



Statement of comprehensive income

For the year ended 31 March 2021

\$AUD	Notes	2021	2020
Revenue from contracts with customers		-	-
Foreign exchange gains		1,693,757	-
		<u>1,693,757</u>	-
Expenses			
Consultancy fees		-	-
Contractor costs		-	-
Depreciation and amortisation		-	-
Electricity costs		-	-
Employee benefit expense		-	-
Insurance		-	-
Other operating expenses		(2,103)	-
Other general and administrative expenses		(86,601)	-
Finance expense		-	-
Profit before tax		<u>1,605,053</u>	-
Income tax expense		(481,516)	-
Profit / (Loss) for the period		<u>1,123,537</u>	-
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income/loss for the period, net of tax		<u>1,123,537</u>	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.



Statement of financial position

As at 31 March 2021

\$AUD	Notes	2021	2020
Assets			
Current assets			
Cash and cash equivalents		462,885	-
Trade and other receivables	3	2,439,298	19,517
Prepayments		-	10,000
Total current assets		2,902,183	29,517
Non-current assets			
Property, plant and equipment	4	51,869,462	424,853
Deferred tax assets		-	-
Total non-current assets		51,869,462	424,853
Total assets		54,771,645	454,370
Liabilities			
Current liabilities			
Trade and other payables	5	9,378,023	403,260
Loans from related parties	6	43,684,204	-
Employee benefit liabilities		102,365	49,110
Income tax payable		-	-
Total current liabilities		53,164,592	452,370
Non-current liabilities			
Deferred tax liabilities		481,516	-
Total non-current liabilities		481,516	-
Total liabilities		53,646,108	452,370
Net assets		1,125,537	2,000
Equity			
Issued capital	7	2,000	2,000
Retained earnings		1,123,537	-
Total equity		1,125,537	2,000

The above statement of financial position should be read in conjunction with the accompanying notes.



Statement of changes in equity

For the year ended 31 March 2021

\$AUD	Issued Capital	Retained Earnings	Total Equity
At 1 April 2020	2,000	-	2,000
Profit for the period	-	1,123,537	1,123,537
Other comprehensive income	-	-	-
Total comprehensive income	-	1,123,537	1,123,537
At 31 March 2021	2,000	1,123,537	1,125,537
At 1 April 2019	-	-	-
Profit for the period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Issue of Share Capital	2,000	-	2,000
At 31 March 2020	2,000	-	2,000

The above statement of changes in equity should be read in conjunction with the accompanying notes.



Statement of cash flows

For the year ended 31 March 2021

\$AUD	2021	2020
Operating activities		
Receipts from customers	17,517	-
Payments to suppliers and employees	(403,260)	-
Interest income received	-	-
Interest paid	-	-
Income tax paid	-	-
Net cash from (used in) operating activities	(385,743)	-
Investing activities		
Purchase of property, plant and equipment	(44,570,069)	-
Purchase of intangible assets	-	-
Net cash outflow from investing activities	(44,570,069)	-
Financing activities		
Issue of share capital	2,000	-
Payment of principal portion of lease liabilities	-	-
Proceeds from borrowings	45,416,697	-
Net cash inflow from financing activities	45,418,697	-
Net increase/(decrease) in cash and cash equivalents	462,885	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	462,885	-

The above statement of cash flows should be read in conjunction with the accompanying notes.



Notes to the financial statement

1. Corporation information

Bowen Rail Company Pty Ltd is a company limited by shares that is incorporated and domiciled in Australia. The ultimate parent of the Company is Adani Ports and Special Economic Zone Limited ("APSEZ").

The registered office and nature of operations and principal activities are described in the directors' report.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The special purpose reporting package of Bowen Rail Company Pty Ltd (the 'Company') for the year ended 31 March 2021 was authorised for issue in accordance with a resolution of the directors on 23 April 2021.

2.1 Basis of preparation

(i) Statement of compliance

The financial reporting package ("financial report") is a special purpose financial report and has been prepared for distribution to the members and to meet the directors' financial reporting requirements to the Company's ultimate parent entity, APSEZ.

The financial report is prepared for the purpose of providing financial information to APSEZ to enable it to prepare its financial report for the year ended 31 March 2021.

