

CHEMINVEST PTE. LTD.
(Incorporated in the Republic of Singapore)
Registration No. 200909241H

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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CHEMINVEST PTE. LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The directors are pleased to present their statement to the member together with the audited financial statements of Cheminvest Pte. Ltd. (the "Company") for the financial year ended 31 March 2024.

OPINION OF THE DIRECTORS

In our opinion,

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

DIRECTORS

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

ANANTHANARAYANAN JANAKIRAMAN

SHIV RAJ KAPUR

RAMACHANDRAN RAVISHANKAR (Appointed on 27 Feb 2024)

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.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, 1967 ('the Act'), particulars of interests of directors 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, either at the beginning or end of financial year.

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.

CHEMINVEST PTE. LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

INDEPENDENT AUDITOR

M/s MGI N Rajan Associates has expressed its willingness to accept re-appointment as auditor.

The Board of Directors



Ananthanarayanan Janakiraman
Director



Shiv Raj Kapur
Director

Date: 10 MAY 2024

**INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHEMINVEST PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cheminvest Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1967 ('the Act') and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 2 to 3.

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.

CHEMINVEST PTE. LTD.

**INDEPENDENT AUDITOR'S REPORT (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHEMINVEST PTE. LTD. (cont'd)

Report on the Audit of the Financial Statements (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 director's 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 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- 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.

CHEMINVEST PTE. LTD.

**INDEPENDENT AUDITOR'S REPORT (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CHEMINVEST PTE. LTD. (cont'd)

Report on the Audit of the Financial Statements (Cont'd)

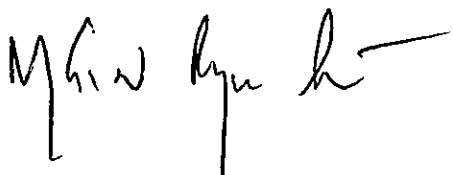
Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

We communicate with 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.



**MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS**

SINGAPORE

Date: 10 MAY 2024

CHEMINVEST PTE. LTD.
(Incorporated in the Republic of Singapore)

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

	<u>Note</u>	<u>2024</u> US\$	<u>2023</u> US\$
Revenue	4	5,391,569	5,660,218
Other income	4a	123,471	137
Other operating expenses		(19,292)	(143,304)
Finance cost	6	(157,513)	(195,687)
Profit before tax	5	5,338,235	5,321,364
Income tax expense	7	(534)	-
Profit for the year after tax		5,337,701	5,321,364
Other comprehensive income for the year		-	-
Total comprehensive income for the year		5,337,701	5,321,364

The annexed notes form an integral part of and should be read in conjunction with these financial statements

CHEMINVEST PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	<u>Note</u>	<u>2024</u> US\$	<u>2023</u> US\$
ASSETS			
Non-current assets			
Investment in subsidiaries	8	7,900,500	7,900,500
Total non-current assets		7,900,500	7,900,500
Current assets			
Other receivables	9	130,256	7,401
Loan to a related party	10	10,000,000	-
Cash and cash equivalents	11	10,660,318	5,362,967
Total current assets		20,790,574	5,370,368
TOTAL ASSETS		28,691,074	13,270,868
EQUITY AND LIABILITIES			
Equity			
Share capital	12	8,000,000	6,000,000
Amalgamation reserve	13	939,079	939,079
Accumulated profits		9,649,908	4,312,207
Equity attributable to owners of the company		18,588,987	11,251,286
Current liabilities			
Due to holding company	14	-	2,000,000
Other payables	15	101,553	19,582
Loan from subsidiary	16	10,000,000	-
Income tax payable		534	-
Total current liabilities		10,102,087	2,019,582
Total liabilities		10,102,087	2,019,582
TOTAL EQUITY AND LIABILITIES		28,691,074	13,270,868

CHEMINVEST PTE. LTD.
(Incorporated in the Republic of Singapore)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

