GMR COAL RESOURCES PTE. LTD.
COMPANY REGISTRATION NO. 201011900H

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

GMR Coal Resources Pte. Ltd.

General Information

Directors

Sandeep Subash
Rajesh Kumar Amanana

Company Secretary

Sinha Mithilesh Kumar

Registered Office

135 Cecil Street #14-01
Philippine Airlines Building
Singapore 069536

Principal Bankers

Standard Chartered Bank Singapore
PT Bank CIMB Niaga Tbk
PT Bank Mandiri (Persero) Tbk

Auditor

CA.sg PAC

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GMR Coal Resources Pte. Ltd.

Directors' Statement
for the year ended 31 December 2022

The directors present their statement to the members together with the audited financial statements of the company for the year ended 31 December 2022.

Opinion of directors

In the opinion of the directors,

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 December 2022 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 in office at the date of this report are :-

Sandeep Subash
Rajesh Kumar Amanana (appointed on 20 June 2022)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of the financial year nor at any time during that year did there subsist any arrangements to which the company was a party whereby directors might 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 under Section 164 of the Companies Act 1967, 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.

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.

Auditor

The auditor, CA.sg PAC, has expressed its willingness to accept reappointment.

The Board of Directors

Sandeep Subash
....
Sandeep Subash
Director

Rajesh Kumar Amanana
....
Rajesh Kumar Amanana
Director

28 April 2023

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信新 特许会计师事务所

INDEPENDENT AUDITOR'S REPORT
to the members of
GMR COAL RESOURCES PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GMR Coal Resources Pte. Ltd. (the "company") which comprise the statement of financial position as at 31 December 2022, the statement of 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 December 2022 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

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

Other matter

These financial statements comprise only the separate financial statements of the company and are issued to comply with the financial reporting requirements of its holding company. As a result, the financial statements may not be suitable for any other purpose. Our report is intended solely for the company and its holding company and should not be distributed to or used by parties other than the company and its holding company.

The company will prepare a separate set of financial statements for the year ended 31 December 2022 in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards on which we will issue a separate auditor's report to its members.

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.

Report on the Audit of the Financial Statements (continued)

Other information (continued)

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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.

Report on the Audit of the Financial Statements (continued)

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- 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.

INDEPENDENT AUDITOR'S REPORT
to the members of
GMR COAL RESOURCES PTE. LTD. (continued)

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.

CA.sg PAC
Public Accountants and
Chartered Accountants
Singapore

28 April 2023

GMR Coal Resources Pte. Ltd.

Statement of Financial Position
as at 31 December 2022

	Note	2022 US$	2021 US$
ASSETS			
Non-Current Assets			
Investment in associated company	4	-	506,920,960
Financial assets, at FVOCI	5	29	-
		29	506,920,960
Current Assets			
Trade receivables	6	82,017	131,885
Other receivables	7	3,005,347	15,395
Cash and cash equivalents	8	428,440	149,701
		3,515,804	296,981
Total Assets		3,515,833	507,217,941
Current Liabilities			
Other payables	9	45,020	266,733,250
Interest-bearing financial liabilities	10	-	189,978,465
		45,020	456,711,715
Non-Current Liabilities			
Other payables	9	-	48,500,000
		-	48,500,000
Total Liabilities		45,020	505,211,715
Net Current Assets/(Liabilities)		**3,470,784**	**(456,414,734)**
Net Assets		3,470,813	2,006,226
EQUITY			
Share capital	11	75,499,980	100,669,980
Accumulated losses		(72,029,167)	(98,663,754)
Total Equity		3,470,813	2,006,226

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

GMR Coal Resources Pte. Ltd.

Statement of Comprehensive Income
for the year ended 31 December 2022

	Note	2022 US$	2021 US$
Revenue	12	134,874,392	90,111,709
Cost of sales		-	-
Gross profit		134,874,392	90,111,709
Other operating income	13	8,634	2,041
Other operating expenses		(74,953,870)	(1,687,555)
Finance costs	14	(19,807,130)	(16,967,132)
Profit before income tax	15	40,122,026	71,459,063
Income tax expense	16	(13,487,439)	(9,012,626)
Net profit for the year		26,634,587	62,446,437
Other comprehensive income for the year		-	-
Total comprehensive income for the year		26,634,587	62,446,437

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

GMR Coal Resources Pte. Ltd.

