



*Directors' Statement and
Audited Financial Statements*

Oil India International Pte. Ltd.

(Co. Reg. No. 201612281W)

For the financial year ended 31 March 2023

General Information

Directors

Biswabrata Lahkar

Loo Boon San

Sachidananda Maharam

Sanjay Choudhuri

Tan Tow Siang

(Appointed on 16 March 2023)

(Resigned on 28 February 2023)

Secretary

Michael Craig Lawrence

Independent Auditor

HLB Atrede LLP

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Directors' Statement

The directors are pleased to present their statement to the member together with the audited financial statements of Oil India International Pte. Ltd. (the "Company") for the financial year ended 31 March 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Biswabrata Lahkar
Loo Boon San
Sachidananda Maharam
Tan Tow Siang

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 object is to enable the directors of the Company to acquire benefits by means of the acquisitions of shares or debentures in the Company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of director's shareholdings required to be kept under section 164 of the Singapore Companies Act 1967 (the "Act"), an interest in shares of the Company's holding company as stated below:

Name of directors	Ordinary shares held in the name of director	
	At beginning of year	At end of year
<i>Oil India Limited</i>		
Sanjay Choudhuri	4,500	4,500
Biswabrata Lahkar	5,010	5,010

Directors' Statement - continued

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (continued)

Except as disclosed in this statement, no other director who held office as at the end of the financial year has interests in shares, share options, warrants or debentures of the Company, or of related corporations, at the end of financial year.

5. SHARE OPTIONS

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

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

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

6. INDEPENDENT AUDITOR

The independent auditor, HLB Atrede LLP, has expressed its willingness to accept reappointment as auditor.

On behalf of the board of directors



Loo Boon San
Director

18 April 2023



Tan Tow Siang
Director

Independent Auditor's Report
to the member of Oil India International Pte. Ltd.
(Co. Reg. No. 201612281W)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oil India International Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 March 2023, 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 Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the financial position of the Company as at 31 March 2023 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 Matter

The financial statements for the financial year ended 31 March 2022 were audited by another auditor who expressed an unmodified opinion on these statements on 21 June 2022.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

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.

Independent Auditor's Report
to the member of Oil India International Pte. Ltd. - continued
(Co. Reg. No. 201612281W)

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 SFRS(I)s, 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.

Independent Auditor's Report
to the member of Oil India International Pte. Ltd. - continued
(Co. Reg. No. 201612281W)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

HLB Atrède LLP

HLB Atrède LLP
Public Accountants and
Chartered Accountants

Singapore
18 April 2023

Oil India International Pte. Ltd.
(Co. Reg. No. 201612281W)

Statement of Financial Position as at 31 March 2023

	Note	2023 US\$	2022 US\$ (Reclassified)
Non-current assets			
Plant and equipment	5	3,372	308
Investment in joint ventures	6	897,448,187	1,060,490,443
Other receivables	7	14,418	–
		<u>897,465,977</u>	<u>1,060,490,751</u>
Current assets			
Other receivables	7	2,026,483	238,570
Fixed deposits	8	240,612,267	54,647,458
Cash and cash equivalents	9	5,989,436	976,622
		<u>248,628,186</u>	<u>55,862,650</u>
Total assets		<u>1,146,094,163</u>	<u>1,116,353,401</u>
Current liabilities			
Other payables	10	56,574	41,815
Amount due to holding company	11	5,460	6,912
Amount due to a related company	12	6,670	5,973
Borrowings	13	8,901,099	8,901,099
Tax payable		966,035	58,710
		<u>9,935,838</u>	<u>9,014,509</u>
Net current assets		238,692,348	46,848,141
Non-current liability			
Borrowings	13	498,590,813	498,243,746
Net assets		<u>637,567,512</u>	<u>609,095,146</u>
Equity attributable to owner of the Company			
Share capital	14	533,707,277	533,707,277
Accumulated profits		208,369,576	214,296,365
Foreign currency translation reserve	15	(104,509,341)	(138,908,496)
Total equity		<u>637,567,512</u>	<u>609,095,146</u>

The accompanying notes form an integral part of the financial statements.

