tuas Limited on 26 June 2020.

This acquisition has been recognised as a common control transaction. The Group applied the predecessor values method, without any step-up to fair value. All the assets and liabilities acquired were recognised at

Tuas Limited and its controlled entities
Notes to the consolidated financial statements
For the year ended 31 July 2022

Note 20: Business combination (continued)

book value and no goodwill was created or recognised. The book value of the assets acquired and the liabilities assumed as at the demerger date are set out below:

| Identifiable assets acquired and liabilities assumed | S\$000 |
|---|----------------|
| Cash and cash equivalents | 56,025 |
| Trade and other receivables | 1,794 |
| Inventories | 109 |
| Prepayments and other assets | 4,005 |
| Plant and equipment | 229,575 |
| Intangible assets | 132,348 |
| Right of use assets | 513 |
| Trade and other payables | (3,665) |
| Employee benefits and provisions | (228) |
| Provisions | (212) |
| Lease liabilities | (477) |
| Deferred income | (771) |
| Deferred tax assets | 3,528 |
| Net identifiable assets acquired | 422,544 |

The Group's financial statements include Simba's results from the date of acquisition.

- TPG transferred its investment in shares at a value of S\$1 and convertible notes of S\$436,552,176 issued by Simba to Tuas Limited at par, being the deemed consideration for the net identifiable assets acquired. The difference of S\$14,008,187 has been recognised in the common control reserve. In addition, TPG provided equity capital to Tuas prior to implementation of the Demerger Scheme.
- Tuas Limited issued 463,909,021 shares to the value of S\$525,000,011 to TPG shareholders on implementation of the Demerger Scheme.

Since its acquisition, Simba (on a consolidated basis including Tuas Solutions Sdn Bhd, Simba 5G Pte Ltd, Netco East Pte Ltd, Netco West Pte Ltd) contributed S\$26,798,672 (2021:S\$34,127,630) in loss after tax to the total comprehensive loss of Tuas Limited.

Tuas Limited and its controlled entities
Notes to the consolidated financial statements
For the year ended 31 July 2022

21. Parent entity disclosures

| | Year ended 31-Jul-22 S\$000 | 11-Mar-20 To 31-Jul-21 S\$000 |
|--|-----------------------------------|-------------------------------------|
| Result of the parent entity | | |
| Profit for the period | 44 | 1,562 |
| <i>Comprising:</i> | | |
| Foreign exchange gain | 16 | 2,470 |
| Income tax (expense)/benefit | (11) | 180 |
| Other | 39 | (1,088) |
| Total profit for the period | 44 | 1,562 |
| Financial position of parent entity | | |
| Current assets | 29,944 | 90,202 |
| Non-current assets | 498,802 | 436,733 |
| Total assets | 528,746 | 526,935 |
| Current liabilities | 49 | 46 |
| Total liabilities | 49 | 46 |
| Total equity of the parent entity | 528,697 | 526,889 |
| Share capital | 525,000 | 525,000 |
| Share based payment reserve | 2,091 | 327 |
| Retained earnings | 1,606 | 1,562 |
| Total Equity | 528,697 | 526,889 |

Parent entity guarantees

The Company has given a performance guarantee to various trade suppliers of Simba, the value of which is limited to S\$22.9 million.

To support Simba obtaining bank guarantees in favour of commercial counterparties relating to services being supplied on a project basis mainly for the installation of infrastructure, the Company has committed fixed deposits totalling S\$22.94 million (2021:S\$33.5million).

Tuas Limited and its controlled entities
Notes to the consolidated financial statements
For the year ended 31 July 2022

22. Reconciliation of cash flows from operating activities

| | <i>Note</i> | 31-Jul-22 S\$000 | 31-Jul-21 S\$000 |
|--|---------------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Loss after tax for the period | | (26,733) | (32,567) |
| <i>Adjustments for:</i> | | | |
| Depreciation | 10, 12 | 31,068 | 25,918 |
| Amortisation of intangibles | 11 | 10,989 | 11,870 |
| Share based payment | | 1,765 | 327 |
| Unrealised foreign exchange gain | | 19 | (2,424) |
| Interest income | | (53) | (251) |
| Tax income | 6 | (1,474) | (6,151) |
| Operating loss before changes in working capital and provisions | | 15,581 | (3,278) |
| Changes in: | | | |
| - Trade and other receivables | | 1,379 | (5,195) |
| - Inventories | | 134 | (172) |
| - Deferred tax assets | | (1,475) | (6,151) |
| - Prepayments and other assets | | 399 | 1,095 |
| - Trade and other payables | | 5,165 | 4,922 |
| - Deferred revenue | | 1,476 | 1,746 |
| - Employee benefits | | (175) | 518 |
| - Provisions | | 47 | 229 |
| Cash from/(used in) operating activities | | 22,531 | (6,286) |

23. Related parties

A. Parent and ultimate controlling party

The parent entity of the Group is Tuas Limited.