Statement of Changes in Equity
for the year ended 31 December 2022

	Share capital			
	Ordinary shares US$	**Preference shares US$**	**Accumulated losses US$**	**Total equity US$**
At 1 January 2021	75,499,980	25,170,000	(161,110,191)	(60,440,211)
Total comprehensive income for the year	-	-	62,446,437	62,446,437
At 31 December 2021	75,499,980	25,170,000	(98,663,754)	2,006,226
Redemption of preference shares	-	(25,170,000)	-	(25,170,000)
Total comprehensive income for the year	-	-	26,634,587	26,634,587
At 31 December 2022	75,499,980	-	(72,029,167)	3,470,813

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

GMR Coal Resources Pte. Ltd.

Statement of Cash Flows
for the year ended 31 December 2022

	Note	2022 US$	2021 US$
Cash flows from operating activities			
Profit before income tax		40,122,026	71,459,063
Adjustments for :			
Interest expense		10,685,260	14,967,132
Interest income		(8,634)	(2,041)
Loss on disposal of investment in associated company	15	64,015,956	-
		74,692,582	14,965,091
Operating profit before working capital changes		114,814,608	86,424,154
Decrease/ (Increase) in trade and other receivables		59,916	(49,868)
(Decrease)/ Increase in other payables		(1,055,119)	1,012,980
Cash generated from operations		113,819,405	87,387,266
Interest received		8,634	2,041
Interest paid		(23,902,270)	(10,518,365)
Tax paid		(13,487,439)	(9,012,626)
Net cash generated from operating activities		76,438,330	67,858,316
Cash flows from investing activities			
Proceeds from disposal of investment in associated company		442,904,975	-
Net cash generated from investing activities		442,904,975	-
Cash flows from financing activities			
Redemption of preference shares		(25,170,000)	-
Repayment of bank borrowings		(189,978,465)	(72,558,945)
(Repayment to)/Advance from related companies		(73,337,932)	1,211,466
(Repayment to)/Loan from immediate holding company		(230,578,169)	3,587,519
Net cash used in financing activities		(519,064,566)	(67,759,960)
Net increase in cash and cash equivalents		278,739	98,356
Cash and cash equivalents at beginning of the year		149,701	51,345
Cash and cash equivalents at end of the year	8	428,440	149,701

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

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

1. Corporate information

The company (company registration no. 201011900H) is a limited liability company which is incorporated in the Republic of Singapore with the registered office and principal place of business at 135 Cecil Street, #14-01, Philippine Airlines Building, Singapore 069536.

The principal activities of the company are those of investment holding, trading of coal, provision of management and technical services and holding of investments in coal projects and related activities.

The immediate holding company is GMR Infrastructure (Overseas) Limited, a company incorporated in Mauritius, which owns 99.97% of the issued and paid up capital of the company. The ultimate holding company is GMR Enterprises Private Limited, a company incorporated in India. Related companies in these financial statements refer to companies within the GMR Enterprises Private Limited group of companies.

2. Summary of significant accounting policies

2.1 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies, and the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (“FRS”).

The preparation of financial statements in conformity with FRS 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. The 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.

The financial statements are presented in United States dollars (“US$”) and all values are presented to the nearest dollar except where indicated otherwise.

2. **Summary of significant accounting policies** (continued)

2.2 Adoption of new standards

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 periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the company.

2.3 Financial assets

(a) Classification and measurement

Initial recognition and measurement

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

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (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.

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

Investments in debt instruments

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

2. **Summary of significant accounting policies** (continued)

2.3 **Financial assets** (continued)

(a) Classification and measurement (continued)

Investments in equity instruments

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

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 reognised in profit or loss.

(b) Impairment

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).

2. **Summary of significant accounting policies** (continued)

2.3 **Financial assets** (continued)

(b) Impairment (continued)

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 210 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.

2.4 **Investment in associated company**

An associated company is defined as a company, not being a subsidiary company, in which the company has a long-term interest of at least 20% and not more than 50% of the equity and in whose financial and operating policy decisions the company exercises significant influence.

Investment in associated company is derecognised when significant influence is lost. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit or loss, net of sales tax, if any. Gains and losses arising from partial disposals or dilutions in investment in associated company in which significant influence is retained are recognised in profit or loss, net of sales tax, if any.