Statement of Comprehensive Income for the financial year ended 31 March 2023

	Note	2023 US\$	2022 US\$
Revenue			
Share of results of joint ventures	6	10,057,589	55,974,500
Interest income from fixed deposits		5,669,628	403,566
Expenses			
Other expenses	16	(342,901)	(277,085)
Finance costs	17	(20,348,323)	(20,348,306)
(Loss)/profit before tax		<u>(4,964,007)</u>	<u>35,752,675</u>
Income tax expense	18	(962,782)	(55,457)
(Loss)/profit for the year		<u>(5,926,789)</u>	<u>35,697,218</u>
Other comprehensive income			
<i>Item that maybe reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>34,399,155</u>	<u>(5,144,236)</u>
Total comprehensive income for the year		<u><u>28,472,366</u></u>	<u><u>30,552,982</u></u>

The accompanying notes form an integral part of the financial statements.

Oil India International Pte. Ltd.
(Co. Reg. No. 201612281W)

Statement of Changes in Equity for the financial year ended 31 March 2023

	Share capital US\$	Accumulated profits US\$	Foreign currency translation reserve US\$	Total US\$
Balance at 1 April 2021	533,707,277	238,599,147	(133,764,260)	638,542,164
Profit for the year	–	35,697,218	–	35,697,218
Other comprehensive income				
- Share of foreign currency translation loss from joint ventures	–	–	(5,144,236)	(5,144,236)
Total comprehensive income/(loss) for the year	–	35,697,218	(5,144,236)	30,552,982
Dividends declared	–	(60,000,000)	–	(60,000,000)
Balance at 31 March 2022	533,707,277	214,296,365	(138,908,496)	609,095,146
Loss for the year	–	(5,926,789)	–	(5,926,789)
Other comprehensive income				
- Share of foreign currency translation income from joint ventures	–	–	34,399,155	34,399,155
Total comprehensive (loss)/income for the year	–	(5,926,789)	34,399,155	28,472,366
Balance at 31 March 2023	533,707,277	208,369,576	(104,509,341)	637,567,512

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows for the financial year ended 31 March 2023

	2023 US\$	2022 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(4,964,007)	35,752,675
Adjustments for:		
Amortisation of bond issuance expense	347,067	347,067
Depreciation of plant and equipment	757	1,523
Interest expense on bonds	20,000,000	20,000,000
Interest income from fixed deposits	(5,669,628)	(403,566)
Share of results of joint ventures	(10,057,589)	(55,974,500)
Operating loss before working capital changes	(343,400)	(276,801)
(Increase)/decrease in other receivables	(31,957)	11,276
Increase/(decrease) in other payables	14,759	(47,103)
Tax paid	(55,457)	(90,708)
Net cash flows used in operating activities	(416,055)	(403,336)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(3,821)	—
Placement of fixed deposits placed for more than three months	(240,612,267)	—
Maturity of fixed deposits placed for more than three months	54,647,458	4,150,730
Interest received	3,899,254	362,911
Decrease in amount due to holding company	(1,452)	(29)
Increase/(decrease) in amount due to a related company	697	(40)
Dividends received from joint ventures	207,499,000	76,380,000
Additional investment in a joint venture	—	(100,000)
Net cash flows from investing activities	25,428,869	80,793,572
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(20,000,000)	(20,000,000)
Dividends paid	—	(60,000,000)
Net cash flows used in financing activities	(20,000,000)	(80,000,000)
Net increase in cash and cash equivalents	5,012,814	390,236
Cash and cash equivalents at beginning of year	976,622	586,386
Cash and cash equivalents at end of year	5,989,436	976,622

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements - 31 March 2023

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1. FUNDAMENTAL ACCOUNTING CONCEPT

The Company holds significant investments in the joint ventures with interests in the Russian Federation as disclosed in Note 6 of the financial statements. Following the commencement of special military operations in Ukraine by the Russian Federation in February 2022, additional severe sanctions were imposed by the United States of America, the European Union and numerous other countries on the Russian government, major financial institutions and certain other entities and individuals in Russia. In addition, restrictions were introduced on the supply of various goods and services to Russian entities. These events have led to depreciation of the Russian rouble, increased volatility of financial markets and significantly increased the level of economic uncertainty in the Russian business environment. This is considered a significant event to the Company and the oil and gas industry as this may have an impact on the price of oil as supply may be limited globally.

On 21 January 2023, the European Union decided to prolong economic sanctions imposed on the Russian Federation by another six months, until 31 July 2023.

Management has performed an assessment of the sanctions as follow:

- (a) Management has consulted its legal advisor and assessed that the sanctions imposed on Russia not expected to have adverse effect on the Company's investments in the Russia Federation in the immediate term; and
- (b) As at the date of these financial statements, the operations of the joint ventures' investments in Russia, namely JSC Vankorneft and TYNGD LLC, were not immediately affected by the sanctions and continued uninterrupted as its key customers are based in China which has not imposed any sanctions on the Russian government.