B. Subsidiaries

Interest in subsidiaries is set out in Note 19.

C. Transactions with key management personnel

Information regarding transactions with key management personnel (KMP) including their remuneration is as follows:

Tuas Limited and its controlled entities
Notes to the consolidated financial statements
For the year ended 31 July 2022

Note 23: Related parties (continued)

Key management personnel compensation comprised the following:

| | Year ended 31-Jul-22 | 11-Mar-20 To 31-Jul-21 |
|------------------------------|---------------------------------|-----------------------------------|
| | S\$ | S\$ |
| Short-term employee benefits | 2,327,999 | 2,492,972 |
| Non-monetary benefits | 92,369 | 107,661 |
| Post-employment benefits | 99,157 | 109,060 |
| Share based payment | 1,113,098 | 168,464 |
| | <u>3,632,623</u> | <u>2,878,157</u> |

Compensation of the Group's key management personnel includes salaries, short term incentive cash bonus, other allowances, non-monetary benefits and superannuation benefits.

Executive officers also participate in the Group's performance rights plan (see Note 8).

24. Auditors' remuneration

| | 31-Jul-22 | 31-Jul-21 |
|--|-----------------------|-----------------------|
| | S\$ | S\$ |
| Audit and review services | | |
| Auditors of the Company – KPMG, Australia | | |
| - Audit and review of financial statements | 78,000 | 60,000 |
| - Other regulatory audit services | - | - |
| Network firms of KPMG | | |
| - Audit of Simba financial statements | 200,000 | 253,000 |
| - Audit of Simba's subsidiaries financial statements | 15,276 | 10,436 |
| | <u>293,276</u> | <u>323,436</u> |
| Other services | | |
| KPMG, Australia | | |
| - Taxation and other services | 31,603 | 18,029 |
| | <u>31,603</u> | <u>18,029</u> |

25. Subsequent events

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

26. Significant accounting policies

The accounting policies as set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently across the Group.

a. Basis of consolidation

Tuas Limited and its controlled entities

Notes to the consolidated financial statements

For the year ended 31 July 2022

Note 26: Significant accounting policies (continued)

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (refer (ii) below). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Goodwill is measured as the excess of consideration transferred as compared to the value of identifiable net assets acquired.

In case of common control transactions, the consideration transferred and identifiable net assets acquired are measured at book value and no goodwill is created or recognised.

Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Such changes have been made with effect from the date of acquisition.

(iii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

b. Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Singapore dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Singapore dollars at foreign exchange rates ruling at the dates the fair value was determined.

c. Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

Tuas Limited and its controlled entities

Notes to the consolidated financial statements

For the year ended 31 July 2022

Note 26: Significant accounting policies (continued)

d. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less and includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

e. Leases

As a Lessee

(i) Determining whether an arrangement contains a lease

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For contracts that contain a lease and non-lease component, the consideration in the contract is allocated to each component in proportion to the relative stand-alone prices of the lease and non-lease components.

(ii) Measurement of right of use (ROU) assets and lease liabilities

The Group recognises a ROU asset and lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee or, as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The ROU asset is initially measured at cost comprising the lease liability amount measured on initial recognition, lease prepayments and any restoration-related costs as reduced by any lease incentives received. The ROU asset is subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The Group applies judgement to determine the likelihood of exercising renewal options on a lease-by-lease basis. The lease term would include the non-cancellable period plus extension terms for which the Group is reasonably certain to exercise options. The Group uses its weighted average cost of borrowing as an estimate of its incremental borrowing rate. The Group has elected not to recognise ROU assets and lease liabilities for leases with a term of less than twelve months or less and low-value assets such as photocopiers.

Tuas Limited and its controlled entities

Notes to the consolidated financial statements

For the year ended 31 July 2022

Note 26: Significant accounting policies (continued)

f. *Goods and services tax*

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Inland Revenue Authority of Singapore (IRAS) is included as a current asset or liability in the statement of financial position.

Cashflows are included in the statement of cash flows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, IRAS are classified as operating cashflows.

g. *Inventory*

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

h. *Changes in significant accounting policies*

A number of new standards are effective from 1 August 2022 but they do not have a material effect on the Group's financial statements.

