Reliance Ethane Holding Pte Ltd
Financial Statements
2019-20

Independent Auditor's Report to the Member of Reliance Ethane Holding Pte Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Reliance Ethane Holding Pte Ltd (the "company"), which comprise the statement of financial position as at March 31, 2020, and the statement of Profit or Loss and Other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 21.

In our opinion, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (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 March 31, 2020 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 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.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) 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.

(b) 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.

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

(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.

(e) 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.

Public Accountants and
Chartered Accountants
Singapore

April 28, 2020

Statement of Financial Position
March 31, 2020

	Note	2020	2019
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**53,022**	14,987
Total Current assets		**53,022**	14,987
Non-current assets			
Investment in subsidiaries	6	**-**	158,425,600
Investment in Joint Venture	7	**155,610,999**	-
Other Financial Asset	8	**2,506,557**	-
Non-current assets		**158,117,556**	158,425,600
Total assets		**158,170,578**	158,440,587
LIABILITY AND EQUITY			
Current liabilities			
Other payables		**6,226**	11,000
Amount owing to a related company	5	**-**	70,000
Total current liabilities		**6,226**	81,000
Capital and reserves			
Share capital	9	**155,672,113**	158,500,000
Accumulated profits (losses)		**2,492,239**	(140,413)
Total equity		**158,164,352**	158,359,587
Total Liabilities and equity		**158,170,578**	158,440,587

See accompanying notes to financial statements

Statement of Profit or Loss and Other Comprehensive Income
Year Ended March 31, 2020

	Note	2020	2019
		$	$
Other Income	**10**	**43,691,957**	-
Other operating expenses		**(17,192)**	(16,343)
Profit (Loss) before income tax		**43,674,765**	(16,343)
Income tax expense	**11**	**-**	-
Profit (Loss) for the year, representing total comprehensive income (loss) for the year	**12**	**43,674,765**	(16,343)

See accompanying notes to financial statements

Statement of Changes in Equity
Year Ended March 31, 2020

	Note	Share Capital	Accumulated (losses) profits	Total
		$	$	$
At April 1, 2018		158,500,000	(124,070)	158,375,930
Loss for the year, representing total comprehensive loss for the year		-	(16,343)	(16,343)
At March 31, 2019		158,500,000	(140,413)	158,359,587
Profit for the year, representing total comprehensive profit for the year		-	43,674,765	43,674,765
Transactions with owners, recognised directly in Equity				
Less: Dividend paid on shares	13	-	(40,311,387)	(40,311,387)
Less: Return of Capital		(2,827,887)	(730,726)	(3,558,613)
Sub-total		**(2,827,887)**	**(41,042,113)**	**(43,870,000)**
At March 31, 2020		**155,672,113**	**2,492,239**	**158,164,352**

See accompanying notes to financial statements

Statement of Cash Flows
Year ended March 31, 2020

	2020	2019
	$	**$**
Cash flows from operating activities		
Profit (Loss) before income tax	43,674,765	(16,343)
Adjusted for:		
Dividend income	(2,506,557)	-
Gain on divestment of stake	(41,185,400)	-
Operating loss before working capital changes	(17,192)	(16,343)
Other payables	(4,774)	6,500
Net cash used in operating activities	(21,966)	(9,843)
Cash flows from investing activity		
Proceeds from disposal of investment in subsidiaries, representing net cash from investing activity	44,000,001	-
Cash flows from financing activities		
(Repayment) Proceed (to) from short-term borrowings	(70,000)	20,000
Payment towards buy back of ordinary shares	(3,558,613)	-
Dividend paid	(40,311,387)	-
Net cash (used in) financing activities	(43,940,000)	20,000
Net increase in cash and cash equivalents	38,035	10,157
Cash and cash equivalents at the beginning of the year	14,987	4,830
Cash and cash equivalents at the end of the year	53,022	14,987

See accompanying notes to financial statements

1 GENERAL

The company (Registration No. 201426223Z) is incorporated in the Republic of Singapore with its principal place of business and registered office at 250 North Bridge Road, #16-01, Raffles City Tower, Singapore 179101. The financial statements are expressed in US dollars.

The principal activity of the company is that of investment holding.

The financial statements of the company for the financial year ended March 31, 2020 were authorised for issue by the Board of Directors on April 28, 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the company adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2019. The adoption of these new/revised FRSs and INT FRSs does not result in significant changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

BASIS OF CONSOLIDATION - The company did not prepare consolidated financial statements of the company and its subsidiary as the company is a wholly-owned subsidiary of Reliance Industries Limited, incorporated in India, whose registered address is at 3rd Floor, Maker Chamber IV, 222 Nariman Point, Mumbai - 400 021, India. The principal place of business is at India. Consolidated financial statements are prepared by Reliance Industries Limited and will be made available upon request.