As at the date of these financial statements, the operations of the joint ventures in Russia, namely JSC Vankorneft and TYNGD LLC, were not immediately affected by the sanctions and continued uninterrupted as its key customers are based in China which did not imposed any sanctions on the Russian government.

2. CORPORATE INFORMATION

The Company is a private company limited by shares, incorporated and domiciled in Singapore. Its holding company is Oil India Limited, a company incorporated and listed in India.

The registered office and principal place of business of the Company is located at 300 Beach Road #18-05 The Concourse Singapore 199555.

The Company's bonds are listed on the Singapore Exchange Securities Trading Ltd ("SGX-ST").

The principal activity of the Company is investment holding.

Notes to the Financial Statements - 31 March 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS)(I).

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

The financial statements are presented in United States Dollar (US\$), which is the Company's functional currency and all values are rounded to the nearest one-dollar, except when otherwise indicated.

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year; the Company has adopted all applicable new and amended standards that are relevant to its operations and effective for the current financial year. The adoption of these standards did not have any material effect on the financial position or performance of the Company for the current or prior financial years.

The following standards and interpretations are effective for the annual period beginning on or after 1 April 2022:

	Effective for (Annual periods beginning on or after)
Amendment to SFRS(I) 1-16: <i>Property, Plant and Equipment Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS (I) 1-37: <i>Onerous Contracts Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018 – 2022 – SFRS(I) 1: <i>First-time Adoption of Financial Reporting Standards</i> – SFRS(I) 9: <i>Financial Instruments Illustrative Examples</i> – accompanying SFRS(I)6 <i>Leases</i>	1 January 2022

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

Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that are potentially relevant to the Company that has been issued but not yet effective:

	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023

Notes to the Financial Statements - 31 March 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Standards issued but not yet effective (continued)

The Company has not adopted the following standards and interpretations that are potentially relevant to the Company that has been issued but not yet effective (continued):

	Effective date (Annual periods beginning on or after)
Amendment to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendment to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transactions</i>	1 January 2023
Amendment to SFRS(I) 1-1: <i>Conceptual classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendment to SFRS(I) 1-1: <i>Non-current Liabilities with covenants</i>	1 January 2024
Amendment to SFRS(I) 6: <i>Lease liability in a Sale and Leaseback</i>	1 January 2024

(b) Functional and foreign currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be USD.

Foreign currency transactions

Transactions in foreign currencies are measured in USD and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the rate of exchange ruling at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial recognition. 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.

(c) Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computer and equipment	—	3 years
Furniture	—	5 years
Renovation	—	3 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Plant and equipment (continued)*

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at the end of reporting period, and adjusted prospectively, if appropriate.

(d) *Investment in joint ventures*

Joint ventures are entities over which the Company has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

On acquisition of the investment, any excess of the cost of the investment over the Company's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Company's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

The Company account for its investment in joint ventures using the equity method from the date on which it becomes a joint venture.

Under the equity method, the investment in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Distributions received from joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint ventures, the Company recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Company and joint ventures are eliminated to the extent of the interest in the joint ventures.

When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss on the Company's investment in joint ventures. The Company determines at the end of each reporting period whether there is any objective evidence that the investment in the joint ventures is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

Notes to the Financial Statements - 31 March 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Financial instruments*

(i) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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 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*

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 de-recognised or impaired, and through amortisation process.

▪ *Fair value through other comprehensive income (FVOCI)*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Notes to the Financial Statements - 31 March 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement (continued)

Investments in debt instruments (continued)

▪ ***Fair value through profit or loss***

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is de-recognised 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 amounts and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(ii) 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 de-recognised, and through the amortisation process.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Financial instruments (continued)*

(ii) *Financial liabilities (continued)*

De-recognition

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

(iii) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(f) *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 and financial guarantee contracts. 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 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 Company 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.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

Notes to the Financial Statements - 31 March 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Impairment of financial assets (continued)*

Credit-impaired financial assets (continued)

- (i) significant financial difficulty of the issuer or the borrower;
- (ii) a breach of contract, such as a default or past due event;
- (iii) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (iv) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (v) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the procedures for recovery of amounts due.

(g) *Impairment of non-financial assets*

The Company assesses at the end of each reporting period whether there is an indication that a non-financial asset, other than investment property accounted for at fair value and inventories may be impaired. If any such an indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generation unit to which the asset belongs.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

(h) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank and short-term deposits with a maturity of three months or less, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements - 31 March 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) ***Other payables***

Other payables are non-interest bearing and have an average term of six months.