Investment in associate is carried at cost less accumulated impairment losses in the company's statement of financial position. On disposal of investment in associate, the difference between disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2. **Summary of significant accounting policies** (continued)

2.5 Impairment of non-financial assets

The carrying amounts of the company's assets are reviewed at the date of each statement of financial position to determine whether there is any objective evidence that a financial asset is impaired. If such indication exists, the assets' recoverable amount is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the management estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income unless it reverses a previous revaluation, credited to equity, in which case it will be charged to equity.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount. The 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 the statement of comprehensive income, unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.6 Financial liabilities

<u>Initial recognition and measurement</u>

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, directly attributable transaction costs.

2. **Summary of significant accounting policies** (continued)

2.6 **Financial liabilities** (continued)

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.

2.7 **Deferred taxation**

Deferred taxation is provided, using the liability method, on all temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on the tax rates enacted or substantively enacted at the date of the statement of financial position.

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

2.8 **Share capital**

Ordinary and preference shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

2. **Summary of significant accounting policies** (continued)

2.9 Income recognition

(i) **Dividend income**

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

(ii) **Commission income**

When the company satisfies its performance obligation, it recognises revenue in the form of a commission fee to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

(iii) **Interest income**

Interest income from bank deposits and loans are accrued on a time proportion basis on the principal outstanding and at the applicable interest rate.

2.10 Foreign currency

(i) **Functional currency**

Items included in the financial statements of the company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the company ("functional currency"). The financial statements are presented in United States dollars, which is also the functional currency of the company.

(ii) **Foreign currency transactions**

Transactions in foreign currencies are measured in the functional currency of the company and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the date of the statement of financial position. 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 determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the date of the statement of financial position are recognised in the statement of comprehensive income.

2. **Summary of significant accounting policies** (continued)

2.11 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the statement of financial position.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

2.13 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party when making financial or operational decisions. In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form.

Related parties include the company's shareholders, key management personnel, associates, and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the company's shareholders or key management personnel, and close member of the family of any individual referred to herein.

3. Significant accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with FRSs requires management to make estimates, assumptions and judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. **Significant accounting estimates, assumptions and judgements** (continued)

3.1 **Significant accounting estimates and assumptions**

Impairment of non-financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Income taxes

Significant judgement and assumptions are involved in determining the company's provision for income taxes. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

3.2 **Critical judgements in applying the entity's accounting policies**

Provision for expected credit losses of trade receivables

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the company's historical observed default rates.

The company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the company's trade receivables is disclosed in note 19.2(i).

The company has assessed that the impact of forecast economic conditions for the determination of ECL is not significant. The carrying amounts of the company's trade and other receivables as at 31 December 2022 are as disclosed in the notes to the financial statements.

4. Investment in associated company

	2022 US$	2021 US$
Quoted equity shares, at cost	-	506,920,960
Fair value of quoted equity shares	-	982,692,013

The fair value of quoted equity shares as disclosed was derived based on the market price of the quoted shares.

Details of the associated company are as follows :

Name of Company	Principal activities	Place of incorporation/ business	Effective interest held 2022 %	Effective interest held 2021 %
PT Golden Energy Mines Tbk ("PT GEMS")	Investment holding, coal mining and trading	Indonesia	-	30.00

The company has disposed of its shares held in PT GEMS amounting to US$506,920,931 during the year. Accordingly, the investment has been reclassified as financial assets, at FVOCI.

5. Financial assets, at FVOCI

	2022 US$	2021 US$
At beginning of the year	-	-
Reclassified from investment in associated company	29	-
At end of the year	29	-

Comprising:

	2022 US$	2021 US$
Quoted equity shares	29	-

The fair value of quoted equity shares was derived based on the market price of the quoted shares.

6. Trade receivables

	2022 US$	2021 US$
Amount owing by related parties	82,017	82,017
Third party	-	49,868
	82,017	131,885

Trade receivables are denominated in United States dollars.

Trade receivables are non-interest bearing and are generally secured by letter of credit with issuance period of 180 days from the date of shipment.

7. Other receivables

	2022 US$	2021 US$
Prepayments	-	7,500
Amount due from immediate holding company	3,000,000	-
Advance to a third party	5,347	7,895
	3,005,347	15,395

The amount due from the immediate holding company is unsecured, non-interest bearing and repayable on demand.