The directors have determined that in order for the year-end financial report to meet the Company's financial reporting requirements to APSEZ and present fairly Group's financial position as at 31 March 2021 and its financial performance and cash flow for the year then ended, the requirements of the Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board relating to the recognition and measurement of assets, liabilities, revenues, expenses and equity should be complied with.

Where necessary, comparative figures have been reclassified to conform with the changes in presentation in the current period. The financial report is prepared in accordance with the historical cost convention and is presented in Australian dollars (\$).

(ii) Going Concern

The ability of the Company to continue as a going concern is dependent upon the ongoing support of its shareholders and loan facilities held with Adani Mining Pty Ltd, Bowen Rail Operations Pte Ltd, and Abbot Point Port Holdings Pte Ltd.

To date the project development and operations of the Company have been funded with loans from Adani Mining Pty Ltd and Bowen Rail Operations Pte Ltd. Both entities have confirmed in writing they will not demand the payment of the loans or any amounts due from the Company for a period of at least 12 months from the date of authorising the 31 March 2021 financial report for issue.

On 15 April 2021 (refer note 10), the Company has executed a new loan facility in the amount of USD \$100 million with Abbot Point Port Holdings Pte Ltd. This new committed and undrawn loan



facility is interest bearing and has a term of 5 years. The new loan will fund the Company's project development activities and operations for a period of at least 12 months from the date of authorising the 31 March 2021 financial report for issue.

On the basis of the loan facilities are available to the Company, the Directors of the Company are satisfied it will be able to continue as a going concern and to meet its planned activities and contractual commitments for at least 12 months from the date of authorising the 31 March 2021 financial report for issue.

2.2 Changes in accounting policies, disclosures, standards and interpretations

Accounting Standards and Interpretations issued but not yet effective.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the reporting period ended 31 March 2021. The directors have not early adopted any of these new or amended standards or interpretations.

2.3 Summary of significant accounting policies

a) Trade and other receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

For trade receivables, the Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

b) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

c) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

d) Contributed equity

Ordinary shares and additional capital contributions are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part
- When receivables and payables are stated with the amount of GST included



The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3. Trade and other receivables

\$AUD	2021	2020
Current		
Amounts due from Bowen Rail Pte Ltd	-	2,000
Amounts due from Carmichael Rail Network Pty Ltd	38,101	-
Amounts due from Queensland Tugs Services Pty Ltd*	1,957,993	-
Other receivables	443,204	17,517
	2,439,298	19,517

*formerly known as North West Rail Pty Ltd

4. Property, plant, and equipment

\$AUD	Property, plant, and equipment	Office equipment	Work in progress	Total
Cost				
At 1 April 2020	-	-	424,853	424,853
Additions	-	-	51,444,609	51,444,609
Disposals	-	-	-	-
At 31 March 2021	-	-	51,869,462	51,869,462
Depreciation				
At 1 April 2020	-	-	-	-
Depreciation for the period	-	-	-	-
At 31 March 2021	-	-	-	-
Net book value				
At 31 March 2021	-	-	51,869,462	51,869,462
At 31 March 2020	-	-	424,853	424,853



5. Trade and other payables

\$AUD	2021	2020
Current		
Amounts due to Adani Mining Pty Ltd	-	-
Amounts due to Abbot Point Operations Pty Ltd	333,362	-
Amounts due to Queensland Tugs Services Pty Ltd*	-	403,260
Other payables	9,044,661	-
	9,378,023	403,260

*formerly known as North West Rail Pty Ltd

6. Loans from related parties

\$AUD	2021	2020
Current		
Bowen Rail Operations Pte Ltd	32,754,538	-
Adani Mining Pty Ltd	10,929,666	-
	43,684,204	-

On 7 September 2020, the Company entered into a USD \$30 million loan facility agreement with Bowen Rail Operations Pte Ltd, a related party. Under this facility the Company has drawn down the amount of USD \$24.9 million as at end of 31 March 2021.

The loan is repayable on demand, however Bowen Rail Operations Pte Ltd have confirmed that it would not demand the payment of any amounts due from the Company for a period of at least 12 months from the date of the Financial Reports of 31 March 2021.

On 9 September 2020, the Company entered into a USD \$10 million loan facility agreement with Adani Mining Pty Ltd, a related party. This was subsequently amended to a USD \$14 million loan facility on 30 March 2021. Under this facility the Company has drawn down the amount of USD \$8.3 million as at end of 31 March 2021.