(j) ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits 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 period 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.

(k) ***Borrowings***

Interest-bearing term loans and bonds are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs (3(m)).

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the end of financial year, in which case they are presented as non-current liabilities.

(l) ***Employee benefits***

(i) ***Defined contribution plans***

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

In particular, the Company makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) *Borrowing costs*

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

(n) *Dividend income*

Dividend income is recognised when the Company right to receive payment is established.

(o) *Taxes*

(i) *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.

Current income taxes are recognised in the profit or loss except to the extent that 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.

(ii) *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.

Deferred tax assets are recognised for all deductible temporary differences, 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.

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 the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Notes to the Financial Statements - 31 March 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) *Taxes (continued)*

(ii) *Deferred tax (continued)*

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(p) *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.
- (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);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

4. 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 revenue, expenses, assets, liabilities, and the disclosure of contingent liabilities as at the end of each reporting period. However, 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.

- *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty as at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were 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.

Useful lives of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 5 years. These are common life expectancies applied in the industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amounts of the plant and equipment as at the end of each reporting period is disclosed in Note 5 to the financial statements.

- *Judgement made in applying accounting policies*

There were no material judgements made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Notes to the Financial Statements - 31 March 2023

5. PLANT AND EQUIPMENT

	Computer and equipment US\$	Furniture US\$	Renovation US\$	Total US\$
Cost				
At 1 April 2021 and 31 March 2022	–	910	6,590	7,500
Additions	2,885	936	–	3,821
At 31 March 2023	2,885	1,846	6,590	11,321
Accumulated depreciation				
At 1 April 2021	–	420	5,249	5,669
Charge for the year	–	182	1,341	1,523
At 31 March 2022	–	602	6,590	7,192
Charge for the year	481	276	–	757
At 31 March 2023	481	878	6,590	7,949
Net carrying amount				
At 31 March 2022	–	308	–	308
At 31 March 2023	2,404	968	–	3,372

6. INVESTMENT IN JOINT VENTURES

	2023 US\$	2022 US\$
At beginning of year	1,060,490,443	1,085,940,179
Share of results	10,057,589	55,974,500
Share of other comprehensive income/(loss)	34,399,155	(5,144,236)
Dividends received	(207,499,000)	(76,380,000)
	897,448,187	1,060,390,443
Investment in a joint venture – Bharat Energy Office LLC	–	100,000
At end of year	897,448,187	1,060,490,443

The Company has two (2022: two) joint ventures that are material to the Company. These joint ventures are structured as separate vehicles and the Company has rights to the net assets in Taas India Pte. Ltd. and Vankor India Pte. Ltd.. Accordingly, the Company has classified its interest in the investment as joint ventures, which are equity-accounted for.

The Company has commitment to support Taas India Pte. Ltd. with providing additional capital and financing of operating expenditures of TYNGD LLC in case it has liquidity deficit.

On 18 October 2021, the Company acquired 20% equity interest in Bharat Energy Office LLC, a newly incorporated company for cash consideration of US\$100,000.

Notes to the Financial Statements - 31 March 2023

6. INVESTMENT IN JOINT VENTURES (continued)

Details of the joint ventures as at 31 March are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023 %	2022 %
<i>Directly held</i>				
Taas India Pte. Ltd. # ("Taas India")	Singapore	Investment holding	33.5	33.5
Vankor India Pte. Ltd. # ("Vankor India")	Singapore	Investment holding	33.5	33.5
Bharat Energy Office LLC * ("BEO LLC")	Russian Federation	Extraction of oil and gas	20	20
<i>Indirectly held through</i>				
<i>Taas India</i> TYNGD LLC *	Russian Federation	Oil production and exploration	10	10
<i>Indirectly held through</i>				
<i>Vankor India</i> JSC Vankorneft *	Russian Federation	Oil production and exploration	8	8

Audited by HLB Atrede LLP

* Audited by other firm

The following summarises the financial information of the Company's joint ventures based on the financial statements for the year ended 31 December 2022 prepared in accordance with SFRS(I).

No audited financial information of the joint ventures were available for the period from 1 January 2023 to 31 March 2023. Management has assessed the changes in this period in respect of amounts of balances and transactions based on management accounts, changes in the business environment and any potential impairment indicators and concluded that no adjustment of share in net result of joint ventures is required.

Management has performed an impairment assessment of the joint ventures which includes assessing the impact of the sanctions as disclosed in Note 1 to the financial statements. Management concluded that no impairment of investment in joint ventures is required as the joint ventures are profitable and were not immediately affected by the sanctions and continued uninterrupted as its key customers are based in China which did not imposed any sanctions on the Russian government.