Other receivables are denominated in the following currencies :

	2022 US$	2021 US$
United States dollars	3,000,000	7,500
Singapore dollars	5,347	7,895
	3,005,347	15,395

The movements in allowance for expected credit losses are as follows :-

	2022 US$	2021 US$
At beginning of the year	-	3,225,645
Written off	-	(3,225,645)
At end of the year	-	-

8. Cash and cash equivalents

Cash and cash equivalents are denominated in the following currencies :-

	2022 US$	2021 US$
United States dollars	366,583	28,894
Indonesia Rupiah	39,294	115,732
Singapore dollars	22,563	5,075
	428,440	149,701

9. Other payables

	2022 US$	2021 US$
Current liabilities		
Accrued expenses	40,117	4,969,460
Amounts owing to related companies		
- (i)	-	2,211,466
- (ii)	-	22,626,466
- (iii)	-	9,295,269
Amount owing to immediate holding company	-	227,578,169
Other payables	4,903	52,420
	45,020	266,733,250
Non-current liabilities		
Amount owing to a related company		
- (iii)	-	48,500,000
	45,020	315,233,250

Other payables are denominated in United States dollars.

(i) The amounts owing to GMR Infrastructure (Singapore) Pte Ltd and GMR Infrastructure (Mauritius) Ltd comprised payments made on behalf and were unsecured, non-interest bearing and repayable on demand. The amount has been fully repaid during the financial year.

(ii) The loan from GMR Energy (Netherlands) B.V. was unsecured, non-interest bearing and repayable on demand. The amount has been fully repaid during the financial year.

9. **Other payables** (continued)

(iii) The amount owing to GMR Infrastructure (Singapore) Pte Ltd comprised interest payable and security deposit with principal amount of US$48,500,000, pursuant to a Coal Sales and Purchase Agreement for the sale of coal to a related company. This amount was unsecured, bore interest at a rate of 6 months Libor plus 350 basis point per annum and repayable against future supplies of coal from the related company. The amount has been fully repaid during the financial year.

The amount owing to the immediate holding company was unsecured, non-interest bearing and repayable on demand. The amount has been fully repaid during the financial year.

10. Interest-bearing financial liabilities

	2022 US$	2021 US$
Term loan		
Not later than one year	-	189,978,465

The company was granted a US$470 million Term Loan facility in 2011 for the purpose of providing funding for its investment in associated company. The facility was restructured in August 2020. It is denominated in United States dollars and bears interest at a margin of 5.25% per annum plus the six-month USD LIBOR rate. The term loan is repayable over 2 years commencing 31 August 2020. The facility is secured by a fixed and floating charge over the shares of the company, all the present and future assets of the company, and is guaranteed by a shareholder. The Term Loan Facility has been fully repaid in September 2022.

11. Share capital

	2022 No. of shares	2021 No. of shares	2022 US$	2021 US$
Issued and fully paid up :				
Ordinary shares	101,850,000	101,850,000	75,499,980	75,499,980
Redeemable preference shares	-	25,170,000	-	25,170,000
	101,850,000	127,020,000	75,499,980	100,669,980

The ordinary shares have no par value. 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.

11. **Share capital** (continued)

The redeemable preference shares had no par value and were redeemable at fair value. The holders of these shares shall be entitled to attend the General Meetings of the company and vote on resolutions directly affecting their interests. They were also entitled to a preferential right of return on the amount paid on the shares in case of winding up of the company. The redeemable preference shares shall rank subordinated to the company's loan facility. The redeemable preference shares have been fully redeemed during the year.

12. **Revenue**

	2022 US$	2021 US$
Dividend income	134,874,392	90,061,741
Commission	-	49,968
	134,874,392	90,111,709

13. **Other operating income**

	2022 US$	2021 US$
Interest income	8,634	2,041

14. **Finance costs**

	2022 US$	2021 US$
Interest on loans from related companies	1,603,856	1,825,365
Interest on term loan	9,081,404	13,141,767
Forbearance fee	9,121,870	2,000,000
	19,807,130	16,967,132

15. Profit before income tax

Other than as disclosed elsewhere in the financial statements, this is determined after charging the following :-

	2022 US$	2021 US$
Foreign exchange loss	18,077	1,453
Loss on disposal of investment in associated company	64,015,956	-

16. Income tax expense

	2022 US$	2021 US$
Current income tax		
- Underprovision in respect of prior years	-	6,452
Foreign tax paid	13,487,439	9,006,174
	13,487,439	9,012,626

The numerical reconciliation between the accounting profit and tax expense is as follows:-

