Directors' Statement and
Audited Financial Statements

DHUNSERI PETROCHEM & TEA PTE. LTD.

(Company Registration No.: 201136419H)

31 DECEMBER 2024

TKNP INTERNATIONAL

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Company Registration No.: 201136419H)

GENERAL INFORMATION

DIRECTORS

Satinder Singh Nain
Bharati Dhanuka

SECRETARIES

Tan Sihui
Tan Hui Wen

REGISTERED OFFICE

8 Cross Street
#20-01 Manulife Tower
Singapore 048424

AUDITORS

***TKNP* International**
Public Accountants and
Chartered Accountants
Singapore

INDEX

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Company Registration No.: 201136419H)

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members, which consist of a sole corporate shareholder, together with the audited financial statements of Dhunseri Petrochem & Tea Pte. Ltd. (the "Company") for the financial year ended 31 December 2024.

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 2024 and the financial performance, changes in equity and cash flows of the Company for the year then ended; 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.

2. DIRECTORS

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

Satinder Singh Nain
Bharati Dhanuka

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the 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 OR DEBENTURES

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

5. SHARE OPTIONS

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

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

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

6. AUDITORS

The auditors, ***TKNP* International**, Public Accountants and Chartered Accountants of Singapore, have expressed their willingness to accept re-appointment as auditors.

The Board of Directors,

....
Satinder Singh Nain
Director

....
Bharati Dhanuka
Director

Date: 15 MAY 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DHUNSERI PETROCHEM & TEA PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dhunseri Petrochem & Tea Pte. Ltd. (the Company), which comprise the statement of financial positio as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2024, 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 *Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DHUNSERI PETROCHEM & TEA PTE. LTD. (CONT'D)

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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DHUNSERI PETROCHEM & TEA PTE. LTD. (CONT'D)

Auditors' 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.

The engagement partner on the audit resulting in this independent auditors' report is Ong Lien Wan.

***TKNP* International**
Public Accountants and
Chartered Accountants
Singapore

TKNP INTERNATIONAL

Date: 15 MAY 2025

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Company Registration No.: 201136419H)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024 US$	2023* US$
ASSETS			
Non-current assets			
Property, plant and equipment	4	96,292	484,603
Investment in subsidiaries	5	23,000,001	23,000,001
Loans to subsidiaries	7	2,000,000	500,000
		25,096,293	23,984,604
Current assets			
Inventories		-	3,970
Trade and other receivables	6	104,286	362,305
Advance to subsidiaries		-	67,813
Cash and cash equivalents	8	132,566	157,046
		236,852	591,134
Total assets		25,333,145	24,575,738
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	9	12,109	194,880
Bank loan	10	382,440	637,400
Lease liabilities	11	-	183,040
Income tax payable	20	11,837	1,338
		406,386	1,016,658
Non-current liabilities			
Bank loan	10	1,320,344	1,274,800
Debenture loan	13	2,080,959	1,000,000
Deferred tax liability	12	16,369	-
Lease liabilities	11	-	144,705
		3,417,672	2,419,505
Total liabilities		3,824,058	3,436,163
Equity			
Share capital	14	14,093,991	13,693,991
Retained earnings		7,415,096	7,445,584
		21,509,087	21,139,575
Total liabilities and equity		25,333,145	24,575,738

See accompanying notes to these financial statements

*Please refer to Note 27

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Company Registration No.: 201136419H)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 US$	2023 US$
Revenue income	15	556,300	650,000
Other income	16	94,031	8,728
Expenses			
Employee benefits expense	17	127,977	140,804
Other operating expenses	18	295,276	370,108
Finance costs	19	226,089	182,639
		(649,342)	(693,551)
Profit/(loss) before tax		989	(34,823)
Income tax expense	20	(31,477)	-
(Loss) for the year, representing total comprehensive (loss) for the year		(30,488)	(34,823)

See accompanying notes to these financial statements.

