

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED

(REGISTRATION NUMBER 11163)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2022**

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	Malawi
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Investment in various projects
DIRECTORS	Anibal Leite Ricardo Almeida Carlos Galego
REGISTERED OFFICE	Nasra House, City Centre, P.O. Box 31379, Lilongwe 3, Malawi
AUDITORS	PKG Associates Chartered Accountants Registered Auditors P.O. Box 1929, Lilongwe, Malawi
COMPANY REGISTRATION NUMBER	11163
TAX REFERENCE NUMBER	20194502
LEVEL OF ASSURANCE	These financial statements have been audited in compliance with the applicable requirements of the Malawi Companies Act.

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Malawi Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.


The directors have reviewed the company's cash flow forecast for the year to 31 December, 2023 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The financial statements set out on page 9 - 19, which have been prepared on the going concern basis, were approved by the board of directors on 22 June, 2023 and were signed on their behalf by:

Approval of financial statements


Director


Director

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022
DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of Motal-Engil Investments (Malawi) Limited for the year ended 31 December, 2022.

1. INCORPORATION

The company was incorporated on 2 March, 2011 and obtained its certificate to commence business on the same day.

The company is domiciled in Malawi where it is incorporated as a private company limited by shares under the Malawi Companies Act. The address of the registered office is set out on page 1.

The Company is a wholly owned subsidiary of Mota-Engil Africa SGPS and is part of the ME Group a Portuguese multinational organisation that controls MEIML and Mota-Engil Africa SGPS.

2. DIRECTORS

Anibal Leite – Date of Appointment: 16-02-2016

Engineer by profession who has overseen Malawi operations for the past 7 years and has been with the Mota-Engil Group for over 25 years. He is Board Member for Mota-Engil Engenharia e Construção Africa.

Ricardo Almeida – Date of Appointment: 26-06-2021

Economist with more than 16 years of experience with the Mota-Engil Group in 4 continents, has been established in Malawi for the past 7 years.

Carlos Galego – Date of Appointment: 26-10-2022

Carlos Galego is and Engineer and Project Manager who has successfully driven engineering and mining contracting projects in South Africa also working with the Mota-Engil Group for the past several years.

3. NATURE OF BUSINESS

Mota-Engil Investments (Malawi) Limited was incorporated in Malawi with interests in the Investment holding industry. The company operates in Malawi.

The Project comprises two exploration licences that were granted on 26 and 27 September 2022 respectively, for a period of three years being:

1. EL0670/22 over an area of 865.86km².
2. EL0671/22 over an area of 12.84km².

These licences grant the Company exclusive rights to carry out exploration for Heavy Mineral Sands over the total tenement area of 878.7km² for the three-year period of the grant, with the option to extend in accordance with section 119 of the Mines and Minerals Act of Malawi.

Other than the above there have been no material changes to the nature of the company's business from the prior year.

4. OPERATING RESULTS

The Company did not have any income during the financial year (2021 Nil). The loss from operations was MWK11,012,891 (2021MWK8,832,444). Cash reserves were MWK 50,000,000 (2021: MWK50,000,000) representing no change.

5. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year there were no significant changes in the state of affairs of the Entity other than disclosed in the Financial Report.

6. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

DIRECTORS' REPORT

7. ENVIRONMENTAL ISSUES

The Company's environmental obligations are regulated under the Malawi Environment Management Act (No. 19 of 2017). The Company has a policy of complying with its environmental performance obligations. No environmental breaches have been notified to the Company to the date of this report.

8. OPTIONS

No options over issued shares or interests in the controlled entity were granted during or since the end of the financial year, and there were no options outstanding as at the date of this report.

9. DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

10. SHARE CAPITAL

AUTHORISED Ordinary shares			2022	2021
			Number of shares	
			50,000,000	50,000,000
ISSUED Ordinary shares	2022	2021	2022	2021
	MK	MK	Number of shares	
	50,000,000	50,000,000	50,000,000	50,000,000

Refer to note 2 of the financial statements for detail of the movement in authorised and issued share capital.

11. RELATED PARTY TRANSACTIONS

During the year related parties of the Company paid the amount MWK 9,287,000 (2021: MWK 50,000) which in accordance with the Group policy has been capitalized in the Group companies accounts and no liability has been assigned to MEIML.

12. EVENTS AFTER THE REPORTING PERIOD

In June 2023 the Company and its parent have entered an agreement with Chilwa Minerals Limited, an Australian Company, to transfer the Exploration Licences to Chilwa Minerals Africa Limited. As at the date of signing these accounts the transaction has not been finalized.

On 1 June 2023, the shares registered to the Company in Liwonde Logistics Platform Limited company have been transferred to another Mota-Engil Group company also incorporated in Malawi. Liwonde has been dormant since incorporation.

No other matters or circumstances have arisen since the end of the financial year which significantly altered or may significantly alter the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in financial years subsequent to 31 December 2022.