Investment in subsidiary is carried at cost, less any impairment in net recoverable value that has been recognised in profit or loss.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets

Classification of financial asset

Debt instruments mainly comprise cash and bank balances that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses ("ECL") on the financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

The company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The company considers that default has occurred in a financial asset when information developed internally or obtained from external sources indicate that the cash and bank balances are deemed not recoverable from the bank.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other payables

Other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method except for short-term balances when the effect of discounting is immaterial.

Borrowings

Interest-bearing amount owing to a related company and holding company are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowing in accordance with the company's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

IMPAIRMENT OF NON- FINANCIAL ASSETS - At the end of each reporting period, the company reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company 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 value using a pre-tax discount rate that reflects current market assessments 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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

INVESTMENT IN JOINT VENTURES - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105. Under the equity method, an investment in a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the company's share of the profit or loss and other comprehensive income of the joint venture. When the company's share of losses of a joint venture exceeds the company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the company's net investment in the joint venture), the company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The results and assets and liabilities of the joint ventures have not been accounted for under the equity method as the company is a wholly-owned subsidiary of Reliance Industries Limited, incorporated in India, whose registered address is at 3rd Floor, Maker Chamber IV, 222 Nariman Point, Mumbai - 400 021, India. The principal place of business is at India. Consolidated financial statements are prepared by Reliance Industries Limited and will be made available upon request.

Investment in joint ventures are carried at cost less any impairment in net recoverable value that have been recognised in profit or loss.

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 the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

BORROWING COSTS - All other borrowing costs are recognised in profit or loss for the period in which they are incurred.

INCOME TAX - Income tax for the financial year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the balance sheet method, providing for all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in United States dollar, which is the functional currency of the company.

Transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are no readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) ***Critical judgements in applying the company's accounting policies and key sources of estimation uncertainty***

There are no critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the company's accounting policies that will have the most significant effect on the amounts recognised in the financial statements.

(ii) 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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Impairment in joint venture

In determining whether its investment in joint venture is impaired, the company evaluates the market and economic environment in which the joint venture operates and its economic performance to determine if indicators of impairment exist. Where such indicators exist, the joint venture's recoverable amount is determined by reference to the carrying amount of its net assets, which management believes approximates recoverable amount. Management is confident that no allowance for impairment is necessary. The carrying amount of the company's investment in joint venture is disclosed in Note 8.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2019	2019
	$	$
Financial assets		
Financial assets at amortised cost	2,559,579	14,987
Financial liabilities		
Financial liabilities at amortised cost	6,226	81,000

(b) Financial risk management policies and objectives

The company's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the company. The company is an investment holding company with limited transactions. The company has no exposure to credit risk and foreign currency risk. Cash is held with credit worthy institutions and is subject to no credit loss.

(i) Interest rate risk management

The company has no significant interest-bearing assets and liabilities and hence exposure to interest rate risk is not considered material.

(ii) Liquidity risk management

Liquidity risk is managed by matching the payment and receipt cycle. The company's operations are financed mainly through equity and accumulated profits.

All financial liabilities in 2019 and 2020 are repayable on demand or due within 1 year from the end of the reporting period.

(iii) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, amount owing from subsidiaries, amount owing to subsidiaries and holding company approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(c) Capital management policies and objectives

The company manages its capital to ensure the company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company comprises issued capital from holding company net of accumulated profit (losses). The company's overall strategy remains unchanged from the previous financial year.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The company is a subsidiary of Reliance Industries Limited, incorporated in India, which is also its ultimate holding company.

Some of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand, unless otherwise stated.

The key management personnel are also directors of the company and there are no directors' remuneration during the financial year, other than director sitting fees as disclosed in Note 12. The directors received remuneration from related corporations in their capacity as directors/executives of those related corporations.

