Nynas Pte. Ltd.
Registration Number: 200723567N

Annual Report
Year ended 31 December 2023

Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

(a) the financial statements set out on pages FS1 to FS36 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Audibert Philippe Francois Auguste
Eric Michel Frederic Gosse (Appointed on 5 July 2024)
Jason Wong Siew Keet
Simon Day

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the Act), no director who held office at the end of the financial year (including those held by their spouses and children) had interest in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued ordinary shares of the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Jason Wong Siew Keet
Director

Audibert Philippe Francois Auguste
Director

26 July 2024

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Independent auditors' report

Members of the Company
Nynas Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nynas Pte. Ltd. ('the Company'), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS36.

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 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, 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.

Auditors' responsibilities for the audit of the financial statements

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

- 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 controls.

- Obtain an understanding of internal controls 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 controls.

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

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

- 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 controls 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.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 July 2024

Statement of financial position
As at 31 December 2023

	Note	2023 $	2022 $
Assets			
Plant and equipment	5	13,144	791
Right-of-use assets	19	1,119,501	3,038,150
Non-current assets		1,132,645	3,038,941
Inventories	6	3,244,443	5,590,066
Trade and other receivables	7	7,868,917	8,128,728
Prepayments		1,854	899
Cash and cash equivalents	8	1,240,105	2,091,984
Current assets		12,355,319	15,811,677
Total assets		13,487,964	18,850,618
Equity			
Share capital	9	500,000	500,000
Retained earnings		5,613,468	6,259,227
Total equity		6,113,468	6,759,227
Liabilities			
Loans and borrowings	12	–	1,092,609
Deferred tax liabilities	10	11,200	11,200
Non-current liabilities		11,200	1,103,809
Loans and borrowings	12	1,666,810	4,041,166
Trade and other payables	11	5,442,458	2,788,084
Accrued operating expenses		183,798	405,796
Provisions	13	70,230	3,586,748
Income tax payable		–	165,788
Current liabilities		7,363,296	10,987,582
Total liabilities		7,374,496	12,091,391
Total equity and liabilities		13,487,964	18,850,618

The accompanying notes form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income
Year ended 31 December 2023

	Note	2023 $	2022 $
Revenue	14	48,351,923	109,899,386
Cost of sales		(46,716,226)	(101,377,680)
Gross profit		1,635,697	8,521,706
Other income	15	13,104	234,801
General and administrative expenses		(2,225,115)	(10,448,442)
Finance costs	16	(219,217)	(666,975)
Loss before tax	17	(795,531)	(2,358,910)
Tax credit/(expense)	18	149,772	(156,599)
Loss for the year, representing total comprehensive income for the year		(645,759)	(2,515,509)

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2023

	Note	Share capital $	Retained earnings $	Total equity $
At 1 January 2022		500,000	24,774,736	25,274,736
Loss for the year, representing total comprehensive income for the year		–	(2,515,509)	(2,515,509)
Total comprehensive income for the year		–	(2,515,509)	(2,515,509)
Transactions with owners, recorded directly in equity				
Distributions to owners				
Dividends	9	–	(16,000,000)	(16,000,000)
Total transactions with owners		–	(16,000,000)	(16,000,000)
At 31 December 2022		500,000	6,259,227	6,759,227
At 1 January 2023		500,000	6,259,227	6,759,227
Loss for the year, representing total comprehensive income for the year		–	(645,759)	(645,759)
Total comprehensive income for the year		–	(645,759)	(645,759)
At 31 December 2023		500,000	5,613,468	6,113,468