	2022 US$	2021 US$
Accounting profit	40,122,026	71,459,063
Tax at the applicable tax rate of 17%	6,820,744	12,148,041
Tax effects of :-		
Expenses not deductible	16,091,847	3,150,625
Income not subject to tax	(22,928,646)	(15,318,990)
	(16,055)	(20,324)
Tax loss disallowed	16,055	20,324
Current taxation	-	-
Underprovision in respect of prior years	-	6,452
Foreign tax paid	13,487,439	9,006,174
	13,487,439	9,012,626

As at 31 December 2022, the company has estimated unabsorbed tax losses amounting to US$164,800 (2021 – US$70,400) for which deferred tax benefits have not been recognised in the financial statements because it is not certain that future taxable profit will be available against which the company can utilise the benefits. However, the unabsorbed tax losses are available for offsetting against future taxable income subject to there being no substantial change in shareholders as required by the provisions of the Income Tax Act 1947.

17. Related party transactions

Significant transactions with related parties on terms mutually agreed between the parties were as follows :-

	2022 US$	2021 US$
Interest expense on security deposit from a related company	1,603,856	1,825,365
Dividend income from associated company	(134,874,392)	(90,061,741)

18. Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio as below:-

	2022 US$	2021 US$
Net debt	(383,420)	505,062,014
Total equity	3,470,813	2,006,226
Total capital	3,087,393	507,068,240
Gearing ratio	N/A	100%

19. Financial risk management

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

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is the company's policy not to trade in derivatives for speculative purposes.

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.

19. **Financial risk management** (continued)

19.1 Categories of financial instruments

The following sets out the financial instruments of the company as at the date of the statement of financial position:-

	2022 US$	2021 US$
Financial assets		
Amortised cost		
Trade and other receivables	3,087,364	139,780
Cash and cash equivalents	428,440	149,701
	3,515,804	289,481
Financial liabilities		
Amortised cost		
Other payables	45,020	315,233,250
Interest-bearing financial liabilities	-	189,978,465
	45,020	505,211,715

19.2 Risk management

Risk management is integral to the company's business. The management continually monitors the company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The main risks arising from the company's financial instruments are credit risk, liquidity risk and price risk, primarily changes in foreign exchange rates and interest rates. The management monitors and controls its main risks in the following manner :-

(i) **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 and other receivables. For other financial assets (including investment in associated company and cash), 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 condition and generally do not require a collateral.

19. **Financial risk management** (continued)

19.2 **Risk management** (continued)

(i) **Credit risk** (continued)

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 period.

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 180 days, or there is significant difficulty of the counterparty.

To minimise credit risk, the company has developed and maintained the company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the company's own trading records to rate its major customers and other debtors.

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 210 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; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

19. **Financial risk management** (continued)

19.2 **Risk management** (continued)

(i) **Credit risk** (continued)

The company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 360 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.

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
1	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
2	Amount is > 180 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
3	Amount is > 210 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
4	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

19. **Financial risk management** (continued)

19.2 **Risk management** (continued)

(i) **Credit risk** (continued)

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 US$	Allowance for ECL US$	Net carrying amount US$
2022						
Trade receivables	6	Note 1	Lifetime ECL (simplified)	82,017	-	82,017
Other receivables	7	1	12-month ECL	3,005,347	-	3,005,347
				3,087,364	-	3,087,364

	Note	Category	12-month or lifetime ECL	Gross carrying amount US$	Allowance for ECL US$	Net carrying amount US$
2021						
Trade receivables	6	Note 1	Lifetime ECL (simplified)	131,885	-	131,885
Other receivables	7	1	12-month ECL	7,895	-	7895
				139,780	-	139,780

19. **Financial risk management** (continued)

19.2 **Risk management** (continued)

(i) **Credit risk** (continued)

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 using a provision matrix, estimated 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.

Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

The company performed an assessment of its trade customers based on historical credit loss experience and concluded that there has been no significant increase in the credit risk since the initial recognition of the trade receivables. Accordingly, no additional allowance for ECL is recognised in the current year.

<u>Excessive risk concentration</u>

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

The company is not exposed to excessive risk concentration.

<u>Exposure to credit risk</u>

The company has no significant concentration of credit risk.

Other receivables

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.

19. **Financial risk management** (continued)

19.2 **Risk management** (continued)

(ii) **Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

In the management of liquidity risk, the company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuation in cash flows.