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

	<u>Share capital</u> US\$	<u>Amalgamation reserve</u> US\$	<u>Accumulated (losses)</u> US\$	<u>Total</u> US\$
<u>2023</u>				
Balance as at 1 April 2022	6,000,000	939,079	(1,009,157)	5,929,922
Total comprehensive income for the year	-	-	5,321,364	5,321,364
Balance as at 31 March 2023	6,000,000	939,079	4,312,207	11,251,286
<u>2024</u>				
Balance as at 1 April 2023	6,000,000	939,079	4,312,207	11,251,286
Issue of shares (Note 12)	2,000,000	-	-	2,000,000
Total comprehensive income for the year	-	-	5,337,701	5,337,701
Balance as at 31 March 2024	8,000,000	939,079	9,649,908	18,588,987

The annexed notes form an integral part of and should be read in conjunction with these financial statements

CHEMINVEST PTE. LTD.
(Incorporated in the Republic of Singapore)

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

	Note	<u>2024</u> US\$	<u>2023</u> US\$
Cash flows from operating activities			
Profit before tax		5,338,235	5,321,364
<u>Adjustments for:</u>			
Finance cost	6	157,513	195,687
		<hr/>	<hr/>
Operating profit before working capital changes		5,495,748	5,517,051
Change in working capital:			
Other receivables	9	(122,855)	-
Other payables	15	(8,015)	7,730
		<hr/>	<hr/>
Total cash from operating activities		5,364,878	5,524,781
Cash flow from investing activities			
Loan to a related party	10	(10,000,000)	-
Net cash flows used in investing activities		(10,000,000)	-
		<hr/>	<hr/>
Cash flow from financing activities			
Finance cost paid		(67,527)	(195,687)
Loan from subsidiary	16	10,000,000	-
Net cash flows from financing activities		9,932,473	(195,687)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		5,297,351	5,329,094
Cash and cash equivalents at beginning of the year		5,362,967	33,873
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	11	10,660,318	5,362,967
		<hr/>	<hr/>

(The annexed notes form an integral part of and should be read in conjunction with these financial statements)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 GENERAL

Cheminvest Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at #10-09, Sim Lim Tower, 10 Jalan Besar, Singapore 208787.

The principal activities of the Company are that of Investment holdings. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

The immediate and ultimate holding company is Thirumalai Chemicals Limited, which is incorporated in India. The address of the immediate and ultimate holding company is Thirumalai House, Plot No. 101-102, Road No. 29, Sion (East), Mumbai - 400 022, India.

The financial statements of the Company for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Company have been drawn in accordance with Financial Reporting Standards (FRSs) in Singapore. The financial statements of the Company have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (US\$), which is the Company's functional currency.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the company has adopted all the new and revised standards which are relevant to the Company and are effective for the annual financial periods beginning on 1 April 2023. The adoption of these standards did not have any material effect on the financial statements.

2.3 STANDARDS 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 116 Leases: Lease liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 presentation of Financial Statements: Non-current liabilities with Covenants	1 January 2024
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

CHEMINVEST PTE. LTD.

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Currency translation

Foreign currency transactions 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.

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 reporting period are recognised in profit or loss.

2.5 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 flows 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.

2.6 Financial instruments

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 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.

CHEMINVEST PTE. LTD.

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Financial instruments (cont'd)

Financial assets (Cont'd)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, 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.

Such financial assets comprise of other receivables, due from subsidiary and cash and cash equivalents.

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 for debt instruments 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 fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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

Such financial liabilities comprise other payables and due to holding company.

CHEMINVEST PTE. LTD.

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Financial instruments (cont'd)

Financial liabilities (cont'd)

Derecognition

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

2.7 Financial guarantee

The Company has issued corporate guarantee to a bank for bank borrowings of its subsidiary. This guarantee is financial guarantee as they require the Company to reimburse the banks if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the borrowings.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.8 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).

CHEMINVEST PTE. LTD.

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Impairment of financial assets (cont'd)

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.

2.9 Cash and cash equivalents

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

2.10 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and 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 than an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Revenue

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

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

Interest income is recognized using effective interest method.

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

2.12 Borrowing costs

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.

CHEMINVEST PTE. LTD.

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Taxes

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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the 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 taxation 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 recognized 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.

2.14 Share capital

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

CHEMINVEST PTE. LTD.

