

RELIANCE ETHANE HOLDING PTE. LTD.

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31,2023

**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 December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from April 1, 2023 to December 31, 2023, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 23.

In our opinion, the accompanying financial statements of the company 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 December 31, 2023 and of the financial performance, changes in equity and cash flows of the company for the period from April 1, 2023 to December 31, 2023.

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, but does not include the financial statements and our auditor's report thereon.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
RELIANCE ETHANE HOLDING PTE. LTD.**

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 skepticism 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
RELIANCE ETHANE HOLDING PTE. LTD.**

- (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.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

April 22, 2024

**RELIANCE ETHANE HOLDING PTE. LTD.
STATEMENT OF FINANCIAL POSITION
As at December 31, 2023**

	December 31, 2023	March 31, 2023
<u>Note</u>	<u>US\$</u>	<u>US\$</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	753,450	179,874
Other receivables	8 604,036	586,414
Total current assets	<u>1,357,486</u>	<u>766,288</u>
Non-current assets		
Investment in subsidiaries	6 300	-
Investment in joint ventures	7 155,620,999	155,620,999
Other receivables	8 12,895,979	11,205,969
Total non-current assets	<u>168,517,278</u>	<u>166,826,968</u>
Total assets	<u>169,874,764</u>	<u>167,593,256</u>
<u>LIABILITY AND EQUITY</u>		
Current liability		
Other payables	9,161	9,309
Capital and reserves		
Share capital	9 155,672,113	155,672,113
Retained earnings	14,193,490	11,911,834
Total equity	<u>169,865,603</u>	<u>167,583,947</u>
Total liability and equity	<u>169,874,764</u>	<u>167,593,256</u>

See accompanying notes to financial statements.

RELIANCE ETHANE HOLDING PTE. LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Period from April 1, 2023 to December 31, 2023

	April 1, 2023 to December 31, 2023	April 1, 2022 to March 31, 2023
<u>Note</u>	<u>US\$</u>	<u>US\$</u>
Other income	10 2,294,069	2,835,669
Other operating expenses	(11,481)	(13,459)
Profit before income tax	2,282,588	2,822,210
Income tax expense	11 (932)	-
Profit for the period/year, representing total comprehensive income for the period/year	<u>2,281,656</u>	<u>2,822,210</u>

See accompanying notes to financial statements.

RELIANCE ETHANE HOLDING PTE. LTD.
STATEMENT OF CHANGES IN EQUITY
For the Period from April 1, 2023 to December 31, 2023

	Share capital US\$	Retained earnings US\$	Total US\$
At April 1, 2022	155,672,113	9,089,624	164,761,737
<i>Total comprehensive income for the year</i>			
Profit for the year, representing total comprehensive profit for the year	-	2,822,210	2,822,210
At March 31, 2023	155,672,113	11,911,834	167,583,947
<i>Total comprehensive income for the period</i>			
Profit for the period, representing total comprehensive profit for the period	-	2,281,656	2,281,656
At December 31, 2023	155,672,113	14,193,490	169,865,603

See accompanying notes to financial statements.

RELIANCE ETHANE HOLDING PTE. LTD.
STATEMENT OF CASH FLOWS
For the Period from April 1, 2023 to December 31, 2023

	April 1, 2023 to December 31, 2023	April 1, 2022 to March 31, 2023
	US\$	US\$
Cash flows from operating activities		
Profit before income tax	2,282,588	2,822,210
Adjustments for:		
Dividend income	(1,690,010)	(2,249,253)
Interest income	(604,059)	(586,416)
Operating loss before working capital changes	(11,481)	(13,459)
Increase in other receivables	78	-
Decrease in other payables	(148)	1,284
Cash used in operations	(11,551)	(12,175)
Income tax paid	(932)	-
Net cash used in operating activities	(12,483)	(12,175)
Cash flows from investing activities		
Investment of subsidiaries	(300)	-
Interest received	586,359	147,266
Net cash from investing activities	586,059	147,266
Net increase in cash and cash equivalents	573,576	135,091
Cash and cash equivalents at the beginning of the period/year	179,874	44,783
Cash and cash equivalents at the end of the period/year	753,450	179,874

See accompanying notes to financial statements.