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Year ended 31 December 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Loss before tax		(795,531)	(2,358,910)
Adjustments for:			
Depreciation of plant and equipment		3,420	1,955
Depreciation of right-of-use assets		1,622,314	3,708,673
Allowance for/(reversal of) impairment loss on trade receivables		9,165	(81,633)
Interest income		(2,940)	(118,309)
Finance costs		219,217	666,975
Gain on lease modification		(16,120)	(362,912)
		1,039,525	1,455,839
Changes in working capital:			
- inventories		2,345,623	12,468,704
- trade and other receivables		250,646	17,873,155
- prepayments		(955)	12,560
- trade and other payables		2,654,374	(19,362,757)
- accrued operating expenses		(221,998)	(802,096)
- provisions		(3,516,518)	3,586,748
Cash generated from operations		2,550,697	15,232,153
Tax paid		(16,016)	(6,410)
Interest received		2,940	118,309
Interest paid		(219,217)	(666,975)
Net cash generated from operating activities		2,318,404	14,677,077
Cash flows from investing activities			
Acquisition of plant and equipment		(15,773)	–
Net cash used in investing activities		(15,773)	–
Cash flows from financing activities			
(Repayment of)/proceeds from borrowings		(1,055,096)	1,248,107
Payment of lease liabilities		(2,099,414)	(4,121,795)
Dividends paid to owners of the Company		–	(16,000,000)
Net cash used in financing activities		(3,154,510)	(18,873,688)
Net decrease in cash and cash equivalents		(851,879)	(4,196,611)
Cash and cash equivalents at 1 January		2,091,984	6,288,595
Cash and cash equivalents at 31 December	8	1,240,105	2,091,984

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 26 July 2024.

1 Domicile and activities

Nynas Pte. Ltd.('the Company') is incorporated in the Republic of Singapore. The address of the Company's registered office is 60 Paya Lebar Road #06-01, Paya Lebar Square, Singapore 409051. Its principal place of business is located at 11 North Buona Vista Drive, The Metropolis Tower 2, Level 08-09, Singapore 138589.

The Company is primarily involved in the wholesale of petrochemical products and trading of speciality oil products.

The immediate holding company is Nynas AB, which is jointly owned by Davidson Kempner Capital Management (49.999%), NyColleagues AB (35.002%) and PDV Europa B.V. (14.999%). These companies are incorporated in United States, Sweden and the Netherlands, respectively.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (FRS). The changes to material accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Use of estimates and judgement

The preparation of the financial statements in conformity with FRS requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

Management is of the opinion that there are no critical judgements made in applying the entity's accounting policies and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of FRS, including the level in the fair value hierarchy in the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is 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 (with Level 3 being the lowest).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 20 – Financial Instruments.

2.5 Changes in accounting policies

New accounting standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2023:

- FRS 117: *Insurance Contracts*
- Amendments to FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

Material accounting policy information

The Company adopted Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in material accounting policies.

3.1 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The Company had no financial assets held outside trading business models that failed the SPPI assessment.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost under the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss was recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with FRS 12.

3.2 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Computer equipment	3 years
• Office equipment	3 years
• Office furniture	3 years
• Office renovation	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.3 Leases

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

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate as the discount rate.

The Company determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Where the basis for determining future lease payments changes as required by interest rate benchmark reform (see note 3.1(iv)), the Company remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.4 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out allocation method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

3.5 Impairment

(i) Non-derivative financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised costs ('cash and cash equivalents' and 'trade and other receivables');
- contract assets (as defined in FRS 115); and
- lease receivables.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. Based on its experience, there have been no corporate customer recoveries after six months.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.6 Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

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

3.7 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.8 Revenue

Goods and services sold

Information about the Company's accounting policies relating to goods and services sold is provided in note 14.

3.9 Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised under the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.10 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

4 New accounting standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Company has not early adopted the new or amended accounting standards in preparing these financial statements. These new or amended accounting standards are not expected to have a significant impact on the Company's financial statements.