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Subsidiaries

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

In the Company's financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

The subsidiary results have not been consolidated as the Company is itself a wholly owned subsidiary of another company, Thirumalai Chemicals Limited, a company incorporated at Thirumalai House, Plot No.101-102, Road No 29, Sion (East), Mumbai - 400 022, India, which publishes the consolidated financial statements which is available for public use. The web link address of the holding company is <http://www.thirumalaichemicals.com/annual.html>.

2.16 Related parties

A party is considered to be related to the Company if:-

(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 of 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.

CHEMINVEST PTE. LTD.

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)**3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

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

3.1 Judgments made in applying accounting policies**Determination of functional currency**

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

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

Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment loss, if any. In determining if there is any impairment, the management evaluates the market and economic environment in which the entities operate, the economic performance, the forecasted results, the net assets values, and the operating cash flow of the entity.

The evaluation of these factors involves a significant degree of management judgement. The carrying amount of the Company's investment in subsidiaries as at 31 March 2024 was US\$7,900,500 (2023: US\$7,900,500).

4. REVENUE

	2024 US\$	2023 US\$
Dividend income from subsidiary	5,391,569	5,660,218
	<u>5,391,569</u>	<u>5,660,218</u>

4a. OTHER INCOME

	2024 US\$	2023 US\$
Forex gain	616	137
Interest income	122,855	-
	<u>123,471</u>	<u>137</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)**5. PROFIT BEFORE TAX**

Profit before tax has been arrived after charging:

	<u>2024</u> US\$	<u>2023</u> US\$
Director's fees	7,499	10,306
Donation	-	125,000
Professional fees	6,188	3,806
	<u>6,188</u>	<u>3,806</u>

6. FINANCE COST

	<u>2024</u> US\$	<u>2023</u> US\$
Interest on loan from holding company (Note 14)	67,527	195,687
Interest on loan from subsidiary (Note 16)	89,986	-
	<u>157,513</u>	<u>195,687</u>

7. TAXATION

	<u>2024</u> US\$	<u>2023</u> US\$
Current year's income tax expense	534	-
Tax expense reported in the profit or loss	534	-
	<u>534</u>	<u>-</u>

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

	<u>2024</u> US\$	<u>2023</u> US\$
Profit before tax	5,338,235	5,321,364
Tax thereon @17% (2023: 17%)	907,500	904,631
Net effect of:		
Tax exemptions	(906,966)	(904,631)
Tax expense reported in the profit or loss	<u>534</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)**8. INVESTMENT IN SUBSIDIARIES**

	<u>2024</u> US\$	<u>2023</u> US\$
Equity investment at cost	7,900,500	7,900,500

Particulars of the shareholdings are as follows:

Name	Country of incorporation	% held	Cost of investment	Nature of business
		2024 and 2023	2024 and 2023	
^Optimistic Organic Sdn Bhd	Malaysia	84.21%	US\$7,900,000	Manufacturing and trading of Petro-chemical products
♦Lapiz Europe Limited	UK	100%	US\$500	Documentation services

^Audited by Ernst & Young, Malaysia.

♦Unaudited (dormant)

9. OTHER RECEIVABLES

	<u>2024</u> US\$	<u>2023</u> US\$
Deposits	7,401	7,401
Fixed deposit interest receivable	8,417	-
Loan interest receivable from a related party	114,438	-
	<u>130,256</u>	<u>7,401</u>

Other receivables are denominated at the following currencies:

	<u>2024</u> US\$	<u>2023</u> US\$
Singapore dollars	7,401	7,401
United states dollars	122,855	-
	<u>130,256</u>	<u>7,401</u>

10. LOAN TO A RELATED PARTY

	<u>2024</u> US\$	<u>2023</u> US\$
Loan to a related party	10,000,000	-
	<u>10,000,000</u>	<u>-</u>

During the year the company provided a loan to a related party which is unsecured, carried an interest of 6M SOFR + 30 basis points per annum and is repayable within 6 months from the date of disbursement.

