

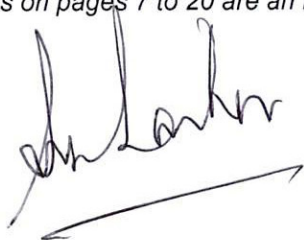
Pearl Knitting and Dyeing Industries Ltd.

Management financial statements
as at and for the year ended 31 March 2025

Pearl Knitting and Dyeing Industries Ltd.
Statement of financial position

<i>In Taka</i>	<i>Note</i>	31 March 2025	31 March 2024
Assets			
Capital work-in-progress	5	351,668	-
Non-current assets		351,668	-
Cash and cash equivalents	6	1,213,839	-
Current assets		1,213,839	-
Total assets		1,565,507	-
Equity			
Share capital	7	1,214,800	-
Retained earnings		-	-
Total equity		1,214,800	-
Trade and other payables - external	8	350,707	-
Current liabilities		350,707	-
Total liabilities		350,707	-
Total equity and liabilities		1,565,507	-

The notes on pages 7 to 20 are an integral part of these financial statements.



Director



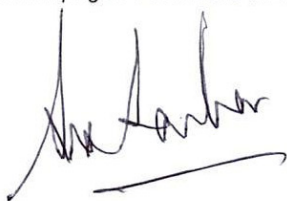
Chief Financial Officer

Pearl Knitting and Dyeing Industries Ltd.
Statement of profit or loss and other comprehensive income

For the year ended 31 March

<i>In Taka</i>	<i>Note</i>	2025	2024
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other income/(expense)		-	-
Administrative, selling and distribution expenses		-	-
Operating profit		-	-
Finance income		-	-
Finance costs		-	-
Net finance costs		-	-
Profit before tax		-	-
Deferred tax income		-	-
Current tax expense		-	-
Profit for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The notes on pages 7 to 20 are an integral part of these financial statements.



Director



Chief Financial Officer

Pearl Knitting and Dyeing Industries Ltd.
Statement of changes in equity

For the year ended 31 March 2025			
<i>In Taka</i>	Share capital	Retained earnings	Total
Balance at 1 April 2023	-	-	-
Adjusted balance as at 1 April 2023	-	-	-
Total comprehensive income for the year			
Profit for the year	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners of the Company			
Contributions and distributions			
Dividends	-	-	-
Total transactions with owners of the Company	-	-	-
Balance at 31 March 2024	-	-	-
Balance at 1 April 2024	-	-	-
Total comprehensive income for the year			
Profit for the year	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners of the Company			
Contributions and distributions			
Issued Equity Shares	1,214,800	-	1,214,800
Dividends	-	-	-
Total transactions with owners of the Company	1,214,800	-	1,214,800
Balance at 31 March 2025	1,214,800	-	1,214,800

The notes on pages 7 to 20 are an integral part of these financial statements.

Pearl Knitting and Dyeing Industries Ltd.
Statement of cash flows

<i>In Taka</i>	<i>Note</i>	For the year ended 31 March	
		2025	2024
Cash flows from operating activities			
Profit for the year		-	-
Adjustment for:			-
Changes in:			
- Trade and other payables		350,707	-
Cash generated from operating activities		350,707	-
Net cash from operating activities		350,707	-
Cash flows from investing activities			
Capital work-in-progress		(351,668)	-
Net cash used in investing activities		(351,668)	-
Cash flows from financing activities			
Proceeds from Equity shares	7	1,214,800	-
Dividend paid		-	-
Net cash used in financing activities		1,214,800	-
Net increase in cash and cash equivalents		1,213,839	-
Opening balances		-	-
Closing balances	6	1,213,839	-

The notes on pages 7 to 20 are an integral part of these financial statements.

Pearl Knitting and Dyeing Industries Ltd.

Notes to the financial statements

1. Reporting entity

Pearl Knitting and Dyeing Industries Ltd. is a Private Company Limited by Shares incorporated on 23 March 2025 under the Companies Act, 1994. Pearl Global Industries Ltd, India is the parent company which holds 99.90122% of the shares of the company. This entity is the ultimate controlling party of the company. Mr. Deepak Kumar Seth holds 0.09878% of the shares of the company.

