

Company Registration No. 199308182D

Leverian Holdings Pte Ltd

Annual Financial Statements
31 December 2022



Leverian Holdings Pte Ltd

Index

	Page
Directors' statement	1
Independent auditor's report	3
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10

Leverian Holdings Pte Ltd

Directors' Statement

The directors are pleased to present their statement to the member together with the audited financial statements of Leverian Holdings Pte Ltd (the "Company") for the financial year ended 31 December 2022.

1. Opinion of the directors

In the opinion of the directors,

- (i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as the immediate holding company of its holding company will continue to provide financial support to the Company to enable it to meet its obligations as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Teo La-Mei
Loo Cheau Leong

3. Arrangements to enable directors to acquire shares and debentures

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

4. Directors' interests in shares and debentures

In accordance with the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, none of the directors who held office at the end of the financial year, had interests in shares, share options, warrants or debentures of the Company or its related corporations, at the beginning of the financial year and at the end of the financial year.

5. Share options

There is presently no option scheme on unissued shares in respect of the Company.

Leverian Holdings Pte Ltd

Directors' Statement

6. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.



Teo La-Mei
Director



Loo Cheau Leong
Director

2 May 2023

Leverian Holdings Pte Ltd

**Independent Auditor's Report
For the financial year ended 31 December 2022**

Independent Auditor's Report to the Member of Leverian Holdings Pte Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Leverian Holdings Pte Ltd (the "Company"), which comprise the balance sheet as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the Directors' statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

Leverian Holdings Pte Ltd

**Independent Auditor's Report
For the financial year ended 31 December 2022**

Independent Auditor's Report to the Member of Leverian Holdings Pte Ltd

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
2 May 2023

Leverian Holdings Pte Ltd**Statement of Comprehensive Income
For the financial year ended 31 December 2022**

	Note	2022 US\$	2021 US\$
Revenue	4	–	11,301,197
Cost of sales	5	–	(11,278,640)
Gross profit		–	22,557
Other income		–	537
Other expenses		(190)	–
Administrative expenses		(7,994)	(12,232)
(Loss)/profit before tax		(8,184)	10,862
Income tax credit/(expense)	6	1,178	(1,449)
(Loss)/profit for the year, representing total comprehensive income for the year		(7,006)	9,413

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Leverian Holdings Pte Ltd

**Balance Sheet
As at 31 December 2022**

	Note	2022 US\$	2021 US\$
ASSETS			
Non-current asset			
Investment in a subsidiary	7	514,938	514,938
Current asset			
Cash and cash equivalents	8	2,936	3,357
TOTAL ASSETS		517,874	518,295
EQUITY AND LIABILITIES			
Current liabilities			
Accrued operating expenses		7,000	3,000
Income tax payable		—	1,449
Amount due to related companies	9	31,855	27,856
Amount due to holding company	9	22,505	22,470
		61,360	54,775
TOTAL LIABILITIES		61,360	54,775
NET CURRENT LIABILITIES		(58,424)	(51,418)
NET ASSETS		456,514	463,520
Equity attributable to owner of the Company			
Share capital	10	429,410	429,410
Accumulated profits		27,104	34,110
TOTAL EQUITY		456,514	463,520
TOTAL EQUITY AND LIABILITIES		517,874	518,295

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Leverian Holdings Pte Ltd

**Statement of Changes in Equity
For the financial year ended 31 December 2022**

	Share capital US\$	Accumulated profits US\$	Total equity US\$
Opening balance at 1 January 2021	429,410	24,697	454,107
Profit for the year, representing total comprehensive income for the year	—	9,413	9,413
Closing balance at 31 December 2021	429,410	34,110	463,520
Opening balance at 1 January 2022	429,410	34,110	463,520
Loss for the year, representing total comprehensive income for the year	—	(7,006)	(7,006)
Closing balance at 31 December 2022	429,410	27,104	456,514