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Company Registration No.: 201136419H)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Share capital	Retained earnings	Total
		US$	US$	US$
At 1 January 2023		13,393,991	7,480,407	20,874,398
Issue of share capital	14	300,000	-	300,000
(Loss) for the year, representing total comprehensive (loss) for the year		-	(34,823)	(34,823)
At 31 December 2023		13,693,991	7,445,584	21,139,575
At 1 January 2024		13,693,991	7,445,584	21,139,575
Issue of share capital	14	400,000	-	400,000
(Loss) for the year, representing total comprehensive (loss) for the year		-	(30,488)	(30,488)
At 31 December 2024		14,093,991	7,415,096	21,509,087

See accompanying notes to these financial statements

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Company Registration No.: 201136419H)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 US$	2023 US$
Cash flows from operating activities			
Profit/ (loss) before tax		989	(34,823)
Adjustments for:			
Depreciation of property, plant and equipment	4	72,619	181,095
Finance expenses		228,966	182,639
Interest income		(76,000)	-
Foreign exchange differences		-	(47)
Impairment loss on loan to subsidiary		72,063	-
Gain on lease reassessment	4	(5,212)	-
Loss on disposal of right-of-use assets		18,297	-
		311,722	328,864
Changes in working capital:			
Decrease/(increase) in trade and other receivables		258,019	(15,025)
Decrease in inventories		3,970	(418)
(Decrease)/increase in trade and other payables		(182,771)	34,340
Cash generated from operations		390,940	347,761
Income tax movement	20	(4,609)	(71,335)
Net cash generated from operating activities		386,331	276,426
Cash flows from investing activities			
Loan to subsidiaries		(1,500,000)	(500,000)
Advance to subsidiaries		(4,250)	-
Acquisition of property, plant and equipment	4	(164)	(1,162)
Interest received		76,000	-
Disposal of right-of-use asset	4	38,625	-
Net cash (used in) investing activities		(1,389,789)	(501,162)
Cash flows from financing activities			
Issue of share capital	14	400,000	300,000
Debenture loan from holding company	13	1,000,000	1,000,000
Transaction cost on bank loan	22	(22,224)	-
Interest paid		(138,051)	(168,329)
Repayment of bank loan		(191,220)	(637,400)
Repayment of lease liability		(63,599)	(165,456)
Lease liability interest paid	22	(5,928)	(14,310)
Net cash generated from financing activities		978,978	314,505
Net (decrease)/increase in cash and cash equivalents		(24,480)	89,769
Cash and cash equivalents at beginning of year		157,046	67,277
Cash and cash equivalents at end of year	8	132,566	157,046

See accompanying notes to these financial statements

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

1. CORPORATE INFORMATION

Dhunseri Petrochem & Tea Pte. Ltd. (the "company") is a private limited liability company which is incorporated and domiciled in Singapore.

The company's registered office and principal place of business is at 8 Cross Street, #20-01 Manulife Tower, Singapore 048424.

The principal activities of the company are those of an investment holding company. There have been no significant changes in nature of these activities during the financial year.

The company's immediate holding company is Dhunseri Tea & Industries Limited, which is incorporated in India. The company's ultimate holding company is Naga Dhunseri Group Limited, which is incorporated in India.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1) BASIS OF PREPARATION

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). 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 dollar (US$), which is also the Company's functional currency.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

The preparation of financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2.2) ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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 amended standards which are relevant to the Company and are effective for annual financial period beginning on 1 January 2024. The adoption of these standards did not have any material effect on the financial statements of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3) BASIS OF NON-CONSOLIDATION

Consolidation financial statements of the Company and its subsidiaries have not been prepared as the Company is exempted from preparing consolidated financial statements as:

(i) It is itself a wholly-owned subsidiary, or is a partially-owned subsidiary of another entity, and its other owners do not object to the parent not presenting consolidated financial statements,
(ii) Its debt or equity instruments are not traded in a stock exchange,
(iii) It did not file, not as in the process of filling, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any debt and equity instruments, and
(iv) Its holding company, Dhunseri Tea & Industries Limited, which is incorporated in India, produces consolidated financial statements available for public use.

2.4) PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Office equipment	3 years
Motor vehicle	10 years
Furniture and fitting	5 years
Right-of-use assets	Over the lease year

The residual value, useful lives and depreciation method are reviewed at the end of each financial year, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.5) FINANCIAL INSTRUMENTS

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes a 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 (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5) FINANCIAL INSTRUMENTS (CONT'D)

Financial assets (Cont'd)

Trade receivables are measured at the amount of 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 party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

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 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 the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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.

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 FVPL, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL 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.

Derecognition

A financial liability is derecognised 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. MATERIAL ACCOUNTING POLICY INFORMATION (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 FVPL. 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).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 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.