Tuas Limited and its controlled entities

Directors' declaration

For the year ended 31 July 2022

1. In the opinion of the Directors of Tuas Limited ('the Company'):
 - (a) the consolidated financial statements and notes that are set out on pages 24 to 53 and the Remuneration report in section 6 of the Directors' report, set out on pages 10 to 18, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 July 2022 and of its performance for the year ended 31 July 2022 and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the Group entities will be able to meet any obligations or liabilities to which they are or may become subject to.
3. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the year ended 31 July 2022.
4. The Directors draw attention to note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.



David Teoh
Chairman

Dated at Sydney this 21st day of October 2022.

Independent Auditor's Report

To the shareholders of Tuas Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Tuas Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 July 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 July 2022;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Capitalisation and valuation of non-financial assets; and
- Mobile revenue recognition

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Capitalisation and valuation of non-financial assets (\$404.3m) | |
|--|--|
| Refer to Notes 10 and 11 to the Financial Report | |
| The key audit matter | How the matter was addressed in our audit |
| <p>Tuas Limited has significant amounts of tangible and intangible non-financial assets. These assets mainly comprised of the mobile network including spectrum licenses and its related infrastructure.</p> <p>The capitalisation and valuation of non-financial assets is a key audit matter due to the audit effort required to assess the judgements used by the Group in applying the criteria in the accounting standards, specifically regarding:</p> <ul style="list-style-type: none"> • the evaluation of the nature and amount of costs meeting the capitalisation criteria in the accounting standards. This can be inherently subjective for mobile network and related infrastructure due to the allocation of time for employee's not solely working on the mobile network build; and • the Group's assessment of the assets readiness for use, which is the trigger in accounting standards for the commencement of depreciation or amortisation. <p>In assessing these judgements we focused on the objectivity of sources used for assumptions and judgements, and their consistency of application.</p> <p>These factors required significant audit effort and involvement of senior audit team members in assessing this key audit matter.</p> | <p>Our procedures included:</p> <ul style="list-style-type: none"> • We evaluated the adequacy of the Group's asset capitalisation policies in relation to requirements of the relevant accounting standards. • Testing a sample of the costs capitalised, we checked equipment and third party costs to the underlying invoices noting the descriptions as relating to capitalisable assets or services. For the employee costs category, we challenged the Group's estimation of the proportion of cost associated to the capitalisable activity through checking underlying payroll costs in the period, inquiries with the project managers and CEO and against project plans. • For a sample of the mobile network, spectrum licenses and related infrastructure assets, determined by the Group to be ready for use, we checked this against information evidencing the readiness of these assets, and their AASB 138 eligibility for ongoing capitalisation. For a sample of assets expected to be ready for use in future periods, we challenged the Group's assessment of when they are expected to be ready for use, against our analysis of the nature of costs incurred to date, costs to complete and our industry experience of these types of assets readiness phases. • We evaluated the sufficiency of the quantitative and qualitative disclosures in the financial statements using our understanding from our testing and against the requirements of the accounting standard. |

| Mobile Revenue recognition (\$56.6m) | |
|--|---|
| Refer to Note 4 to the Financial Report | |
| The key audit matter | How the matter was addressed in our audit |
| <p>The majority of Tuas Limited's revenue is generated from the provision of mobile telecommunications services to consumers.</p> <p>Revenue recognition is a key audit matter due to the:</p> <ul style="list-style-type: none"> • Magnitude of the balance comprising a high volume of individually low monetary value transactions. We focused on the Group's systems and processes for recording revenue, which included both manual and IT billing systems and tools. • Complexity of the Group's contractual arrangements for mobile telecommunications services when considering the application of the revenue accounting standard to the contracts. Our focus was on the underlying key assessments behind the timing of contracts, their service fulfillment, and the impact to related revenue recognition. | <p>Our procedures included:</p> <ul style="list-style-type: none"> • We evaluated the Group's revenue recognition accounting policy against the requirements of the accounting standards, and for consistency with our understanding of the key terms of contracts with customers. • We evaluated key manual controls including reconciliations of cash receipts to telecommunication services provided over the Group's revenue recognition process. • Working with our IT specialists, we evaluated the automated IT controls within the customer billing systems such as reconciling the billing system to the general ledger. • We inspected samples of contract and assessed the accuracy of revenue recognition using the five step model particularly identification of performance obligation, price determination/allocation and timing of the recognition. Determine if the revenue recognition is aligned to the accounting standard. • We inspected contracts, invoices and cash receipts for the cut-off procedure relating to interconnect revenue. • We manually recalculated revenue and related deferred revenue in the last month of the period for a sample comparing inputs into the IT billing system to the standard contract plans. By mobile revenue stream we compared the revenue recognised against our expectation based on the number of subscribers and corresponding mobile plan prices. • We evaluated the sufficiency of the quantitative and qualitative disclosures in the financial statements using our understanding from our testing and against the requirements of the accounting standard. |