RELIANCE ETHANE HOLDING PTE. LTD.
Notes to the Financial Statements
For the period from April 1, 2023 to December 31, 2023

1 GENERAL INFORMATION

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 United States dollars.

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

The principal activities of the subsidiaries and joint ventures are disclosed in Notes 6 and 7 respectively.

During the financial period, the company changed its financial year from March 31 to December 31 to align it with all overseas subsidiaries of the group. Accordingly, the current financial period covers a period of nine months, from April 1, 2023 to December 31, 2023. Consequently, the comparative amounts for the statement of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and related notes to the financial statements are not comparable.

The financial statements of the company for the financial period ended December 31, 2023 were authorised for issue by the Board of Directors on April 22, 2024.

BASIS OF PREPARATION – The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the material accounting policy information below, and are drawn up in accordance with the provisions of the Companies Act 1967 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.

ADOPTION OF NEW AND REVISED STANDARDS – The company adopted all the new and revised FRS pronouncements that are mandatorily effective for an accounting period that begins on or after April 1, 2023. The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

The company has adopted the amendments to FRS 1 *Presentation of Financial Statements* for the first time in the current year. The amendments change the requirements in FRS 1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in FRS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

RELIANCE ETHANE HOLDING PTE. LTD.
Notes to the Financial Statements
For the period from April 1, 2023 to December 31, 2023

The company has applied materiality guidance in FRS Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

STANDARDS ISSUED BUT NOT EFFECTIVE - At the date of authorisation of these financial statements, the following amendments to FRSs that are relevant to the company were issued but not effective:

Effective for annual periods beginning on or after January 1, 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

Management anticipates that the adoption of the new or revised FRSs in future periods will not have a material impact on the financial statements in the period of their initial adoption.

2 MATERIAL ACCOUNTING POLICY INFORMATION

FAIR VALUE MEASUREMENT – 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*.

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.

BASIS OF CONSOLIDATION – The company did not prepare consolidated financial statements of the company and its subsidiaries and joint ventures 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.

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period from April 1, 2023 to December 31, 2023

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

The Company classifies its financial assets based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets (comprising cash and cash equivalents, trade and other receivables) are subsequently measured at amortised cost as they are held within a business model whose objective is to collect the contractual cash flows which are solely payments of principal and interest on the principal amount outstanding ("SPPI").

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.

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period from April 1, 2023 to December 31, 2023

Definition of default

The company considers that default has occurred when a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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.

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.

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period April 1, 2023 to December 31, 2023

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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.

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.

INVESTMENT IN SUBSIDIARIES - A subsidiary is an entity which the company has control. Control is achieved when the company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Investment in subsidiaries in the financial statements is stated at cost, less any impairment in net recoverable value that has been recognised 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.

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.

DIVIDEND INCOME - Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period from April 1, 2023 to December 31, 2023

INTEREST INCOME - Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss and other comprehensive income because it excludes items of income or 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 rate that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax laws and rates that have been enacted or substantively enacted by the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash and bank balances that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period from April 1, 2023 to December 31, 2023

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's material accounting policy information, 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 not 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 material accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the company's material accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Joint control over joint venture entities

Note 7 describes the investment in Ethane Pearl LLC, Ethane Crystal LLC, Ethane Emerald LLC, Ethane Opal LLC, Ethane Sapphire LLC and Ethane Topaz LLC (collectively known as "JVs") where the company owns 50% ownership interest in these entities. The company has joint control over the JVs by virtue of it having equal contractual right to vote at the meetings of directors or members as one other shareholder of the JVs. Accordingly, decisions on key operating activities of the JVs require unanimous consent of the two joint venture partners.

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 of investment in joint ventures

In determining whether its investment in joint ventures is impaired, the company evaluates the market and economic environment in which the joint ventures operate and its economic performance to determine if indicators of impairment exist. Where such indicators exist, the joint ventures' recoverable amount is determined by assessing the value in use of the investments. Management is confident that no allowance for impairment is necessary. The carrying amount of the company's investment in joint ventures is disclosed in Note 7.