2.7) INVESTMENT IN SUBSIDIARY

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 subsidiary is stated at cost less accumulated impairment losses, if any, in the Company's statement of financial position. On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amount of the investment is taken to profit or loss.

2.8) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and are subject to an insignificant risk of changes in value.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.9) EMPLOYEE BENEFITS

Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the year in which the related service is performed.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.10) GOVERNMENT GRANTS

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

2.11) TAXES

Current income tax

Current income tax assets and liabilities for the current prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of reporting period.

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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.11) TAXES (CONT'D)

Deferred tax

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

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 by the end of the reporting period.

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.12) RELATED PARTIES

A related party is a person or an entity that is related to the Company and includes:

(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 reporting Company;
- (ii) has significant influence over the reporting Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12) 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 any 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 the parent of the Company.

The following are not necessarily related parties:

(a) Two entities simply because they have a director or other member of key management personnel in common;

(b) Two venturers simply because they share joint control over a joint venture.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

2.13) SHARE CAPITAL

Proceeds from 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.

2.14) REVENUE RECOGNITION

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 goods or services to the customer, which is when the customer obtains control of the goods or services. 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.14) REVENUE RECOGNITION (CONT'D)

Rendering of services

The Company receives advisory and management fees from its subsidiaries. The fees are measured based on terms agreed between the Company and its clients before the transactions are executed. Revenue from rendering of services is recognised at the time when such services have been performed and rendered.

The Company receives consultation fees from its third party. The fees are measured based on terms agreed between the Company and its third party before the transactions are executed. Revenue from rendering of services is recognised at the time when such services have been performed and rendered.

The Company receives services fees from its third party. The fees are measured based on terms agreed between the Company and its third party before the transactions are executed. Revenue from rendering of services is recognised at the time when such services have been performed and rendered

2.15) FOREIGN CURRENCY TRANSLATION AND BALANCES

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

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.

2.16) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date 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 group of assets. Where the carrying amount of an asset or cash-generating unit 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.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.17) LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.16. The Company's right-of-use assets are presented within property, plant and equipment (Note 4).

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are disclosed in Note 11 to the financial statements.

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 year. 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 years.

3.1) JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

The management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 year 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.

Allowance for expected credit loss of trade receivables

When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions and how these conditions will affect the Company's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade receivables and contract assets is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables. Details of ECL measurement and carrying value of trade receivables at reporting date are disclosed in Note 23.

The carrying amount of the Company's trade and other receivables at the end of the reporting year are disclosed in Note 6.

Impairment of investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment losses in the Company's statement of financial position. The Company follows the guidance of FRS 36 Impairment of Assets to determine whether the investments in subsidiaries are impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the market and economic performance of these entities, the duration and extent to which the costs of investments in the entities exceed their net tangible assets and fair value of investments less cost to sell. The carrying amount of the Company's investment in subsidiaries as at the end of the reporting year is disclosed in Note 5 to the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets US$	Furniture and fitting US$	Office equipment US$	Motor vehicle US$	Total US$
Cost					
At 1 January 2023	242,835	40,189	4,873	312,323	600,220
Additions	317,281	1,162	-	-	318,443
De-recognition	(242,835)	-	-	-	(242,835)
At 31 December 2023	317,281	41,351	4,873	312,323	675,828
Lease reassessment	(203,512)	-	-	-	(203,512)
Additions	-	164	-	-	164
Gain on lease reassessment	5,212	-	-	-	5,212
De-recognition	(118,981)	-	-	(157,311)	(276,292)
At 31 December 2024	-	41,515	4,873	155,012	201,400
Accumulated depreciation					
At 1 January 2023	182,127	6,134	2,470	62,234	252,965
Depreciation for the year	140,029	8,348	1,486	31,232	181,095
De-recognition	(242,835)	-	-	-	(242,835)
At 31 December 2023	79,321	14,482	3,956	93,466	191,225
Depreciation for the year	39,660	8,247	917	23,795	72,619
Derecognition	(118,981)	-	-	(39,755)	(158,736)
At 31 December 2024	-	22,729	4,873	77,506	105,108
Carrying amount					
At 31 December 2024	-	18,786	-	77,506	96,292
At 31 December 2023	237,960	26,869	917	218,857	484,603

The Company has motor vehicle under leases and lease contracts with net carrying value of US$77,506 (2023: US$218,857).