- Amendments to FRS 1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to FRS 7 and FRS 107: Supplier Finance Arrangements
- Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*
- Amendments to FRS 21: *Lack of Exchangeability*

5 Plant and equipment

	Computer equipment $	Office equipment $	Office furniture $	Office renovation $	Total $
Cost					
At 1 January 2022 and at 31 December 2022	196,864	91,936	103,196	294,304	686,300
Additions	–	15,773	–	–	15,773
Disposals	(196,864)	(91,936)	(103,196)	(294,304)	(686,300)
At 31 December 2023	–	15,773	–	–	15,773
Accumulated depreciation					
At 1 January 2022	194,118	91,936	103,196	294,304	683,554
Depreciation	1,955	–	–	–	1,955
At 31 December 2022	196,073	91,936	103,196	294,304	685,509
At 1 January 2023	196,073	91,936	103,196	294,304	685,509
Depreciation	791	2,629	–	–	3,420
Disposals	(196,864)	(91,936)	(103,196)	(294,304)	(686,300)
At 31 December 2023	–	2,629	–	–	2,629
Carrying amounts					
At 1 January 2022	2,746	–	–	–	2,746
At 31 December 2022	791	–	–	–	791
At 31 December 2023	–	13,144	–	–	13,144

6 Inventories

	2023 $	2022 $
Finished goods	3,244,443	5,590,066

In 2023, inventories of $41,715,438 (2022: $87,322,384) were recognised as an expense during the year and included in ‘cost of sales’.

7 Trade and other receivables

	2023 $	2022 $
Trade amounts due from:		
- Third parties	7,843,933	7,974,062
	7,843,933	7,974,062
Provision for impairment loss on trade receivables	(10,459)	(1,294)
	7,833,474	7,972,768
Deposits	35,443	98,956
GST receivables	–	57,004
	7,868,917	8,128,728

Credit and market risks, and impairment losses

The Company's exposures to credit and currency risks, and impairment losses for trade and other receivables are disclosed in Note 20.

8 Cash and cash equivalents

	2023 $	2022 $
Bank balances	1,286,986	2,091,984
Provision for impairment loss on cash	(46,881)	–
	1,240,105	2,091,984

Included in the Company's cash and cash equivalents is $46,881 (2022: $45,887) of bank balances held in Russia which are currently restricted as at 31 December 2023 due to the implementation of economic sanctions by multiple jurisdictions following the Russia-Ukraine conflict. These sanctions limit the withdrawal of bank balances in foreign currencies and as a result, an impairment loss of $46,881 was recognised on these bank balances.

9 Share capital

	2023 $	2022 $
Issued and fully paid ordinary shares, with no par value 486,720 ordinary shares:		
In issue at 1 January and 31 December	500,000	500,000

Ordinary shares

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Dividends

In 2022, the following exempt (one-tier) dividends were declared and paid by the Company:

	2022 $
Paid by the Company to owners of the Company	
$32.87 per qualifying ordinary share	16,000,000

10 Deferred tax liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2023 **$**	**2022** **$**	**2023** **$**	**2022** **$**
Plant and equipment	–	–	22,900	22,900
Provisions	(11,700)	(11,700)	–	–
Net deferred tax (assets) liabilities	(11,700)	(11,700)	22,900	22,900

Movement in temporary differences during the year

	Balance as at 1 January 2022 **$**	**Recognised in profit or loss** **$**	**Balance as at 31 December 2022** **$**	**Recognised in profit or loss** **$**	**Balance as at 31 December 2023** **$**
Plant and equipment	22,900	–	22,900	–	22,900
Provisions	(11,700)	–	(11,700)	–	(11,700)
	11,200	–	11,200	–	11,200

The Company has not recognised deferred tax assets in respect of unutilised tax losses amounting to $2,361,359 (2022: $1,722,924), because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

11 Trade and other payables

	Note	2023 $	2022 $
Trade amounts due to:			
- Third parties		376,467	670,836
- Immediate holding company		4,967,201	2,053,354
Non-trade amounts due to:			
- Immediate holding company		–	6,506
- Related companies		48,301	30,927
Contract liabilities	14	20,274	7,428
Other payables		30,215	19,033
		5,442,458	2,788,084

The non-trade amounts due to immediate holding company and related companies are unsecured, interest-free and repayable on demand.