The carrying value is denominated in United States Dollars.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)**11. CASH AND CASH EQUIVALENTS**

	<u>2024</u> US\$	<u>2023</u> US\$
Cash at banks	660,318	5,362,967
Fixed deposits	10,000,000	-
	<u>10,660,318</u>	<u>5,362,967</u>

The fixed deposits refer to the short term deposit with a maturity of 1 month from the date of deposit. The approximate annual effective interest rate applicable for the financial year is 5.05%.

Cash and cash equivalents are denominated at the following currencies:

	<u>2024</u> US\$	<u>2023</u> US\$
Singapore dollars	16,784	11,437
United States dollars	10,643,534	5,351,530
	<u>10,660,318</u>	<u>5,362,967</u>

12. SHARE CAPITAL

	<u>2024</u>		<u>2023</u>	
	No. of ordinary shares	US\$	No. of ordinary shares	US\$
<u>Issued and fully paid up ordinary shares</u>				
Balance at beginning of the financial year	6,000,000	6,000,000	6,000,000	6,000,000
Allotted during the year	604,230	2,000,000	-	-
Balance at the end of the year	<u>6,604,230</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>

During the year the Company issued 604,230 shares at a price of US\$ 3.31 per share to its holding company by way of capitalization of loan payable to holding company.

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.

The ordinary share capital issued at the date of incorporation is denominated in Singapore dollars and was converted to United States dollars at historical rate.

13. AMALGAMATION RESERVE

On 1 July 2017, Tarderiv International Pte. Ltd., immediate holding company and the Company were amalgamated and become one company as Cheminvest Pte. Ltd.

Amalgamation reserve represents reserve which was recorded on amalgamation of the company and the holding company Tarderiv International Pte. Ltd.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)**14. DUE TO HOLDING COMPANY**

	<u>2024</u> US\$	<u>2023</u> US\$
Loan from holding company	-	2,000,000
	<u>-</u>	<u>2,000,000</u>

Amount due to holding company is unsecured, carried an interest of Libor + 6% (2023: Libor + 6%) per annum and was repayable on demand. This loan was converted into equity during period.

The carrying value is denominated in United States Dollars.

15. OTHER PAYABLES

	<u>2024</u> US\$	<u>2023</u> US\$
Accruals	91,654	11,315
Withholding taxes payables	9,899	8,267
	<u>101,553</u>	<u>19,582</u>

Other payables are denominated at the following currencies:

	<u>2024</u> US\$	<u>2023</u> US\$
Singapore dollars	10,665	11,315
United States dollars	90,888	8,267
	<u>101,553</u>	<u>19,582</u>

16. LOAN FROM SUBSIDIARY

	<u>2024</u> US\$	<u>2023</u> US\$
Loan from subsidiary	10,000,000	-
	<u>10,000,000</u>	<u>-</u>

During the year the company took a loan from the subsidiary which is unsecured. Amount due to subsidiary is unsecured, carries an interest of 6M SOFR + 120 basis points per annum and is repayable within 6 months from the date of disbursement. The interest payable has been accrued and is shown under other payables as part of accruals (Note 15).

The carrying value is denominated in United States Dollars.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)**17. RELATED PARTY TRANSACTIONS**

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

	<u>2024</u> US\$	<u>2023</u> US\$
Dividend income from subsidiary	5,391,569	5,660,218
Interest paid to holding company's loan	67,527	195,687
Donations	-	125,000
Loan from subsidiary	10,000,000	-
Loan to a related party	10,000,000	-
Interest payable on subsidiary's loan	89,986	-
Interest receivable from related party loan	114,438	-

18. FAIR VALUE OF ASSETS AND LIABILITIES**Assets and liabilities not measured at fair value***Cash and cash equivalents, other receivables and other payables*

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Loan from holding company, subsidiary and Loan to a related party

The carrying amounts of these balances approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

19. FINANCIAL RISK MANAGEMENT

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

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 other receivables and loan to the subsidiary. For other financial asset, cash at banks, the Company minimises credit risk by exclusively dealing with fully licensed banks in Singapore.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)**19. FINANCIAL RISK MANAGEMENT, Cont'd****Credit risk, Cont'd**

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

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.