During the financial year, the Company disposed motor vehicles with net book value amounting to US$117,556 with a corresponding lease liability of US$60,634 for cash consideration of US$38,625. The net losses on these disposals were recognised as part of other operating costs.

5. INVESTMENT IN SUBSIDIARIES

	2024 US$	2023 US$
Cost	23,000,001	23,000,001

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation and operations	Principal activities	Proportion of ownership interest and voting power held	
			2024 %	2023 %
Kawalazi Estate Company Limited*	Malawai, Africa	Manufacture of tea and macadamia nuts	100	100
Makandi Tea and Coffee Estates Limited*	Malawai, Africa	Manufacture of tea and macadamia nuts	100	100
Dhunseri Mauritius Pte Ltd**	Republic of Mauritius	Investment in farming in various African countries	100	100

Details of the sub-subsidiary held via Makandi Tea and Coffee Estates Limited are as follows:

Name of sub-subsidiary	Country of incorporation and operations	Principal activities	Proportion of ownership interest and voting power held	
			2024 %	2023 %
AM Henderson & Sons Limited*	Malawi, Africa	Property letting and development	100	100
Ntambi Estate Limited*	Malawi, Africa	Asset holding company	100	100
Chiwale Estate Management Services Limited***	Malawi, Africa	Property letting and development	100	100

* Audited by Ernst & Young Global Limited, Malawi.
** Management account for 2024
*** Audit is not required by the laws of the country of incorporation

6. TRADE AND OTHER RECEIVABLES

	2024 US$	2023 US$
Trade receivables		
Subsidiaries	103,115	262,260
Other receivables		
Deposits	372	30,401
GST receivables	799	541
Prepayments	-	69,103
	1,171	100,045
	104,286	362,305

Trade receivables are non-interest bearing and are generally on 30 days' (2023: 30 days') terms.

Amount due from subsidiaries are trade-related in nature, unsecured, non-interest bearing and repayable on demand.

Trade and other receivables are denominated in the following currencies:

	2024 US$	2023 US$
United States dollar	103,115	331,363
Singapore dollar	1,171	30,942
	104,286	362,305

7. LOANS TO SUBSIDIARIES

	2024 US$	2023* US$
Loan A	1,000,000	500,000
Loan B	1,000,000	-
	2,000,000	500,000

Loan A and B are unsecured, bear interest at 7.6% per annum and repayable on due dates, which is 7 years from 31 December 2023 and 2024 respectively as agreed by the parties to the agreement.

8. CASH AND CASH EQUIVALENTS

	2024 US$	2023 US$
Cash at banks	132,566	157,046

Cash and cash equivalents are denominated in the following currencies:

	2024 US$	2023 US$
United States dollar	129,829	154,050
Singapore dollar	2,737	2,996
	132,566	157,046

9. TRADE AND OTHER PAYABLES

	2024 US$	2023 US$
Trade payables		
Third party	-	187,697
Other payables		
Sundry payable	-	7,183
Accruals	12,109	-
	12,109	7,183
	12,109	194,880

Trade and other payables are non-interest bearing and are normally settled on 30 days' (2023: 30 days') terms.

Trade and other payables are denominated in the following currencies:

	2024 US$	2023 US$
United States dollar	-	187,697
Singapore dollar	12,109	7,183
	12,109	194,880

10. BANK LOAN

	2024 US$	2023 US$
Current		
Due within one year	382,440	637,400
Non-current		
Due within one to five years	1,320,344	1,274,800
	1,702,784	1,912,200

In June 2023, the bank loan bears interest of 6-month SOFR + 1.8% per annum and it is repayable half yearly, effective from July 2023, with a maturity date in December 2026.

In June 2024, the loan from ICICI Bank was refinanced and taken over by Axis Bank with effect from 28 June 2024. The bank loan initially carried an interest rate of 3-month SOFR + 2.1% per annum on half-yearly basis over a 5-year year starting from the first drawdown date, effective from June 2024, with a maturity date of 30 June 2029. The interest payment is quarterly.

11. LEASE LIABILITIES

Company as a lessee

The Company has lease contracts for buildings and motor vehicles. The Company is restricted from assigning and subleasing the leased assets.

	2024 US$	2023 US$
Current		
Due within one year	-	183,040
Non-current		
Due within one to five years	-	141,135
Due more than five years	-	3,570
	-	144,705
	-	327,745

(a) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 22 and the maturity analysis of lease liabilities is disclosed in Note 23.