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period from April 1, 2023 to December 31, 2023

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:

	December 31, 2023 US\$	March 31, 2023 US\$
Financial assets		
Financial assets at amortised cost	14,253,465	11,972,257
Financial liabilities		
Financial liabilities at amortised cost	9,161	9,309

(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 reputable institutions and is subject to no credit loss.

(i) Credit risk

The company develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The company uses its own trading records to rate its major customers and other debtors.

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

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

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period from April 1, 2023 to December 31, 2023

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 grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
<u>December 31, 2023</u>						
Amount due from joint ventures	8	Performing	12-month ECL	13,500,015	-	13,500,015
<u>March 31, 2023</u>						
Amount due from joint ventures	8	Performing	12-month ECL	11,792,383	-	11,792,383

The receivables are due from the joint ventures. The company performs ongoing credit evaluation of their financial conditions and generally do not require collateral on other receivable.

(ii) Interest rate risk management

The company has no significant interest-bearing assets and liabilities except for the amount due from joint ventures as disclosed in Note 8.

No sensitivity analysis is prepared as the company does not expect any material effect on the company's profit or loss and equity arising from the effects of reasonably possible changes to interest rates on the receivables at the end of the reporting period.

(iii) Liquidity risk management

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

All financial liabilities as of March 31, 2023 and December 31, 2023 are repayable on demand or due within 1 year from the end of the reporting period.

(iv) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, amount owing from joint ventures and other payables and accruals approximate their respective fair values due to the relatively short-term maturity of these financial instruments or bears interest at market interest rates.

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period from April 1, 2023 to December 31, 2023

(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 and retained earnings. 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.

Compensation of directors and key management personnel

The company's key management personnel comprise of the Directors of the company. The remuneration of the key management personnel, included in the profit or loss of the company, are as follows:

	April 1, 2023 to December 31, 2023 US\$	April 1, 2022 to March 31, 2023 US\$
Directors' sitting fees	2,275	738

6 INVESTMENT IN SUBSIDIARIES

	December 31, 2023 US\$	March 31, 2023 US\$
Unquoted equity shares, at cost	300	-

On December 4, 2023, the company incorporated three subsidiaries and injected funds of US\$100 each to subscribe for newly issued shares in Ethane Coral LLC, Ethane Diamond LLC and Ethane Jade LLC.

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period from April 1, 2023 to December 31, 2023

Details of the company's subsidiaries at the end of reporting period are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held	
			December 31, 2023	March 31, 2023
			%	%
Ethane Coral LLC	Republic of the Marshall Islands	Shipping Operations	100	-
Ethane Diamond LLC	Republic of the Marshall Islands	Shipping Operations	100	-
Ethane Jade LLC	Republic of the Marshall Islands	Shipping Operations	100	-

7 INVESTMENT IN JOINT VENTURES

	December 31, 2023	March 31, 2023
	US\$	US\$
Unquoted equity shares, at cost	155,620,999	155,620,999

Details of the company's joint ventures at the end of reporting period are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held	
			December 31, 2023	March 31, 2023
			%	%
Ethane Pearl LLC ⁽¹⁾	Republic of the Marshall Islands	Shipping Operations	50	50
Ethane Crystal LLC ⁽¹⁾	Republic of the Marshall Islands	Shipping Operations	50	50
Ethane Emerald LLC ⁽¹⁾	Republic of the Marshall Islands	Shipping Operations	50	50
Ethane Opal LLC ⁽¹⁾	Republic of the Marshall Islands	Shipping Operations	50	50
Ethane Sapphire LLC ⁽¹⁾	Republic of the Marshall Islands	Shipping Operations	50	-
Ethane Topaz LLC ⁽¹⁾	Republic of the Marshall Islands	Shipping Operations	50	-

On April 16, 2019, the Company entered into a Capital Contribution Agreement with Mitsui O.S.K. Lines, Ltd. ("MOL") and KOTAM Maritime No 26 Investment Trust ("KMIT") for admission as additional members to the joint ventures ("JVs") listed above. MOL and KMIT had paid and contributed a total amount of US\$44mil for an interest in Class A and B shares of the JVs, and received 49% and 2% voting rights to each of the JVs respectively. Accordingly, the addition of the members had diluted the company's proportion of ownership interest and voting power held from 100% to 49%.