Notes to the Financial Statements - 31 March 2023

6. INVESTMENT IN JOINT VENTURES (continued)

Summarised financial information

Summarised statement of financial position

	Taas India Pte. Ltd. US\$	Vankor India Pte. Ltd. US\$	Bharat Energy Office LLC US\$	Total US\$
31 December 2022				
Current assets	660,386,855	528,760,647	435,448	1,189,582,950
Non-current assets	616,121,701	1,086,232,994	380,991	1,702,735,686
Total assets	<u>1,276,508,556</u>	<u>1,614,993,641</u>	<u>816,439</u>	<u>2,892,318,636</u>
Current liabilities	(1,448,136)	(1,192,646)	(160,886)	(2,801,668)
Non-current liabilities	(64,263)	(41,878)	(329,710)	(435,851)
Total liabilities	<u>(1,512,399)</u>	<u>(1,234,524)</u>	<u>(490,596)</u>	<u>(3,237,519)</u>
Net assets	<u>1,274,996,157</u>	<u>1,613,759,117</u>	<u>325,843</u>	<u>2,889,081,117</u>
Proportion of the Company's ownership	33.5%	33.5%	20%	
Company's share of net assets	427,123,713	540,609,304		
Dividend paid	<u>(53,600,000)</u>	<u>(16,750,000)</u>	65,170	967,798,187
Carrying amount of the investment	<u>373,523,713</u>	<u>523,859,304</u>	<u>65,170</u>	<u>897,448,187</u>
31 December 2021				
Current assets	575,349,959	699,018,810	500,000	1,274,368,769
Non-current assets	787,839,933	1,105,818,274	–	1,893,658,207
Total assets	<u>1,363,189,892</u>	<u>1,804,837,084</u>	<u>500,000</u>	<u>3,168,026,976</u>
Current liabilities	(1,503,898)	(1,109,201)	–	(2,613,099)
Non-current liabilities	–	(69,272)	–	(69,272)
Total liabilities	<u>(1,503,898)</u>	<u>(1,178,473)</u>	<u>–</u>	<u>(2,682,371)</u>
Net assets	<u>1,361,685,994</u>	<u>1,803,658,611</u>	<u>500,000</u>	<u>3,165,344,605</u>
Proportion of the Company's ownership	33.5%	33.5%	20%	
Carrying amount of the investment	<u>456,164,809</u>	<u>604,225,634</u>	<u>100,000</u>	<u>1,060,490,443</u>

Notes to the Financial Statements - 31 March 2023

6. INVESTMENT IN JOINT VENTURES (continued)

Summarised financial information (continued)

Summarised statement of comprehensive income

	Taas India Pte. Ltd. US\$	Vankor India Pte. Ltd. US\$	Bharat Energy Office LLC US\$	Total US\$
31 December 2022				
Revenue	–	–	610,193	610,193
Share of results of joint ventures, net of tax	72,620,743	49,656,681	–	122,277,424
Interest income from banks	7,767,102	8,528,539	–	16,295,641
Other income	–	51,591	678,019	729,610
Other charges	(51,310,796)	(31,769,335)	(793,757)	(83,873,888)
Expenses	(1,578,103)	(1,339,452)	(795,423)	(3,712,978)
Profit/(loss) before tax	27,498,946	25,128,024	(300,968)	52,326,002
Tax expense	(16,268,030)	(6,156,607)	–	(22,424,637)
Profit/(loss) for the year	11,230,916	18,971,417	(300,968)	29,901,365
Other comprehensive income	62,079,247	40,529,089	126,811	102,735,147
Total comprehensive income	73,310,163	59,500,506	(174,157)	132,636,512
31 December 2021				
Share of results of joint ventures, net of tax	–	116,907,784	73,256,114	190,163,898
Interest income from banks	–	2,088,249	6,349,021	8,437,270
Other income	–	3,150	53,457	56,607
Other charges	–	(4,562,563)	(897,497)	(5,460,060)
Expenses	–	(2,290,144)	(1,181,995)	(3,472,139)
Profit before tax	–	112,146,476	77,579,100	189,725,576
Tax expense	–	(13,671,346)	(8,966,171)	(22,637,517)
Profit for the year	–	98,475,130	68,612,929	167,088,059
Other comprehensive loss	–	(6,007,500)	(9,348,427)	(15,355,927)
Total comprehensive income	–	92,467,630	59,264,502	151,732,132