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
			US\$	US\$	US\$	US\$
31 March 2024						
Other receivables	9	I	12-month ECL	130,256	-	130,256
Loan to a related party	10	I	12-month ECL	10,000,000	-	10,000,000
				10,130,256	-	10,130,256
31 March 2023						
Other receivables	9	I	12-month ECL	7,401	-	7,401
				7,401	-	7,401

Other receivables and loan to a related party

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 measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

19. FINANCIAL RISK MANAGEMENT, Cont'd

Credit risk, Cont'd

Financial guarantee

The Company has issued financial guarantee to bank for borrowings of its subsidiary. The Company has assessed that its subsidiary have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect cash outflows arising from this guarantee.

Cash is held with financial institutions of good standing.

19. FINANCIAL RISK MANAGEMENT, Cont'd

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 and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

All receivables and payables are due either within one year or payable on demand.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange 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.

Interest rate risk

Interest rate risk is the risk that the 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 their loan from holding company.

The Company does not expect any significant effect on the Company's (loss) arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year. The company is exposed to variable interest from its loan receivable from a related party and loan payable to subsidiary. Given that the amounts of the loan receivable and payable are identical, any fluctuation in basis points would be effectively offset. As a result, the Company does not anticipate any significant effect on its profit after tax due to changes in interest rates.

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 is not exposed to significant movements in foreign currencies exchange rates. The Company's foreign exchange transactions and balances are insignificant.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)**20. FINANCIAL INSTRUMENTS BY CATEGORY**

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

	<u>2024</u> US\$	<u>2023</u> US\$
<u>Financial assets measured at amortised cost</u>		
Other receivables (Note 9)	130,256	7,401
Due from related party (Note 10)	10,000,000	-
Cash and cash equivalents (Note 11)	10,660,318	5,362,967
Total financial assets measured at amortised cost	<u>20,790,574</u>	<u>5,370,368</u>
<u>Financial liabilities measured at amortised cost</u>		
Due to holding company (Note 14)	-	2,000,000
Other payables (Note 15)	101,553	19,582
Due from Subsidiary (Note 16)	10,000,000	-
Total financial liabilities measured at amortised cost	<u>10,101,553</u>	<u>2,019,582</u>

21. 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 board of directors monitors its capital based on net debt and total capital. Net debt calculated as other payables plus due to holding company less cash and cash equivalents. Total capital is calculated as equity plus net debt. The management monitors capital management based on gearing ratio. Gearing ratio is calculated as net debt divided by total capital.

	<u>2024</u> US\$	<u>2023</u> US
Net debt	-	\$ -
Total equity	18,588,987	11,251,286
Total capital	<u>18,588,987</u>	<u>11,251,286</u>
Gearing ratio	-	-

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

22. CONTINGENT LIABILITY

The Company has given corporate guarantee to a bank for and on behalf of its subsidiary's banking facilities amounting to RM 10,000,000 equivalent to US\$ 2,118,420 (2023: RM 10,000,000 equivalent to US\$ 2,251,238).

CHEMINVEST PTE. LTD.
(Incorporated in the Republic of Singapore)

(This does not form part of the audited financial statements)

DETAILED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Revenue:	5,391,569	5,660,218
Other income:		
Exchange rate gain	616	137
Interest income on fixed deposits	8,417	-
Interest income on related party loan	114,438	-
	<u>123,471</u>	<u>137</u>
Other operating expenses:		
Audit fees	3,487	3,014
Audit fee - under provision in prior year	261	212
Bank charges	1,152	244
Director's fee	7,499	10,306
Exchange loss	-	-
Printing and stationery	348	310
Filing fees	45	45
Professional fees	6,188	3,806
Donations	-	125,000
Penalty	-	50
Registered office facilities	312	317
	<u>19,292</u>	<u>143,304</u>
Finance cost:		
Interest paid to holding company	67,527	195,687
Interest paid to subsidiary	89,986	-
	<u>157,513</u>	<u>195,687</u>
Profit for the year	<u><u>5,338,235</u></u>	<u><u>5,321,364</u></u>