Financing is obtained from established financial institutions and the holding and related companies when the need arises.

The following represents the contractual undiscounted cash outflows of financial liabilities, excluding interest payments and the impact of off-setting agreements :

	Trade and other payables US$	**2022 Total US$**	**2021 Total US$**
Not later than one year	45,020	45,020	456,711,715
Later than one year and not later than 5 years	-	-	48,500,000
	45,020	45,020	505,211,715

(iii) **Foreign exchange risk**

Foreign exchange risk is the risk to earnings and value of financial instruments caused by fluctuation in foreign exchange rates. The company's exposure arises from transactions that are denominated in a currency other than the United States dollars. The currency giving rise to this risk is primarily the Singapore dollars. At the date of the statement of financial position, the company does not use derivative financial instruments to hedge their foreign exchange risk. The exchange rates are monitored regularly.

The company's exposure to foreign currency in the equivalent United States dollars in respect of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Sensitivity analysis

Management has assessed that the exposure to changes in foreign exchange rates is minimal and hence the resulting impact on profit and loss or equity of the company is insignificant.

19. **Financial risk management** (continued)

19.2 **Risk management** (continued)

(iv) **Interest rate risk**

Interest rate risk relates primarily to the risk that the value of financial instruments will fluctuate as a result of changes to market interest rates. Surplus cash and cash equivalents are placed with and financing is obtained from established financial institutions at favorable interest rates and terms and conditions available to the company.

The company's exposure to changes in interest rates relates primarily to interest-bearing financial assets and liabilities.

Sensitivity analysis

The following demonstrates the sensitivity to a reasonably possible change in the interest rates, with all other variables held constant, of the company's profit before tax.

	Increase/(Decrease) on profit before taxation	
	2022	**2021**
	US$	**US$**
Loan interest rate		
- increase by 50 basis points	-	(1,192,392)
- decrease by 50 basis points	-	1,192,392

19.3 **Fair values**

(i) 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.

19. **Financial risk management** (continued)

19.3 **Fair values** (continued)

(ii) Assets measured at fair value

	Level 1 US$	**Level 2 US$**	**Level 3 US$**	**Total US$**
2022				
Financial asset, at FVOCI	29	-	-	29

The Level 1 financial asset was derived based on the market price of the quoted shares.

(iii) Assets and liabilities not measured at fair value

Trade receivables

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

Other receivables, cash and cash equivalents, other payables and interest-bearing financial liability

The directors are of the view that the fair values of other financial assets and liabilities with a maturity period of less than one year approximate their carrying amounts as disclosed in the statement of financial position and in the notes to the financial statements due to the short period to maturity.

20. **Authorisation of financial statements**

The financial statements were authorised for issue in accordance with a resolution of the directors on 28 April 2023.

The annexed detailed income statement does not form part of the audited statutory financial statements. It is not necessary to file the detailed income statement with the Accounting and Corporate Regulatory Authority.

GMR Coal Resources Pte. Ltd.

Detailed Income Statement
for the year ended 31 December 2022

	2022 US$	2021 US$
Revenue		
Dividend income	134,874,392	90,061,741
Commission	-	49,968
	134,874,392	90,111,709
Add		
Other operating income		
Interest income	8,634	2,041
	8,634	2,041
	134,883,026	90,113,750
Less		
Operating expenses	74,953,870	1,687,555
Finance costs	19,807,130	16,967,132
	94,761,000	18,654,687
Profit before income tax expense	40,122,026	71,459,063

GMR Coal Resources Pte. Ltd.

Detailed Income Statement (continued)
for the year ended 31 December 2022

	2022 US$	2021 US$
Operating expenses		
Agent fees	43,050	35,500
Audit fees	10,714	19,379
Bank charges	3,650	1,568
Custodial fees	740,402	52,538
Entertainment expenses	5,425	-
Foreign exchange loss	18,077	1,453
Legal and professional fees	1,680,765	1,267,057
Loss on disposal of investment in associated company	64,015,956	-
Membership and subscription fee	630	642
Miscellaneous	421	-
Secretarial fees	2,778	3,326
Success fees	8,250,000	-
Withholding tax	182,002	306,092
	74,953,870	1,687,555
Finance costs		
Interest on security deposit from a related company	1,603,856	1,825,365
Interest on term loan	9,081,404	13,141,767
Forbearance fee	9,121,870	2,000,000
	19,807,130	16,967,132
	94,761,000	18,654,687