11. LEASE LIABILITIES (CONT'D)

(a) The following are amounts recognised in profit and loss:

	2024 US$	2023 US$
Depreciation of motor vehicles	23,795	31,232
Depreciation of right-of-use assets	39,660	140,029
Interest expense on lease liabilities (Note 19)	5,928	14,310
Total amount recognised in profit and loss	69,383	185,571

(b) Total Cash outflow

The Company had total cash outflows for leases of US$69,527 (2023: US$179,766).

Leases are denominated in Singapore dollar.

12. DEFERRED TAX LIABILITY

	2024 US$	2023 US$
At beginning of year	-	-
Movement in temporary difference (Note 20)	16,369	-
At end of year	16,369	-

13. DEBENTURE LOAN

	2024 US$	2023 US$
Current		
Due within one year	-	-
Non-current		
Due within two to five years	-	-
Over five years		
US$1,000,000 loan at 7.5%	1,080,959	1,000,000
US$1,000,000 loan at 7.5%	1,000,000	-
	2,080,959	1,000,000

Debenture loans from holding company are repayable at the maturity date which is 7 years from December 2023 and December 2024 respectively.

The movement in debenture loan was as follows:

	1 January 2024 US$	Addition US$	31 December 2024 US$
Debenture loan	1,000,000	1,000,000	2,000,000
Interest on debenture loan	-	80,959	80,959
	1,000,000	1,080,959	2,080,959

14. SHARE CAPITAL

	2024		2023	
	No. of shares	US$	No. of shares	US$
Issued and fully paid				
At the beginning of year/year	12,673,991	13,693,991	12,553,991	13,393,991
Share capital addition	160,000	400,000	120,000	300,000
At end of year/year	12,833,991	14,093,991	12,673,991	13,693,991

The holders of ordinary shares are 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.

15. REVENUE INCOME

	2024 US$	2023 US$
Consultation fee	279,300	200,000
Management fee	200,000	200,000
Service fee	77,000	250,000
	556,300	650,000

Revenue income is recognised over time.

Management fee is receivable from subsidiaries for management services and technical support.

16. OTHER INCOME

	2024 US$	2023 US$
Gain on lease reassessment	5,212	-
Interest on loan to subsidiary	76,000	-
Grant received	5,012	3,171
Profit of sales of PAPARATY	7,473	5,557
Gain on foreign exchange	334	-
	94,031	8,728

17. EMPLOYEE BENEFITS EXPENSE

	2024 US$	2023 US$
Staff costs		
- Staffs' salaries and other costs	41,182	45,626
- CPF contribution	6,862	7,737
- Skill development levy	112	112
	48,156	53,475
Key management personnel compensation (Note 21)		
- Directors' remuneration	79,703	87,247
- Director's skill development levy	118	82
	79,821	87,329
	127,977	140,804

18. OTHER OPERATING EXPENSES

Other operating expenses comprise the following:

	2024 US$	2023 US$
Bank charges	6,584	6,470
Advance written off	72,063	-
Consultancy Fee	-	3,992
Commission Upfront	13,365	14,933
Club expenses	15,085	20,150
Delivery charges	-	408
Depreciation expenses	72,619	181,095
Freight for import	-	312
Insurance	3,126	3,431
Legal and professional charges	45,281	37,348
Loss on sale of fixed asset	18,297	-
Medical insurance	6,385	20,770
Miscellaneous	4,625	2,743
Stamp Charges	-	1,393
Subscription expenses	605	610
Upkeep of house	22,460	57,988
Upkeep of motor vehicle	12,970	9,494
Unrealised loss on foreign exchange	1,811	8,971
	295,276	370,108

19. FINANCE COSTS

	2024 US$	2023 US$
Interest on bank loan	142,079	165,452
Interest on debenture loan	78,082	2,877
Interest on lease liabilities (Note 11)	5,928	14,310
	226,089	182,639

20. INCOME TAX EXPENSE

The major components of income tax expense recognised in profit or loss for the years ended 31 December 2024 and 2023 were:

	2024 US$	2023 US$
Tax expense attributable to profit is made up of:		
- Current year tax	9,892	
- Under-provision in respect of prior years	5,216	-
	15,108	-
Deferred income tax		
-Origination and reversal of temporary difference (Note 12)	16,369	-
	31,477	-