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Leverian Holdings Pte Ltd

Cash Flow Statement
For the financial year ended 31 December 2022

	2022 US\$	2021 US\$
Cash flows from operating activities		
(Loss)/profit before tax	(8,184)	10,862
Adjustment for:		
Unrealised foreign exchange loss/(gain), net	190	(642)
Operating cash flows before working capital changes	<u>(7,994)</u>	<u>10,220</u>
Changes in working capital:		
Increase/(decrease) in amount due to related companies	3,844	(6,713)
Decrease in amount due to holding company	—	(150)
Increase in other payables	4,000	—
Cash flows (used in)/generated from operating activities	<u>(150)</u>	<u>3,357</u>
Income tax paid	(271)	—
Net cash flows (used in)/generated from operating activities	<u>(421)</u>	<u>3,357</u>
Net (decrease)/increase in cash and cash equivalents	(421)	3,357
Cash and cash equivalents at the beginning of the financial year	3,357	—
Cash and cash equivalents at the end of the financial year	<u>2,936</u>	<u>3,357</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

Leverian Holdings Pte Ltd (the "Company") is a private limited liability company, which is incorporated in Singapore. The immediate holding company of the Company is Adani Wilmar Pte. Ltd., which is also a private limited liability company incorporated in Singapore. The ultimate holding company of the Company is Adani Wilmar Limited, which is a public company limited by shares incorporated in India and listed on the BSE Limited and the National Stock Exchange of India Limited.

The registered office and principal place of business of the Company is located at 28 Biopolis Road, Wilmar International, Singapore 138568.

The principal activities of the Company are investment holding and trading (importing and exporting) of edible oil. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States dollars (US\$), which is the functional currency of the Company, except when otherwise indicated.

No consolidated financial statements of the Company and its subsidiary have been prepared as the Company is itself an indirect wholly-owned subsidiary of Adani Wilmar Limited through Adani Wilmar Pte. Ltd., which presents consolidated financial statements available for public use. The registered office of Adani Wilmar Limited is located at Fortune House, Near Navrangpura Railway Crossing, Ahmedabad 380009, Gujarat, India.

The financial statements of the Company have been prepared on a going concern basis as the immediate holding company of its holding company will continue to provide financial support to the Company to enable it to meet its obligations as and when they fall due.

2.2 Changes in accounting policies

(i) Adoption of new and revised FRS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

(ii) Standards issued but not yet effective

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 117 Insurance Contracts	1 January 2023
Amendments to FRS 117 Insurance Contracts	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 117 Initial Application of FRS 117 and FRS 109 – Comparative Information	1 January 2023
Amendments to FRS 1 Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the new and amendments to the standards above will have no material impact on the financial statements in the period of initial application.

2.3 Foreign currency

The financial statements are presented in United States dollars, which is also the Company's functional currency.

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

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

2. Summary of significant accounting policies (cont'd)

2.4 Subsidiaries

A subsidiary is an investee that is controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investment in a subsidiary is accounted for at cost less impairment losses.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

2.5 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVPL). The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.6 *Impairment of financial assets*

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

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

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 *Impairment of non-financial assets*

The Company assesses at each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (cont'd)

2.8 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of significant accounting policies (cont'd)

2.10 Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sales arising from physical delivery of palm olein is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.

(b) Interest income

Interest income is recognised using the effective interest method.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Share capital and share issuance expenses

Proceeds from the issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.13 Income taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.13 Income taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investment in a subsidiary, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investment in a subsidiary, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Summary of significant accounting policies (cont'd)

2.14 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.15 Related parties

A related party is defined as follows:

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

2. Summary of significant accounting policies (cont'd)

2.15 Related parties (cont'd)

- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Company's accounting policies, management has not made any significant judgement, apart from those involving estimations.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

Impairment of investment in a subsidiary

The Company assesses whether there are any indicators of impairment for its investment in a subsidiary at the end of each reporting period. Investment in a subsidiary is tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investment in a subsidiary as at 31 December 2022 was US\$514,938 (2021: US\$514,938).