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period from April 1, 2023 to December 31, 2023

The capital structure was re-structured by way of creation of three classes of shares; Class A, Class B and Class C. Members of Class A shares are entitled to voting rights in proportion to their share in Class A contribution and have no economic rights. Members of Class B shares have right to receive preferential return in proportion to their capital contribution and member of Class C shares have right to receive surplus in the JVs after payment of preferential return in full to members of Class B contribution and payment of external liability.

Arising from the capital contribution from MOL and KMIT, the company held 49% interest in Class A shares and 100% interest in Class C shares of the JVs.

In 2022, the Company purchased units in class A shares in each of the six Joint Ventures amounting to \$10,000 from KMIT pursuant to its Notice of Sale as per clause 7.4 of the defined Agreements. Its ownership interest in each of the Joint Ventures has increased from 49% to 50%.

The company continues to have joint control over the JVs by virtue of it having equal contractual right to vote at the meetings of directors or members with MOL.

8 OTHER RECEIVABLES

	December 31, 2023 US\$	March 31, 2023 US\$
Amount due from joint ventures	13,500,015	11,792,383
Represented by:		
Current portion	604,036	586,414
Non-current portion	12,895,979	11,205,969
	<u>13,500,015</u>	<u>11,792,383</u>

Amount due from joint ventures comes from the distribution to the Class C members from joint ventures which are unsecured, interest bearing at interest rate of SOFR plus 1.75%(March 31, 2023: LIBOR plus 1.75%) per annum or such other rate as notified by the Class C Members from time to time, but will only be paid until after the Class B members have received their preferential return in full. Subsequently, an amendment was passed which entitles class C members to receive all unpaid interest upon unanimous consent of the Board of Directors.

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.

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period from April 1, 2023 to December 31, 2023

9	SHARE CAPITAL	December 31, 2023	March 31, 2023	December 31, 2023	March 31, 2023
		Number of ordinary shares (^000)		US\$	US\$
	Issued and paid up:				
	At the beginning and the end of period/year	155,672	155,672	155,672,113	155,672,113

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	April 1, 2023 to December 31, 2023	April 1, 2022 to March 31, 2023
		US\$	US\$
	Dividend income from joint ventures (Note 7)	1,690,010	2,249,253
	Interest income from joint ventures (Note 7)	604,036	586,414
	Interest income-others	23	2
		2,294,069	2,835,669

11	INCOME TAX EXPENSE	April 1, 2023 to December 31, 2023	April 1, 2022 to March 31, 2023
		US\$	US\$
	Current tax expense	932	-

The income tax is calculated at 17% (2022: 17%) of the estimated assessable income for the year. The total charge for the year can be reconciled to the loss before tax as follows:

	April 1, 2023 to December 31, 2023	April 1, 2022 to March 31, 2023
	US\$	US\$
	2,282,588	2,822,210
	Income tax expense calculated at 17%	388,040
	Tax effect of	479,776
	Income not subject to tax	(387,105)
	Tax expense	932
		-

RELIANCE ETHANE HOLDING PTE. LTD.
NOTES TO FINANCIAL STATEMENTS
For the period from April 1, 2023 to December 31, 2023

12 EVENTS AFTER THE REPORTING PERIOD

On March 12, 2024, the company received US\$102,900,000 from its holding company, Reliance Industries Limited for the issuance and allotment of 68,600,000 ordinary shares of the company.

On March 12, 2024, the company has further subscribed to 34,300,000 shares of US\$1 each in each of the three subsidiaries, Ethane Coral LLC, Ethane Diamond LLC and Ethane Jade LLC (see Note 6), amounting to US\$102,900,000.

13 COMPARATIVE INFORMATION

The financial statements of the company for the period ended December 31, 2023 cover the financial period from April 1, 2023 to December 31, 2023.

The financial statements of the company for the year ended March 31, 2023 cover the financial year from April 1, 2022 to March 31, 2023.