Relationship between tax expense and accounting profit/ (loss)

A reconciliation between tax expense and the product of accounting profit/ (loss) multiplied by the applicable corporate tax rate for the financial years ended 31 December 2024 and 2023 were as follows:

	2024 US$	2023 US$
Profit/ (loss) before tax	989	(34,823)
Tax calculated at statutory tax rate of 17% (2023: 17%)	168	(5,920)
Tax effect of:		
- Non-deductible expenses	31,510	8,291
- Non-taxable income	(11,820)	(539)
- Capital allowances	(22)	-
- Under-provision in respect of prior years	5,216	-
- Tax exemption	(10,236)	(1,832)
- Origination and reversal of temporary differences	16,369	
- Others	292	-
	31,477	-

	2024 US$	2023 US$
Movement in income tax payable		
At beginning of year	1,338	72,673
Current income tax	9,892	-
Prior year income tax	5,216	-
Tax paid	(4,609)	(71,335)
At end of year	11,837	1,338

21. RELATED PARTY TRANSACTIONS

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

	2024 US$	2023 US$
Subsidiaries		
Management fee income from subsidiaries	200,000	200,000
Advances to subsidiaries	4,250	-
Advances written off	72,063	-
Interest income from subsidiaries	76,000	-
Receipt on behalf of subsidiaries	744,195	516,911
Payment on behalf of subsidiaries	309,050	540,448
Loan to subsidiaries	1,500,000	500,000
Holding Company		
Debenture loan from holding company	1,000,000	1,000,000
Interest expense payable to holding company	78,082	2,877
Reimbursement from holding company	13,365	14,933
Compensation of key management personnel (Note 17)		
Directors' remuneration	79,821	87,329

22. BANK LOAN AND LEASE LIABILITIES

Reconciliation of movements of liabilities to cash flows arising from financing activities

	1 January 2024	Cash flows	Non-cash changes			31 December 2024
			Modifications	Accretion of interests	Other	
	US$	US$	US$	US$	US$	US$
Liabilities						
Lease liabilities						
- current	183,040	(69,527)	(215,532)	5,928	96,091	-
- non-current	144,705	-	(48,614)	-	(96,091)	-
	327,745	(69,527)	(264,146)	5,928	-	-
Bank loan						
- current	637,400	(329,271)	(22,224)	142,079	(45,544)	382,440
- non-current	1,274,800	-	-	-	45,544	1,320,344
	1,912,200	(329,371)	(22,224)	142,079	-	1,702,784
	2,239,945	(398,798)	(286,370)	148,007	-	1,702,784

22. BANK LOAN AND LEASE LIABILITIES (CONT'D)

	1 January 2023	Cash flows	Non-cash changes				31 December 2023
			Acquisition	Accretion of interests	Forex exchange	Other	
	US$	US$	US$	US$	US$	US$	US$
Liabilities							
Lease liabilities							
- current	90,317	(179,765)	-	14,310	-	258,178	183,040
- non-current	85,650	-	317,281	-	(48)	(258,178)	144,705
	175,967	(179,765)	317,281	14,310	(48)	-	327,745
Bank loan							
- current	637,400	(802,852)	-	165,452	-	637,400	637,400
- non-current	1,912,200	-	-	-	-	(637,400)	1,274,800
	2,549,600	(802,852)	-	165,452	-	-	1,912,200
	2,725,567	(982,617)	317,281	179,762	(48)	-	2,239,945

23. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include market risk (including interest rate risk and foreign currency risk), liquidity risk and credit risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

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.

Market risk

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

Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

23. FINANCIAL RISK MANAGEMENT (CONT'D)

Market risk (Cont'd)

Foreign currency risk (Cont'd)

The Company has foreign currency exposures arising from transactions that are denominated in currencies other than the functional currency of the Company, which are Singapore dollar ("SGD").