The address of the company's registered office is at BGMEA Complex (East Tower, 7th Floor), Plot-7/7A, Block-H1, Sector-17, Uttara, Dhaka-1230, Dhaka.

The Company's operates for producing knit fabrics, dyeing and printing and for the purpose of exporting the same.

The Company is yet to commence its commercial operation as on 31st March 2025.

2. Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

Comparative figures have been rearranged/reclassified wherever considered necessary, to ensure better comparability with the current year financial statements and to comply with relevant IFRSs.

Details of the Company's accounting policies, including changes thereto, are included in Note 13.

3. Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT/Taka/Tk.), which is the Company's functional currency. All amounts have been rounded to the nearest taka, unless otherwise indicated.

4. Use of judgements and estimates

The preparation of the financial statements requires management to make judgments and estimates 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 estimates are recognised prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

Lease term: whether the Company is reasonably certain to exercise extension option.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following Note:

Notes to the financial statements (continued)

5. Capital work-in-progress

<i>In Taka</i>	31 March 2025	31 March 2024
Pre-operating expenses		
Opening Balance	-	-
Addition during the year	351,668	-
Transfer/adjustment during the year	-	-
Pre-operating expenses	351,668	-

6. Cash and cash equivalents

<i>In Taka</i>	31 March 2025	31 March 2024
Bank balances	1,213,839	-
Cash in hand	-	-
Cash and cash equivalents in the statement of financial position	1,213,839	-
Bank overdrafts repayable on demand and used for cash management purposes	-	-
Cash and cash equivalents in the statement of cash flows	1,213,839	-

A. Bank balances

City bank Current Ac	1,213,839	-
	1,213,839	-

7. Share capital

<i>In Taka</i>	31 March 2025	31 March 2024
Issued, subscribed and paid up:		
12,148 ordinary shares of Tk. 100 each	1,214,800	-
	1,214,800	-

A. Authorised

15,00,000 ordinary shares of Tk.100 each	150,000,000	-
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B. Percentage of shareholding

Name of the shareholders	Number of shares	Value of shares in Taka	Percentage of holding
31 March 2025			
Pearl Global Industries Ltd.	12,136	1,213,600	99.9012%
Mr. Deepak Kumar Seth	12	1,200	0.0988%
	12,148	1,214,800	100%
31 March 2024			
Pearl Global Industries Ltd.	-	-	0%
Mr. Deepak Kumar Seth	-	-	0%
	-	-	0%

C. Dividend

The company is yet to start its commercial operations.

8. Trade and other payables - external

<i>In Taka</i>	<i>Note</i>	31 March 2025	31 March 2024
Other payables	8.(A)	350,707	-
		350,707	-
A. Other payables			
Accrued expenses		350,633	-
Others		74	-
		350,707	-

Notes to the financial statements (continued)

9. Contingent liabilities

A. Letter of credit

There are no contingent liabilities.

B. Bank guarantee

There are no Bank Guarantee.

10. Commitments

As of 31 March 2025, the company doesn't have any financial commitment.

11. Events after the reporting date

There is no other significant event after the reporting period that requires either disclosure of or adjustment to these financial statements.

12. Basis of measurement

The financial statements of the Company have been prepared on historical cost basis except for net defined benefit asset/ liability (employee benefits) for which the measurement basis is the fair value of plan assets less the present value of the defined benefit obligation and inventories which are measured at lower of cost and net realised value.

13. Material accounting policies

The Company has adopted the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Whenever particular policy related elements will be added in the Financial statements, the company is expected to adopt below policies.

In addition, the Company adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 April 2024. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in Note 15 in certain instances.

Certain comparative amounts in the statement of profit or loss and OCI have been rearranged whenever considered necessary to conform to current period's presentation.