Notes to the Financial Statements - 31 March 2023

6. INVESTMENT IN JOINT VENTURES (continued)

Summarised financial information (continued)

Reconciliation of summarised financial information (continued)

	Taas India Pte. Ltd. US\$	Vankor India Pte. Ltd. US\$	Bharat Energy Office LLC US\$	Total US\$
31 December 2022				
Net assets attributable to equity holders				
Balance at beginning of year	1,361,685,994	1,803,658,611	500,000	3,165,844,605
Profit/(loss) for the year	11,230,916	18,971,417	(300,968)	29,901,365
Other comprehensive income/(loss)	62,079,247	40,529,089	126,811	102,735,147
Dividends paid	(160,000,000)	(249,400,000)	—	(409,400,000)
Balance at end of year	1,274,996,158	1,613,759,117	325,843	2,889,081,117
Proportion of the Company's ownership	33.5%	33.5%	20%	
Carrying amount	427,123,713	540,609,304	65,170	967,798,187
Dividend paid	(53,600,000)	(16,750,000)	—	(70,350,000)
Net carrying amount	<u>373,523,713</u>	<u>523,859,304</u>	<u>65,170</u>	<u>897,448,187</u>
31 December 2021				
Net assets attributable to equity holders				
Balance at beginning of year	1,367,218,364	1,874,394,109	—	3,241,612,473
Profit for the year	98,475,130	68,612,929	—	167,088,059
Contributions from shareholders	—	—	500,000	500,000
Other comprehensive loss	(6,007,500)	(9,348,427)	—	(15,355,927)
Dividends paid	(98,000,000)	(130,000,000)	—	(228,000,000)
Balance at end of year	1,361,685,994	1,803,658,611	500,000	3,165,844,605
Proportion of the Company's ownership	33.5%	33.5%	20%	
Carrying amount of the investment	<u>456,164,809</u>	<u>604,225,634</u>	<u>100,000</u>	<u>1,060,490,443</u>

7. OTHER RECEIVABLES

	2023 US\$	2022 US\$
<i>Non-current</i>		
Deposits	<u>14,418</u>	<u>—</u>

Notes to the Financial Statements - 31 March 2023

7. OTHER RECEIVABLES

	2023 US\$	2022 US\$
<i>Current</i>		
Deposits	20,826	6,408
Prepayment	18,016	477
Sundry receivables	2,002,059	231,685
	<u>2,040,901</u>	<u>238,570</u>

8. FIXED DEPOSITS

Fixed deposits are placed for varying periods between four to twelve months, and earn interest at the respective short-term deposit rates. The interest rates of the fixed deposits range from 1.65% to 5.99% (2022: 0.35% to 1.00%) per annum.

9. CASH AND CASH EQUIVALENTS

	2023 US\$	2022 US\$ (Reclassified)
Cash at bank	859,890	976,622
Short-term deposits	5,129,546	—
Cash and cash equivalents	<u>5,989,436</u>	<u>976,622</u>

Short-term deposits are placed for a period of up to three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates up to 4.88% (2022: Nil%) per annum.

Cash and cash equivalents denominated in foreign currency as at 31 March are as follows:

	2023 US\$	2022 US\$
Singapore Dollar	<u>57,709</u>	<u>97,167</u>

10. OTHER PAYABLES

	2023 US\$	2022 US\$ (Reclassified)
Accrued expenses	<u>56,574</u>	<u>41,815</u>

11. AMOUNT DUE TO HOLDING COMPANY

The amount due is non-trade related, unsecured, interest free, repayable upon demand and is to be settled in cash.

Notes to the Financial Statements - 31 March 2023

12. AMOUNT DUE TO A RELATED COMPANY

The amount due is non-trade related, unsecured, interest-free, repayable upon demand and is to be settled in cash.

13. BORROWINGS

	2023 US\$	2022 US\$
<i>Current</i>		
Interest payable on bonds	<u>8,901,099</u>	<u>8,901,099</u>
<i>Non-current</i>		
Bonds, unsecured	<u>498,590,813</u>	<u>498,243,746</u>
<i>Represented by</i>		
- Bond	500,000,000	500,000,000
- Accrued interest	8,901,099	8,901,099
- Unamortised transaction costs	<u>(1,409,187)</u>	<u>(1,756,254)</u>
	<u>507,491,912</u>	<u>507,144,845</u>

On 21 April 2017, the Company issued bonds through a private placement on the Singapore Exchange with a maturity period of 10 years and a fixed coupon rate of 4% per annum, payable on a half yearly basis.