The Company's currency exposures to the SGD at the reporting date were as follows:

	SGD US$
2024	
Financial assets	
Trade and other receivables	1,171
Cash and cash equivalents	2,737
	3,908
Financial liabilities	
Trade and other payables	(12,109)
Net financial liabilities currency exposures	(8,201)

	SGD US$
2023	
Financial assets	
Trade and other receivables	30,942
Cash and cash equivalents	2,996
	33,938
Financial liabilities	
Trade and other payables	(7,183)
Lease liabilities	(327,745)
	(334,928)
Net financial liabilities currency exposures	(300,990)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit after tax to a reasonably possible change in SGD against the USD by 5% (2023: 5%) with all other variables being held constant, including tax rate, and the effects arising from the net financial liability position will be as follows:

	2024 US$	2023 US$
SGD against USD		
- strengthened	(340)	(12,491)
- weakened	340	12,491

23. FINANCIAL RISK MANAGEMENT (CONT'D)

Market risk (cont'd)

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from its bank loan.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

At the reporting date the interest rate profile of the Company's interest-bearing financial instrument was:

	2024		2023	
	Effective rate %	US$	Effective rate %	US$
Variable rate instruments				
Bank loan	SOFR+2.1%	1,702,784	SOFR+1.8%	1,912,200
		1,702,784		1,912,200

At the reporting date, if the interest rates had been 50 (2023: 50) basis points higher/lower with all other variables hold constant, the Company's profit before tax would have been US$8,514 (2023: US$9,561) lower/higher, arising mainly as a result of higher/lower interest expenses on floating rate cash at bank and floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The company has no exposure to interest rate risks relating to leases as the interest rate on the finance leases are fixed at inception.

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding from the holding company and flexibility through the use of stand-by credit facilities. The Company finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The directors are satisfied that funds are available to finance the operations of the Company.

23. FINANCIAL RISK MANAGEMENT (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 reporting date based on contractual undiscounted repayment obligations.

	Carrying amount US$	Contractual cash flows US$	One year or less US$	One to five years US$	Over five years US$
2024					
Financial assets					
Trade and other receivables *	103,487	103,487	103,487	-	-
Loans to subsidiaries	2,000,000	2,988,416	-	-	2,988,416
Cash and cash equivalents	132,566	132,566	132,566	-	-
Total undiscounted financial assets	2,236,053	3,224,469	236,053	-	2,988,416
Financial liabilities					
Trade and other payables	12,109	12,109	12,109	-	-
Debenture loan	2,080,958	2,900,410	-	-	2,900,410
Bank loan	1,702,784	2,052,716	507,754	1,544,962	-
Total undiscounted financial liabilities	(3,795,851)	(4,965,235)	(519,863)	(1,544,962)	(2,900,410)
Total net undiscounted financial assets/ (liabilities)	(1,559,798)	(1,740,766)	(283,810)	(1,544,962)	88,006

	Carrying amount US$	Contractual cash flows US$	One year or less US$	One to five years US$	Over five years US$
2023*					
Financial assets					
Trade and other receivables *	292,661	292,661	292,661	-	-
Loans to subsidiaries	500,000	500,000	-	-	500,000
Advance to subsidiaries	67,813	67,813	67,813		
Cash and cash equivalents	157,046	157,046	157,046	-	-
Total undiscounted financial assets	1,017,520	1,017,520	517,520	-	500,000
Financial liabilities					
Trade and other payables	194,880	194,880	194,880	-	-
Debenture loan	1,000,000	1,453,288	-	-	1,453,288
Bank loan	1,912,200	2,087,167	734,604	1,352,563	-
Lease liabilities	327,745	348,739	202,789	142,380	3,570
Total undiscounted financial liabilities	(3,434,825)	(4,084,074)	(1,132,273)	(1,494,943)	(1,456,858)
Total net undiscounted financial (liabilities)	(2,417,305)	(3,066,554)	(614,753)	(1,494,943)	(956,858)

*Excluding prepayment and GST receivable

23. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade receivables and loan to subsidiaries. For other financial assets, including cash and cash equivalents, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial position and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting year.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial statements and the Company's own trading records to rate its major customers. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

23. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (Cont'd)

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past due amounts.	12-month ECL
II	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
III	Amount is > 60 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
31 December 2024				**US$**	**US$**	**US$**
Trade receivables	6	Note 1	Lifetime ECL	103,115	-	103,115
Other receivables (excluding prepayments and GST receivable)	6	I	12-month ECL	372	-	372
Loans to subsidiaries	7	I	12-month ECL	2,000,000	-	2,000,000

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
31 December 2023*				**US$**	**US$**	**US$**
Trade receivables	6	Note 1	Lifetime ECL	262,260	-	262,260
Other receivables (excluding prepayments)	6	I	12-month ECL	30,401	-	30,401
Loans to subsidiaries	7	I	12-month ECL	500.000	-	500,000
Advance to subsidiaries	Nil	I	12-month ECL	67,813	-	67,813

23. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (Cont'd)

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Exposure to credit risk

The company has no significant concentration of credit risk other than those balances with subsidiaries comprising 100% (2023: 100%) of trade receivables. The company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables, advances and loans to subsidiaries

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measure the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

• Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,

• Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

• Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables, and other payables
The carrying amounts approximate their fair values due to short-term nature of these balances.