6 INVESTMENT IN SUBSIDIARIES

	2020	2019
	$	$
Unquoted equity shares, at cost	-	158,425,600

Details of the company's subsidiaries at March 31, 2019 are as follows:

Name of subsidiaries	Country of Incorporation	Principal activities	Proportion of ownership and voting power held	
			2020 %	2019 %
Ethan Pearl LLC	Republic of the Marshall Islands	Shipping Operations	-	100
Ethane Crystal LLC	Republic of the Marshall Islands	Shipping Operations	-	100
Ethane Emerald LLC	Republic of the Marshall Islands	Shipping Operations	-	100
Ethane Opal LLC	Republic of the Marshall Islands	Shipping Operations	-	100
Ethane Sapphire LLC	Republic of the Marshall Islands	Shipping Operations	-	100
Ethane Topaz LLC	Republic of the Marshall Islands	Shipping Operations	-	100

On April 16, 2019, the company entered into a Capital Contribution Agreement with Mitsui O.S.K. Lines, Ltd ("MOL") and Kukje Maritime Investment Corporation. ("MI") for admission as an additional members to all the subsidiaries ("SPV") as listed above.

MOL and Kotam Maritime Investment No 26 trust had paid and contributed a total amount of $44mil for an interest in Class A, B and C shares of the SPVs, and received 49% and 2% voting rights to each of the SPVs respectively. The addition of the members had diluted the company's proportion of ownership interest and voting power held from 100% to 49%, and forms a joint venture with MOL

7 INVESTMENT IN JOINT VENTURES

	2020	2019
	$	$
Unquoted equity shares, at cost	155,610,999	-

Details of the company's joint ventures at March 31, 2020 are as follows:

Name of subsidiaries	Country of Incorporation	Principal activities	Proportion of ownership and voting power held	
			2020 %	2019 %
Ethan Pearl LLC	Republic of the Marshall Islands	Shipping Operations	49	-
Ethane Crystal LLC	Republic of the Marshall Islands	Shipping Operations	49	-
Ethane Emerald LLC	Republic of the Marshall Islands	Shipping Operations	49	-
Ethane Opal LLC	Republic of the Marshall Islands	Shipping Operations	49	-
Ethane Sapphire LLC	Republic of the Marshall Islands	Shipping Operations	49	-
Ethane Topaz LLC	Republic of the Marshall Islands	Shipping Operations	49	-

8 OTHER RECEIVABLES

	2020	2019
	US$	US$
Amount due from joint ventures	2,506,557	-

Amount due from joint ventures are unsecured, interest-free and repayable on demand.

In determining the ECL, management has taken into account the financial position of the joint ventures , adjusted for factors that are specific to the company and general economic conditions of the industry in which the company operates, in estimating the probability of default of the receivable as well as the loss upon default. Management determines the receivable from joint ventures are subject to immaterial credit loss.

9 SHARE CAPITAL

	2020	2019	**2020**	2019
Issued and paid up:	**Number of ordinary shares ('000)**		**US$'000**	US$'000
At the beginning	**158,500**	158,500	**158,500**	158,500
Less: Buy back of shares	**2,828**	-	**2,828**	-
At the end of the year	**155,672**	158,500	**155,672**	158,500

During the financial year, the company uses its capital and profits to fully fund the repurchase 2,827,887 ordinary shares of the company from its holding company comprising 1.78% of the issued ordinary shares in the capital of the company.

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the company.

10 OTHER INCOME

	2020	**2019**
	US$	**US$**
Gains from divestment of stake (Note 7)	41,185,400	-
Dividend income from joint ventures (Note 6)	2,506,557	-
	43,691,957	-

During the financial year, the company gained US$41,185,400 from its divestment in its subsidiaries. The company account for its investments in joint venture at fair value at the first time of initial investment as joint venture.

11 INCOME TAX EXPENSE

The income tax benefit varied from the amount of income tax benefits determined by applying the Singapore tax rate of 17% (2018 : 17%) to Profit (loss) before tax as a result of following:

	2020	2019
	$	$
Profit/(Loss) before income tax	**43,674,765**	(16,343)
Income tax expense at statutory rate of 17%	**7,424,750**	(2,778)
Tax effect of tax losses not available for carry forward	**-**	2,778
Non-Taxable Income	**(7,424,750)**	-
Total income tax expense	**-**	-

The tax losses are not available for carry forward as the company is an investment holding company.

12 PROFIT FOR THE YEAR

Profit (Loss) before tax includes the following charges:

	2020	2019
	US$	US$
Directors' sitting fees	**2,919**	2,000

The company does not have any employees and therefore no staff costs were incurred. The company's administrative activities are performed by personnel of related companies at no charge.

The directors of the company are also the key management personnel.

13 DIVIDEND PAID TO SHAREHOLDER

During the year, the company has declared and paid a tax exempt (one-tier) interim dividend of US$ 40,311,387 to its shareholder.