Market and liquidity risks

The Company's exposures to currency risk and liquidity risk related to trade and other payables are disclosed in Note 20.

12 Loans and borrowings

	2023 $	2022 $
Non-current liabilities		
Lease liabilities	–	1,092,609
Current liabilities		
Lease liabilities	877,333	2,196,593
Working capital loans	789,477	1,844,573
	1,666,810	4,041,166

Working capital loans consist of invoice financing facility ("Asset Based Lending Facility"). The Asset Based Lending Facility is for up to GBP 100 million. The Asset Based Lending Facility is secured on the Company's trade receivables with interest ranging from 12.4% to 13.4% per annum (2022: 8.0% to 12.1% per annum). As at 31 December 2023, the amount of trade receivables outstanding that are used to secure the facility amounted to $1,745,435 (2022: $2,881,742).

Market and liquidity risks

The Company's exposures to interest rate and liquidity risks related to loans and borrowings are disclosed in Note 20.

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

	Lease liabilities $	Working capital loans $	Total $
Balance at 1 January 2022	13,915,017	596,466	14,511,483
Changes from financing cash flows			
Proceeds from borrowings	–	1,248,107	1,248,107
Payment of lease liabilities	(4,121,795)	–	(4,121,795)
Total changes from financing cash flows	(4,121,795)	1,248,107	(2,873,688)
Other changes			
Lease modification	(3,916,367)	–	(3,916,367)
Reassessment of lease liability	(2,587,653)	–	(2,587,653)
Interest expense	531,093	135,882	666,975
Interest paid	(531,093)	(135,882)	(666,975)
Total other changes	(6,504,020)	–	(6,504,020)
Balance at 31 December 2022	3,289,202	1,844,573	5,133,775
Balance at 1 January 2023	3,289,202	1,844,573	5,133,775
Changes from financing cash flows			
Repayment of borrowings	–	(1,055,096)	(1,055,096)
Payment of lease liabilities	(2,099,414)	–	(2,099,414)
Total changes from financing cash flows	(2,099,414)	(1,055,096)	(3,154,510)
Other changes			
Lease modification	(312,455)	–	(312,455)
Interest expense	98,119	121,098	219,217
Interest paid	(98,119)	(121,098)	(219,217)
Total other changes	(312,455)	–	(312,455)
Balance at 31 December 2023	877,333	789,477	1,666,810

13 Provisions

The Company committed to a plan to restructure their operations in 2022, which included retrenching staff and returning oil storage tanks that were not needed in operations. As a result, the Company recognised a provision of $3,586,748 in 2022, which was related to the termination fee payable on cleaning costs on tanks being returned to lessor that was mutually agreed as payable by the Company, and on the amount payable to staff that were retrenched. The restructuring was mostly completed in 2023, and $3,516,518 of the provision was used during the year.

The remaining provisions as at 31 December 2023 are expected to be settled in 2024, and the effect of any discounting on the recognition of provisions is not likely to be material.

14 Revenue

	2023	**2022**
	$	**$**
Revenue from contracts with customers – sale of goods	48,351,923	109,899,386

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods or services	The Company generates revenue from the sale of petrochemical and specialty oil products to customers.
When revenue is recognised	Revenue is recognised at a point in time when goods are delivered, and all criteria for acceptance has been satisfied.
Significant payment terms	Invoices are issued upon delivery of goods and is payable within 30 to 60 days.

Disaggregation of revenue from contracts with customers

The Company derives revenue from the following primary geographical regions. Revenue is attributed to countries by location of customers.

	2023 $	2022 $
Primary geographical markets		
Singapore	7,745,343	12,617,875
China	9,925,778	21,841,369
Thailand	5,768,405	15,824,694
Indonesia	9,141,850	9,639,269
Vietnam	3,106,327	13,897,301
India	4,248,235	9,783,085
Malaysia	4,720,309	7,266,428
Taiwan	224,221	1,834,328
South Korea	1,017,578	2,713,718
Others	2,453,877	14,481,319
	48,351,923	109,899,386

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	Note	2023 $	2022 $
Trade receivables	7	7,833,474	7,972,768
Contract liabilities	11	(20,274)	(7,428)

The contract liabilities primarily relate to advance consideration received from customers. The Company exercises the practical expedient under FRS 115 not to adjust the transaction price for the effects of financing component, at contract inception, as the period between customer payment and the transfer of good to be within one year.