Set out below is an index of the material accounting policies, the details of which are available on the following pages:

- A. Foreign currency
- B. Revenue from contracts with customers
- C. Employee benefits
- D. Finance income and finance costs
- E. Income tax
- F. Inventories
- G. Property, plant and equipment
- H. Capital work-in-progress
- I. Financial instruments
- J. Share capital
- K. Impairment
- L. Provisions
- M. Leases
- N. Operating profit
- O. Events after the reporting period

A. Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Foreign currency differences arising on translation are recognised in the profit or loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

B. Revenue from contracts with customers

i. Sale of goods

The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

13. Material accounting policies (continued)

B. Revenue from contracts with customers (continued)

i. Sale of goods (continued)

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns, trade discounts and volume rebates.

ii. Other income

Sale of scrap and wastage at plant and other non-productive materials are recognised in the profit or loss as other income. Moreover, gain and losses on sale of property, plant and equipment are also recognised as other income or expense.

C. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

ii. Defined benefit plan (gratuity)

Defined benefit plan is a retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and/or year of services. The recognised Employees' Gratuity Fund is considered a defined benefit plan when it meets the recognition criteria. The Company's obligation is to provide the agreed benefits to current employees as per condition of the fund.

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

13. Material accounting policies (continued)

D. Finance income and finance costs

The company's finance income and expense costs include:

- interest income;
- interest expense;
- the foreign currency gain and loss on financial assets and financial liabilities; and
- interest on lease liability

Net finance income/ costs are recognised in the profit or loss.

E. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable 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. It is measured using tax rates enacted or substantively enacted at the reporting date. Provision for current tax expense has been made on the basis of Income Tax Act, 2023 (as amended to date). 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 amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

ii. Deferred tax (continued)

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. 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.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset only if certain criteria are met. Deferred tax assets and liabilities are offset if there is legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

13. Material accounting policies (continued)

F. Inventories

The cost of inventories is based on the above principle 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 case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Goods in transit represents the cost incurred up to date of the statement of financial position for the items that were not received till the date of statement of financial position.

G. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing cost (if any), less accumulated depreciation and any accumulated impairment loss. Cost includes expenditures that are directly attributable to the acquisition of the assets.

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

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

iii. Depreciation

Items of property, plant and equipment are depreciated from the month they are available for use while no depreciation is charged for the month in which an asset is disposed of.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated except for leasehold land.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. Impairment

An assessment is made before the end of each annual accounting period to determine whether there is any indication that any of the Company's property, plant and equipment is impaired.

H. Capital work-in-progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use. Capital work-in-progress is recorded at cost to the extent of expenditure incurred to the date of statement of financial position. The amount of capital work-in-progress is transferred to appropriate asset category and depreciated when the asset is completed and commissioned.

13. Material accounting policies (continued)

i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Recognition and initial measurement

Trade receivables and debt securities issued 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, 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

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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.

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.

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

13. Material accounting policies (continued)

i. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

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. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using 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.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets includes cash and cash equivalents and trade and other receivables.

13. Material accounting policies (continued)

I. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all cash deposits with maturities of three months or less 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.

(b) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Financial liability

All financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include trade and other payables, loans and borrowings and bank overdraft (if any).

(a) Trade and other payables

The Company recognises a trade and intercompany payables when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

(b) Interest-bearing loans and borrowings

Principal amounts of the loans and borrowings are stated at cost. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(c) Bank overdraft

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

J. Share capital

Only ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Paid up share capital represents total amount contributed by the shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings.

13. Material accounting policies (continued)

K. Impairment

i. Non-derivative financial assets

Financial assets not classified as at FVTPL, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset which can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the entity on terms that the entity would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

ii. Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill (if any) is tested annually for impairment.

For impairment testing, assets 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. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. For this purpose the entity may be considered as single cash generating unit. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, 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 or amortisation, if no impairment loss had been recognised.

L. Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation. 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.

13. Material accounting policies (continued)

M. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

i. 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 to separate non-lease components and account for the lease and non-lease components separately.

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 using 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 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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rate from various external financing source 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.

13. Material accounting policies (continued)

M. Leases (continued)

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.

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.

N. Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

O. Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

14. Going concern

The financial statements of the Company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern. Management is not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, which is most unlikely though yet considering overall perspectives.

15. Accounting standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 April 2024 and earlier application is permitted; the Company has not early adopted the new or amended standards in preparing these financial statements. However, this has no financial impact on the financial position of the Company during the year.

A. IFRS 18 presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

Notes to the financial statements (continued)

- Management defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

B. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Company's financial statements.

- Lack of Exchangeability (Amendments to IAS 21)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)