The bonds are guaranteed by the Company's holding company, Oil India Limited.

As at 31 March 2023, the fair value of bond payables is approximately US\$475,350,000 (2022: US\$495,600,000 which was determined based on the last traded price and at Level 1 of the fair value hierarchy.

A reconciliation of liabilities arising from financing activities is as follows:

	2022	Cash flows	Non-cash changes		2023
			<i>Amortisation of transaction costs</i>	<i>Accretion of interests</i>	
	US\$	US\$	US\$	US\$	US\$
Borrowings, current	8,901,099	—	—	—	8,901,099
Borrowings, non-current	498,243,746	—	347,067	—	498,590,813

Notes to the Financial Statements - 31 March 2023

14. SHARE CAPITAL

	2023		2022	
	Number of shares	US\$	Number of shares	US\$
<i>Issued and fully paid</i>				
Ordinary shares	<u>533,707,277</u>	<u>533,707,277</u>	<u>533,707,277</u>	<u>533,707,277</u>

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

15. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises the Company's share of transaction reserve from its equity accounted joint ventures.

16. OTHER EXPENSES

	2023 US\$	2022 US\$
Business development expenses	—	1,262
Depreciation of plant and equipment	757	1,523
Employee benefits	208,554	168,557
Foreign exchange adjustment, (gain)/loss	(233)	5,633
General office expense	37,796	29,992
Professional fee	<u>96,027</u>	<u>70,118</u>
	<u>342,901</u>	<u>277,085</u>

17. FINANCE COSTS

Amortisation of bond issuance expenses	347,067	347,067
Interest expense on bonds	20,000,000	20,000,000
Others	<u>1,256</u>	<u>1,239</u>
	<u>20,348,323</u>	<u>20,348,306</u>

18. INCOME TAX EXPENSE

(i) Major components of income tax expense

The major component of income tax expense for the years ended 31 March 2023 and 2022 are:

Statement of comprehensive income:

Current tax expense	951,146	55,457
Under provision in respect of prior years	<u>11,636</u>	<u>—</u>
	<u>962,782</u>	<u>55,457</u>

Notes to the Financial Statements - 31 March 2023

18. INCOME TAX EXPENSE (continued)

(ii) *Relationship between tax expense and accounting profit*

The reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 March 2023 and 2022 are as follows:

	2023 US\$	2022 US\$
(Loss)/profit before tax	(4,964,260)	35,752,675
Tax expense on profit before tax at 17%	(843,790)	6,077,955
Adjustments:		
Effects of results of joint ventures, net of tax	(1,709,237)	(9,515,665)
Non-deductible expenses	3,517,508	3,506,086
Income exemption	(12,691)	(12,919)
Under provision of tax in respect of prior year	11,636	—
Total tax expense	962,782	55,457

19. RELATED PARTY DISCLOSURES

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and its related parties that took place at terms agreed between the parties during the financial year:

(i) *Significant related party transactions*

Holding company

Staff cost recharged from	5,460	6,912
Dividends paid	—	60,000,000

Related company

Administrative expense recharged from	1,342	5,666
Rental expense recharged from	5,328	307

(ii) *Compensation of key management personnel*

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company. The director of the Company and the general management of the Company are considered as key management personnel of the Company.

Central Provident Fund contributions	—	12,596
Salaries and bonus	89,160	84,314
Other short-term benefits	87,518	71,647
	176,678	168,557

Notes to the Financial Statements - 31 March 2023

20. 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 risks include foreign currency risk, credit risk and liquidity risk. The Company's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Company. The Company does not have any written financial risk management policies and guidelines and there has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

(i) *Foreign currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company has currency exposures arising from balances that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly Singapore Dollar (SGD). The Company also holds cash at bank denominated in foreign currencies for working capital purposes.

However, the Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

Sensitivity analysis for foreign currency risk

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's profit or loss and equity arising from the effects of reasonable possible changes in the SGD with all other variables held constant.

(ii) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from other debtors. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with reputable and well-established local and foreign banks, and companies with high credit ratings and no history of defaults.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimise credit risk, the Company has developed and maintain the credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and the Company's own trading records to rate its other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Notes to the Financial Statements - 31 March 2023

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) *Credit risk (continued)*

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
2023						
Other receivables	7	Performing	12-month ECL	2,022,885	—	2,022,885
					—	
2022						
Other receivables	7	Performing	12-month ECL	238,093	—	238,093
					—	

▪ *Exposure to credit risk*

As at the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statement of financial position.