Significant changes in the contract liabilities balances during the period are as follows.

	Contract liabilities 2023 $	 2022 $
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	7,428	1,182,750
Increases due to cash received, excluding amounts recognised as revenue during the year	(20,274)	(7,428)

The Company applies the practical expedient in paragraph 121 of FRS 115 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Company has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

15 Other income

	2023 $	2022 $
Service fees income	–	92,804
Interest income	2,940	118,309
Other miscellaneous income	10,164	23,688
	13,104	234,801

16 Finance costs

	2023 $	2022 $
Interest expense on lease liabilities	98,119	531,093
Interest expense on working capital loans	121,098	135,882
	219,217	666,975

17 Loss before tax

The following items have been included in arriving at loss before tax:

	2023 $	2022 $
Employee benefits expense (see below)	3,108,171	2,886,319
Depreciation of plant and equipment	3,420	1,955
Depreciation of right-of-use assets	1,622,314	3,708,673
Allowance for/(reversal of) impairment loss on trade receivables	9,165	(81,633)
Gain on lease modification	(16,120)	(362,912)
Professional fees	312,014	1,097,761
Net foreign exchange loss/(gain)	277,045	(55,457)
Employee benefits expense		
Salaries, bonuses and allowances	2,970,959	2,629,534
Contributions to defined contribution plans	117,060	186,471
Other staff costs	20,152	70,314
	3,108,171	2,886,319

18 Tax (credit)/expense

Tax recognised in profit or loss

	2023 $	2022 $
Current year	–	156,599
Overprovision of income tax in prior years	(149,772)	–
	(149,772)	156,599

Reconciliation of effective tax rate

	2023 $	2022 $
Loss before tax	(795,531)	(2,358,910)
Tax using the Singapore tax rate of 17% (2022: 17%)	(135,240)	(401,015)
Non-deductible expenses	26,706	5,437
Changes in unrecognised deferred tax assets	108,534	609,747
Tax exempt income	–	(40,145)
Tax incentives	–	(17,425)
Overprovision of income tax in prior years	(149,772)	–
	(149,772)	156,599

19 Leases

Leases as lessee

The Company leases office premises and oil storage tanks. The leases typically run for a period of 2 to 5 years.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

	Office premises $	Oil storage tanks $	Total $
Balance at 1 January 2022	656,811	12,231,120	12,887,931
Depreciation charge for the year	(230,829)	(3,477,844)	(3,708,673)
Reassessment of leases	–	(2,587,653)	(2,587,653)
Lease modification	–	(3,553,455)	(3,553,455)
Balance at 31 December 2022	425,982	2,612,168	3,038,150
Balance at 1 January 2023	425,982	2,612,168	3,038,150
Depreciation charge for the year	(129,647)	(1,492,667)	(1,622,314)
Lease modification	(296,335)	–	(296,335)
Balance at 31 December 2023	–	1,119,501	1,119,501

Amounts recognised in profit or loss

	2023 $	2022 $
Interest on lease liabilities	98,119	531,093

Amounts recognised in statement of cash flows

	2023 $	2022 $
Total cash outflow for leases	2,197,533	4,652,888

20 Financial instruments

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amounts of financial assets represent the Company's maximum exposure to credit risk, before taking into account any collateral held. The Company does not hold any collateral in respect of its financial assets.

Impairment losses on financial assets recognised in profit or loss were as follows:

	2023 $	2022 $
Allowance for/(reversal of) impairment loss on trade receivables arising from contracts with customers	9,165	(81,633)

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Company has a credit policy in place, which the exposure to credit risk is monitored on an ongoing basis and aggregate financial exposure to individual customers is limited. Credit quality of customers is assessed by taking into account the Company's past experience with the customers and the customers' financial positions.