Other Information

Other Information is financial and non-financial information in Tuas Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Tuas Limited for the year ended 31 July 2022, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 10 to 18 of the Directors' report for the year ended 31 July 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.



KPMG



Caoimhe Toouli

Partner

Sydney

21 October 2022

Tuas Limited and its controlled entities

ASX additional information

For the year ended 31 July 2022

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. The shareholding information is current as at 1 October 2022. As at that date, there were 463,909,021 ordinary shares held by 15,025 shareholders. There were no restricted securities subject to Escrow.

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

| Name of shareholder | Number of ordinary shares held | % of capital held |
|---|--------------------------------|-------------------|
| David Teoh and Vicky Teoh | 172,986,163 | 37.28 |
| Washington H Soul Pattinson and Company Limited | 117,852,424 | 25.40 |

Distribution of equity security holders

An analysis of the number of shareholders by size of holding is set out below:

| Number of shares held | Number of holders | Total units | % of capital |
|-----------------------|-------------------|--------------------|---------------|
| 1 - 1,000 | 10,245 | 3,281,664 | 0.71 |
| 1,001 - 5,000 | 3,163 | 7,241,563 | 1.56 |
| 5,001 - 10,000 | 667 | 4,960,529 | 1.07 |
| 10,001 - 100,000 | 828 | 24,798,946 | 5.35 |
| 100,001 and over | 122 | 423,626,319 | 91.32 |
| | 15,025 | 463,909,021 | 100.00 |

The number of shareholders holding less than a marketable parcel of ordinary shares is 6,306.

Unquoted securities

The number of unquoted securities at 1 October 2022:

| | Number on issue | No of holders |
|--|-----------------|---------------|
| Performance rights over ordinary shares issued | 4,949,000 | 18 |

Voting rights (ordinary shares)

On a show of hands every member present at a meeting in person or by proxy shall have one vote, and upon a poll each share shall have one vote.

Tuas Limited and its controlled entities

ASX additional information

For the year ended 31 July 2022

Stock exchange

Tuas Limited is listed on the Australian Stock Exchange. The home exchange is Sydney, and the ASX code is TUA.

Other information

Tuas Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Twenty largest shareholders (as at 1 October 2022)

| Name of shareholder | Number of ordinary shares held | % of capital held |
|--|--------------------------------------|-------------------------|
| SIMBA SG PTY LTD <SIMBA SG FAMILY TRUST A/C> | 162,873,607 | 35.11 |
| WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED | 69,198,480 | 14.92 |
| WASHINGTON H SOUL PATTINSON | 47,253,944 | 10.19 |
| CITICORP NOMINEES PTY LIMITED | 44,934,583 | 9.69 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 13,385,165 | 2.89 |
| NATIONAL NOMINEES LIMITED | 12,195,732 | 2.63 |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 8,280,473 | 1.78 |
| TSH HOLDINGS NO 3 PTY LTD | 7,190,590 | 1.55 |
| J S MILLNER HOLDINGS PTY LIMITED | 4,485,100 | 0.97 |
| BRISPTOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C> | 3,917,648 | 0.84 |
| BNP PARIBAS NOMS PTY LTD <DRP> | 3,334,298 | 0.72 |
| FARJOY PTY LTD | 3,127,118 | 0.67 |
| MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED | 2,978,712 | 0.64 |
| BKI INVESTMENT COMPANY LIMITED | 2,755,533 | 0.59 |
| WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C> | 2,476,193 | 0.53 |
| MILONISS PTY LTD <TONI ANNE PAINE DISC A/C> | 1,829,384 | 0.39 |
| UBS NOMINEES PTY LTD | 1,818,381 | 0.39 |
| NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT> | 1,765,727 | 0.38 |
| WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED | 1,400,000 | 0.30 |
| TOTAL PERIPHERALS PTY LTD <SUPER FUND A/C> | 1,343,823 | 0.29 |
| | 396,544,491 | 85.48 |

Principal Registered Office

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Share Registry

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