▪ *Financial assets that are neither past due nor impaired*

Other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Notes to the Financial Statements - 31 March 2023

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from possible mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Company's financial assets and financial liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations:

	Total US\$	Within one year US\$	Within two to five years US\$	More than five years US\$
2023				
<i>Financial assets</i>				
Other receivables	2,022,885	2,008,467	14,418	—
Fixed deposits	240,612,267	240,612,267	—	—
Cash and cash equivalents	5,989,436	5,989,436	—	—
Total undiscounted financial assets	248,624,588	248,610,170	14,418	—
<i>Financial liabilities</i>				
Other payables	56,574	56,574	—	—
Amount due to holding company	5,460	5,460	—	—
Amount due to a related company	6,670	6,670	—	—
Borrowings	580,000,000	20,000,000	560,000,000	—
Total undiscounted financial liabilities	580,068,704	20,068,704	560,000,000	—
Total net undiscounted financial (liabilities)/ assets	(331,444,116)	228,541,466	(559,985,582)	—
2022				
<i>Financial assets</i>				
Other receivables	238,093	238,093	—	—
Fixed deposits	54,647,458	54,647,458	—	—
Cash and cash equivalents	976,622	976,622	—	—
Total undiscounted financial assets	55,862,173	55,862,173	—	—

Notes to the Financial Statements - 31 March 2023

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) *Liquidity risk (continued)*

Analysis of financial instruments by remaining contractual maturities (continued)

	Total US\$	Within one year US\$	Within two to five years US\$	More than five years US\$
2022				
<i>Financial liabilities</i>				
Other payables	41,815	41,815	—	—
Amount due to holding company	6,912	6,912	—	—
Amount due to a related company	5,973	5,973	—	—
Borrowings	600,000,000	20,000,000	80,000,000	500,000,000
Total undiscounted financial liabilities	600,054,700	20,054,700	80,000,000	500,000,000
Total net undiscounted financial (liabilities)/ assets	(544,192,527)	35,807,473	(80,000,000)	(500,000,000)

21. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amounts of financial assets and liabilities recorded as at the end of the reporting period by SFRS(I) 9 categories:

	2023 US\$	2022 US\$
<i>Financial assets at amortised cost</i>		
Other receivables	2,022,885	238,093
Fixed deposits	240,612,267	54,647,458
Cash and cash equivalents	5,989,436	976,622
	<u>248,624,588</u>	<u>55,862,173</u>
<i>Financial liabilities at amortised cost</i>		
Other payables	56,574	41,815
Amount due to holding company	5,460	6,912
Amount due to a related company	6,670	5,973
Borrowings	507,491,912	507,144,845
	<u>507,560,616</u>	<u>507,199,545</u>

Notes to the Financial Statements - 31 March 2023

22. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The Company does not anticipate that the carrying amounts recorded as at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

As at the end of the reporting period, the Company does not have any other financial instruments carried at fair value.

23. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern and to maintain optimal capital structure so as to maximise shareholders 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 its shareholder, return capital to its shareholder or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2023 and 2022.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Company will continue to be guided by prudent financial policies of which gearing is an important aspect.

	2023 US\$	2022 US\$
Borrowings	507,491,912	507,144,845
Other payables	56,574	41,815
Amount due to holding company	5,460	6,912
Amount due to a related company	6,670	5,973
Less: Cash and cash equivalents	(5,989,436)	(976,622)
Net debt	<u>501,571,180</u>	<u>506,222,923</u>
Equity attributable to the owner of the Company	<u>637,567,512</u>	<u>609,095,146</u>
Total capital	<u>637,567,512</u>	<u>609,095,146</u>
Capital and net debt	<u>1,139,138,692</u>	<u>1,115,318,069</u>
Gearing ratio	<u>44%</u>	<u>45%</u>

Notes to the Financial Statements - 31 March 2023

24. RECLASSIFICATION AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements. As a result, certain line items have been amended on the face of the statement of financial position and the related notes to the financial statements. Comparative figures have been adjusted to conform with current year's presentation. The reclassifications were not significant.

The items reclassified were as follows:

	Previously reported US\$	Reclassification US\$	After reclassification US\$
<i>Statement of financial position</i>			
Cash and cash equivalents	55,624,080	(54,647,458)	976,622
Fixed deposits	—	54,647,458	54,647,458
Trade and other payables	54,700	(54,700)	—
Other payables	—	41,815	41,815
Amount due to holding company	—	6,912	6,912
Amount due to a related company	—	5,973	5,973
	<u>55,678,780</u>	<u>—</u>	<u>55,678,780</u>

25. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 18 April 2023.