The Company does not require collateral in respect of trade receivables. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Exposure to credit risk

The exposure to credit risk for trade receivables at the reporting date by geographic region was as follows:

	Carrying amounts	
	2023	**2022**
	$	**$**
China	2,267,813	2,312,166
Vietnam	794,243	572,171
India	525,220	852,494
Singapore	1,230,428	1,102,666
Australia	–	397,650
Indonesia	1,212,639	236,928
Thailand	1,188,517	2,111,131
Malaysia	58,900	233,285
Others	555,714	154,277
	7,833,474	7,972,768

The carrying amount of the receivable from the Company's most significant customer, a Chinese manufacturer, amounted to $1,899,102 at 31 December 2023 (2022: A Thailand manufacturer that amounted to $2,193,896). There is no other concentration of customers' credit risk.

Expected credit loss assessment for individual customers

The Company uses an allowance matrix to measure the ECLs of trade receivables, which comprise a very large number of small balances.

Loss rates are calculated based on actual credit loss experience over the past three years adjusted for current conditions and the Company's view of economic conditions over the expected lives of the receivables only if these factors have a significant impact to the credit loss.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December:

	Weighted average loss rate %	Gross carrying amount $	Impairment loss allowance $	Credit impaired
2023				
Current (not past due)	0.0%	4,330,993	–	No
1 – 30 days past due	0.0%	2,184,936	–	No
31 – 60 days past due	0.9%	1,171,574	(10,459)	No
61 – 90 days past due	0.0%	156,430	–	No
		7,843,933	(10,459)	
2022				
Current (not past due)	0.0%	4,679,331	–	No
1 – 30 days past due	0.0%	1,608,968	–	No
31 – 60 days past due	0.0%	1,150,114	–	No
61 – 90 days past due	0.0%	430,903	–	No
More than 90 days past due	1.2%	104,746	(1,294)	No
		7,974,062	(1,294)	

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	2023 $	2022 $
Balance at 1 January	1,294	82,927
Allowance for/(reversal of) impairment loss	9,165	(81,633)
Balance at 31 December	10,459	1,294

Cash and cash equivalents

The Company held cash and cash equivalents of $1,286,986 at 31 December 2022 (2022: $2,091,984). The cash and cash equivalents are held with banks and financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that, except for its bank balances held in Russia, its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Other than the amount of the allowance on the bank balances held in Russia (see note 8), the amount of the allowance on the remaining cash and cash equivalents is negligible.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount $	Contractual cash flows $	Within 1 year $	Within 1 - 5 years $
2023				
Non-derivative financial liabilities				
Working capital loans	789,477	(789,477)	(789,477)	–
Lease liabilities	877,333	(897,561)	(897,561)	–
Trade and other payables#	5,422,184	(5,422,184)	(5,422,184)	–
Accrued operating expenses	183,798	(183,798)	(183,798)	–
	7,272,792	(7,293,020)	(7,293,020)	–

\# *Excludes contract liabilities.*

	Carrying amount $	Contractual cash flows $	Within 1 year $	Within 1 - 5 years $
2022				
Non-derivative financial liabilities				
Working capital loans	1,844,573	(1,844,573)	(1,844,573)	–
Lease liabilities	3,289,202	(3,419,583)	(2,300,986)	(1,118,597)
Trade and other payables#	2,780,656	(2,780,656)	(2,780,656)	–
Accrued operating expenses	405,796	(405,796)	(405,796)	–
	8,320,227	(8,450,608)	(7,332,011)	(1,118,597)

Excludes contract liabilities.

The maturity analyses show the contractual undiscounted cash flows of the Company's financial liabilities on the basis of their earliest possible contractual maturity.