4. Revenue

	2022 US\$	2021 US\$
Sale of palm olein	—	11,301,197

5. Cost of sales

	2022 US\$	2021 US\$
Cost of palm olein	—	11,278,640

Notes to the Financial Statements
For the financial year ended 31 December 2022

6. Income tax expense

(a) Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2022 and 2021 are:

	2022 US\$	2021 US\$
Statement of comprehensive income		
Current income tax:		
- Current income taxation	–	1,449
- Over provision in respect of previous years	(1,178)	–
	<hr/>	<hr/>
Income tax (credit)/expense recognised in statement of comprehensive income	<u>(1,178)</u>	<u>1,449</u>

(b) Relationship between tax expense and accounting (loss)/profit

The reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 is as follows:

	2022 US\$	2021 US\$
(Loss)/profit before tax	<u>(8,184)</u>	<u>10,862</u>
Tax at statutory tax rate of 17% (2021:17%)	(1,391)	1,847
Adjustments:		
Non-taxable income	–	(91)
Non-deductible expenses	1,391	1,950
Over provision in respect of previous years	(1,178)	–
Effects of partial tax exemption	–	(2,278)
Others	–	21
	<hr/>	<hr/>
Income tax expense recognised in the statement of comprehensive income	<u>(1,178)</u>	<u>1,449</u>

Notes to the Financial Statements
For the financial year ended 31 December 2022

7. Investment in a subsidiary

	2022 US\$	2021 US\$
Unquoted equity investments, at cost	514,938	514,938

Name of subsidiaries	Place of incorporation	Principal activities	Proportion of ownership interest	
			2022 %	2021 %
Held by the Company Bangladesh Edible Oil Limited ("BEOL")	Bangladesh	Refining, packaging and sale of edible oil products as well as procuring of rice, rice bran oil and mustard oil for further processing, packaging and sale.	100	100
Held by BEOL Shun Shing Edible Oil Ltd.	Bangladesh	Refining, packaging and sale of edible oil products.	99.97	99.97

8. Cash and cash equivalents

	2022 US\$	2021 US\$
Cash at bank	2,936	3,357

Cash at bank earns interest at floating rates based on daily bank deposit rates.

9. Amounts due to related companies and holding company

The amounts due to related companies and holding company are non-trade related, unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

Notes to the Financial Statements
For the financial year ended 31 December 2022

10. Share capital

	Number of ordinary shares	US\$
Issued and fully paid ordinary shares:		
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	600,000	429,410

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

11. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and cash equivalents, accrued operating expense, amounts due to related companies and holding company

The carrying amounts of these financial assets and liabilities are reasonable approximation of their fair values due to their short-term nature.

12. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risk includes liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the holding company's management.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

In the management of liquidity risk, the immediate holding company of its holding company finances the Company's operations. The immediate holding company of its holding company will continue to provide financial support to the Company to enable it to meet its obligations as and when they fall due.

12. Financial risk management objectives and policies (cont'd)***Liquidity risk (cont'd)***Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the financial year based on contractual undiscounted repayment obligations.

	2022 1 year or less US\$	2021 1 year or less US\$
Financial asset:		
Cash and cash equivalents	2,936	3,357
Total undiscounted financial asset	<u>2,936</u>	<u>3,357</u>
Financial liabilities:		
Accrued operating expense	7,000	3,000
Amount due to related companies	31,855	27,856
Amount due to holding company	22,505	22,470
Total undiscounted financial liabilities	<u>61,360</u>	<u>53,326</u>
Undiscounted financial liabilities, net	<u>(58,424)</u>	<u>(49,969)</u>

13. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company has no external borrowings at the end of the financial year. Instead, the immediate focus is to continue to optimise its operations with prudent cash management so as to maximise shareholders' value. The Company will continue to be guided by prudent financial policies.

There was no change to the Company's approach to capital management during the financial years ended 31 December 2022 and 31 December 2021.

14. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 2 May 2023.