Loan to subsidiaries, bank loan and debenture loan
The carrying amounts of bank loan approximate their fair values as they are subject to interest rates close to market rate of interest for arrangements with financial institutions.

Trade receivables and trade payables
The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal credit terms.

25. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities at amortised cost were as follows:

Financial assets measured at amortised cost

	2024 US$	2023* US$
Trade and other receivables*	103,487	292,661
Loans to subsidiaries	2,000,000	500,000
Advance to subsidiaries	-	67,813
Cash and cash equivalents	132,566	157,046
Total financial assets measured at amortised cost	2,236,053	1,017,520

Financial liabilities measured at amortised cost

	2024 US$	2023 US$
Trade and other payables	12,109	194,880
Debenture loan	2,080,959	1,000,000
Bank loan	1,702,784	1,912,200
Total financial liabilities measured at amortised cost	3,795,852	3,107,080

* Excluding prepayments and GST receivable

26. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

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 is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2024 and 31 December 2023.

27. RECLASSIFICATION OF PRIOR YEAR FIGURES

Certain comparative figures have been reclassified for better comparison with the current year's presentation.

The impact of reclassifications on the statement of financial position are presented below:

	As previously stated US$	Reclassified amount US$	As reclassified US$
STATEMENT OF FINANCIAL POSITION			
As at 31 December 2023			
Non-current assets			
Loan to subsidiaries	-	500,000	500,000
Current assets			
Advance to subsidiaries	567,813	(500,000)	67,813

28. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to FRS 109 Financial Instruments and FRS 107 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvement to FRSs Volume 11	1 January 2026
FRS 118 Presentation and Disclosure in Financial Statements:	1 January 2027
FRS 119 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: 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 standards above will have no material impact on the financial statements in the year of initial application.

29. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the Company for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors of the Company as at the date of the Director's Statement.

THE FOLLOWING SCHEDULES DO NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

DHUNSERI PETROCHEM & TEA PTE. LTD.
(Company Registration No.: 201136419H)

DETAILED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	2024 US$	2023 US$
Revenue income		
Consultancy fees	279,300	200,000
Management fees	200,000	200,000
Service fees	77,000	250,000
	556,300	650,000
Other Income		
Gain on lease reassessment	5,212	-
Interest on loan to subsidiary	76,000	-
Grant received	5,012	3,171
Profit of sales of PAPARATY	7,473	5,557
Gain on foreign exchange	334	-
	94,031	8,728
Other operating expenses		
Bank charges	6,584	6,470
Advance written off	72,063	-
Consultancy Fee for PAPARATY	-	3,992
Commission Upfront	13,365	14,933
Club expenses	15,085	20,150
Delivery charges	-	408
Depreciation expenses	72,619	181,095
Freight for import	-	312
Insurance	3,126	3,431
Legal and professional charges	45,281	37,348
Loss on sale of fixed asset	18,297	-
Medical insurance	6,385	20,770
Miscellaneous	4,625	2,743
Stamp Charges	-	1,393
Subscription expenses	605	610
Upkeep of house	22,460	57,988
Upkeep of motor vehicle	12,970	9,494
Unrealised loss on foreign exchange	1,811	8,971
	(295,276)	(370,108)
Employee benefits expense		
Director's remuneration	79,703	87,247
Director's skill development levy	118	82
Staff's salaries and other costs	41,182	45,626
CPF contribution	6,862	7,737
Staff's skill development levy	112	112
	(127,977)	(140,804)
Finance expenses		
Interest on bank loan	142,079	165,452
Interest on debenture loan	78,082	2,877
Interest on lease liabilities	5,928	14,310
	(226,089)	(182,639)
Profit/ (loss) before tax	989	(34,823)

This statement is for management information only and does not form part of the financial statements of the company.