Market risk

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

Currency risk

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, payables, and inter-company balances, that are denominated in a currency other than the Company's functional currency, the Singapore dollar (SGD). The currencies in which these transactions primarily are denominated are the US dollar (USD) and Euro (EUR).

The Company does not hedge its foreign currency risk exposure using derivative financial instruments. The Company manages foreign currency risk through monitoring of the timing difference on inception and settlement of foreign currency transactions.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk in Singapore dollar equivalent as reported to the management based on its risk management policy is as follows:

	USD $	EUR $
2023		
Cash and cash equivalents	607,203	50,754
Trade and other receivables	7,650,077	193,296
Trade and other payables	–	(4,718,004)
Net statement of financial position exposure	8,257,280	(4,473,954)
2022		
Cash and cash equivalents	1,437,884	48,537
Trade and other receivables	7,576,095	397,650
Trade and other payables	–	(1,825,791)
Net statement of financial position exposure	9,013,979	(1,379,604)

Sensitivity analysis

A 2% strengthening of the Singapore dollar against the following currencies at the reporting date would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2023 $	2022 $
USD	(165,146)	(180,280)
EUR	89,479	27,592
	(75,667)	(152,688)

A 2% weakening of the Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rate.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments, as reported to the management, was as follows:

	2023 $	2022 $
Fixed rate instruments		
Lease liabilities	(877,333)	(3,289,202)
Working capital loans	(789,477)	(1,844,573)
	(1,666,810)	(5,133,775)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed-rate financial assets and liabilities at FVTPL. Therefore, in respect of the fixed rate instruments a change in interest rates at the reporting date would not affect profit or loss.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital is defined as equity attributable to the equity holders. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Board regularly reviews the Company's capital structure and makes adjustments to reflect economic conditions, business strategies and future commitments.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

Accounting classifications and fair values

The carrying amounts of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Financial assets at amortised cost $	Other financial liabilities $	Total $
31 December 2023				
Financial assets not measured at fair value				
Trade and other receivables*	7	7,833,474	–	7,833,474
Cash and cash equivalents	8	1,240,105	–	1,240,105
		9,073,579	–	9,073,579
Financial liabilities not measured at fair value				
Trade and other payables#	11	–	(5,422,184)	(5,422,184)
Working capital loans	12	–	(789,477)	(789,477)
Accrued operating expenses		–	(183,798)	(183,798)
		–	(6,395,459)	(6,395,459)
31 December 2022				
Financial assets not measured at fair value				
Trade and other receivables*	7	7,972,768	–	7,972,768
Cash and cash equivalents	8	2,091,984	–	2,091,984
		10,064,752	–	10,064,752
Financial liabilities not measured at fair value				
Trade and other payables#	11	–	(2,780,656)	(2,780,656)
Working capital loans	12	–	(1,844,573)	(1,844,573)
Accrued operating expenses		–	(405,796)	(405,796)
		–	(5,031,025)	(5,031,025)

* *Excludes deposits and GST receivables.*
\# *Excludes contract liabilities.*

Measurement of fair values

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables, working capital loans and accrued operating expenses) approximate their fair values because of the short period to maturity.

21 Related parties

Key management personnel compensation

Key management personnel of the Company are directors and those persons having the authority and responsibility for planning, directing and controlling the activities, directly or indirectly of the Company. The amounts do not include compensation, if any, of certain directors of the Company who received compensation from related corporations in their capacity as directors and/or executives of those related corporations.

Key management personnel compensation comprised:

	2023 $	2022 $
Short-term employee benefits	1,572,035	519,010

Other related party transactions

Other than disclosed elsewhere in the financial statements, the following significant transactions were carried out between the Company and related parties based on terms agreed between the parties are as follows:

	2023 $	2022 $
Sale of goods		
Immediate holding company	–	5,869,443
Related companies	–	14,976,957
Purchase of goods		
Immediate holding company	(39,272,742)	(73,418,593)
Other		
Commission paid/payable to related companies	(183,772)	(1,652,388)
Service fees income from immediate holding company	–	92,804