The loan is repayable on demand, however Adani Mining Pty Ltd have confirmed that it would not demand the payment of any amounts due from the Company for a period of at least 12 months from the date of the Financial Reports of 31 March 2021.

7. Issued Capital

\$AUD	2021	2020
2,000 authorised and fully paid ordinary shares	2,000	2,000



Movement in ordinary shares (#)	2021	2020
Opening Balance	2,000	-
Issued during the year	-	2,000
End of financial year	2,000	2,000

8. Related party disclosures

Parent Entities

The Company is controlled by the following entity:

Name		Ownership Interest	
		2021	2020
Adani Ports & Special Economic Zone Ltd	Ultimate parent entity and controlling party	100%	100%
Bowen Rail Operations Pte Ltd	Parent entity	100%	100%

Outstanding balances arising from sales of goods and services

The following table provides the total amount of transactions that have been entered into with related parties for the year ended 31 March 2021.

\$AUD		Sales to related parties	Purchases from related parties
Ultimate parent group entities			
Queensland Tugs Services Pty Ltd	2021	-	41,434,452
	2020	-	403,260
Adani Mining Pty Ltd	2021	-	523,493
	2020	-	-
Abbot Point Operations Pty Ltd	2021	-	1,295,445
	2020	-	-
Carmichael Rail Network Pty Ltd	2021	38,101	745,018
	2020	-	-

Key Management Personnel

The company received key management personnel services provided by other related entities.



9. Contingencies

Contingent liabilities

The directors are not aware of any contingent liabilities or commitments at 31 March 2021 (31 March 2020: \$nil).

10. Subsequent events

On 15 April 2021, Bowen Rail Company entered into a Loan Agreement with Abbot Point Port Holdings Pte Ltd in the amount of US\$100M to fund the remainder the project development expenditure. At the date of this report no drawdown has been made against this facility.

On 21 April 2021, Bowen Rail Company further amended its loan facility agreement with Adani Mining Pty Ltd to USD \$20 million.

There have been no other significant events occurring after the reporting period which may affect either the Company's operations or results or those operations or the Company's state of affairs.



Directors' declaration

In accordance with a resolution of the directors of Bowen Rail Company Pty Ltd, I state that:

In the opinion of the directors:

- a) the Company is not a reporting entity as defined in the Australian Accounting Standards;
- b) the financial statements and notes of the Bowen Rail Company Pty Ltd for the year ended 31 March 2021.
 - (i) present fairly the Company's financial position as at 31 March 2021 and its performance for the year ended 31 March 2021 on that date; and
 - (ii) comply with Australian Accounting Standards to the extent described in note 2.1 to the financial statements
- c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Yi Shiu Trista Brohier
Director
27 April 2021



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Independent Auditor's Report to the Members of Bowen Rail Company Pty Ltd

Opinion

We have audited the financial reporting package, being a special purpose financial report, of Bowen Rail Company Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial reporting package presents fairly, in all material respects, the financial position of the Company as at 31 March 2021 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 2 to the financial reporting package.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial reporting package in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to Note 2 to the financial reporting package which describes the basis of accounting. The financial reporting package is prepared for purpose of providing information to Adani Ports and Special Economic Zone Limited ("parent entity") to enable it to prepare the group financial statements. As a result, the financial reporting package may not be suitable for another purpose. Our report is intended solely for the Company and the parent entity (collectively the Recipients) and should not be distributed to parties other than the Recipients. Our opinion is not modified in respect of this matter.



Other Information

The directors are responsible for the other information. The other information is the directors' report accompanying the financial reporting package.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Reporting Package

The directors of the Company are responsible for the preparation and fair presentation of the financial reporting package and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet Company's financial reporting requirements to its parent entity and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial reporting package that is free from material misstatement, whether due to fraud or error.

In preparing the financial reporting package, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Reporting Package

Our objectives are to obtain reasonable assurance about whether the financial reporting package as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards 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 this financial reporting package.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reporting package or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial reporting package, including the disclosures, and whether the financial reporting package represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'Ernst + Young' followed by a stylized signature.

Ernst & Young
Brisbane
27 April 2021