13. LITIGATION STATEMENT

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022
DIRECTORS' REPORT

The financial statements set out on page 9 - 15, which have been prepared on the going concern basis, were approved by the board of directors on 22 June 2023, and were signed on its behalf by:

Approval of financial statements



**Director
Executive
22 June 2023**



**Director
Executive
22 June 2023**

Independent Auditor's Report
To the members of Mota-Engil Investments (Malawi) Limited

Opinion

We have audited the annual financial statements of Mota-Engil Investments (Malawi) Limited (the company) set out on pages 9 to 15, which comprise the statement of financial position as at 31 December, 2022, 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 annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Mota-Engil Investments (Malawi) Limited as at 31 December, 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Malawi Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Malawi. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Malawi. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Mota-Engil Investments (Malawi) Limited annual financial statements for the year ended 31 December, 2022", which includes the Directors' Report as required by the Malawi Companies Act and the supplementary information as set out on page 16. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

Mota-Engil Investments (Malawi) Limited
Independent Auditor's Report (continued)

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Malawi Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error. In preparing the annual financial statements, the directors are 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 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 Annual Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 disclosure 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 annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Mota-Engil Investments (Malawi) Limited
Independent Auditor's Report (continued)

- 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 finding, including any significant deficiencies in internal control that we identify during our audit.



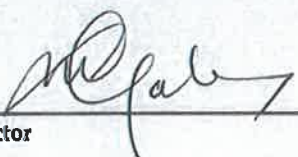
Padmakumar K.N
Chartered Accountant.


Lilongwe
Date: 22nd June 2023

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2022

	Note(s)	2022 MK	2021 MK
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		50,000,000	50,000,000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	2	50,000,000	50,000,000
Accumulated loss		(41,940,000)	(30,927,109)
		8,060,000	19,072,891
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	3	41,940,000	30,927,109
Total Equity and Liabilities		50,000,000	50,000,000

The financial statements and the notes on pages 4 to 15, were approved by the board of directors on the 22 June, 2023 and were signed on its behalf by:


 Director


 Director

The notes on pages 13 - 20 form an integral part of the financial statements.

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2022 MK	2021 MK
Revenue		-	-
Cost of sales		-	-
Other operating expenses		(11,012,891)	(8,832,444)
Loss before taxation		(11,012,891)	(8,832,444)
Taxation		-	-
Total comprehensive loss for the year		(11,012,891)	(8,832,444)

The notes on pages 13 - 19 form an integral part of the financial statements.

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
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STATEMENT OF CHANGES IN EQUITY

	Share capital	Accumulated loss	Total equity
	MK	MK	MK
Balance at 1 January, 2021	50,000,000	(22,094,665)	27,905,335
Total comprehensive Loss for the year	-	(8,832,444)	(8,832,444)
Balance at 1 January, 2022	50,000,000	(30,927,109)	19,072,891
Total comprehensive Loss for the year	-	(11,012,891)	(11,012,891)
Balance at 31 December, 2022	50,000,000	(41,940,000)	8,060,000

Note(s)

2

The notes on pages 13 – 20 form an integral part of the financial statements.

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

STATEMENT OF CASH FLOWS

	Note(s)	2022 MK	2021 MK
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(11,012,891)	(8,832,444)
CHANGES IN WORKING CAPITAL:			
Increase (decrease) in trade and other payables		11,012,891	8,832,444
Cash generated from operations		-	-
Cash and cash equivalents at the beginning of the year		50,000,000	50,000,000
Cash and cash equivalents at the end of the year		50,000,000	50,000,000

The notes on pages 13 – 20 form an integral part of the financial statements.

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022
NOTES TO THE FINANCIAL STATEMENTS

CORPORATE INFORMATION

Motal-Engil Investments (Malawi) Limited is a private limited company incorporated and domiciled in Malawi.

The financial statements for the year ended 31 December, 2022 were authorised for issue in accordance with a resolution of the directors on 22 June, 2023.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the Malawi Companies Act.

Malawian Accounting Standards set out accounting policies that result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Malawian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and going concern basis, and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Malawi Kwachas, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements of any pending changes to legislation which may affect the company.

1.3. FINANCIAL INSTRUMENTS

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows: Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal,

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022

NOTES TO THE FINANCIAL STATEMENTS

1.3 FINANCIAL INSTRUMENTS (continued)

- and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

1.4. OPERATING SEGMENTS

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

1.5. REVENUE RECOGNITION

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022
NOTES TO THE FINANCIAL STATEMENTS

1.6. CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

1.7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.8. SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9. TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

1.10. MINERAL EXPLORATION, EVALUATION AND DEVELOPMENT

Mineral exploration and evaluation costs incurred are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

In the interim period all explorations expenditure amounts incurred for but paid by other entities, within the ME Group, are capitalized and carried forward at the group level.

Once technical feasibility and commercial viability of the extraction of mineral resources in an area of interest is demonstrable, exploration and evaluation assets attributed to that area of interest are first tested for impairment and then reclassified from exploration and evaluation to development.

Once a mining project has been established as commercially viable and technically feasible, expenditure other than that on land, buildings, plant and equipment is capitalised as development. Development includes previously capitalised exploration and evaluation costs, pre-production development costs, development studies and other subsurface expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant, and equipment.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration, evaluation and development assets in relation to an area may still be written off if it is considered appropriate to do so.

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022
NOTES TO THE FINANCIAL STATEMENTS

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of the mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

1.11. IMPAIRMENT OF ASSETS

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including, where applicable, dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisitions profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

1.12. BORROWINGS

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

1.13. PROVISIONS

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

1.14. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Functional and Presentation Currency

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Malawian Kwacha (MWK) which is the parent entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income,

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NOTES TO THE FINANCIAL STATEMENTS

except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the year; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Malawian Kwacha are recognised in Other Comprehensive Income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the year in which the operation is disposed.

1.15. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates

(i) Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using calculations which incorporate various key assumptions.

Key Judgements

(i) Exploration, Evaluation, and Development

The Company capitalises expenditure relating to exploration and evaluation costs where they are considered to be likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The future recoverability of capitalised exploration and evaluation costs are dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the year in which this determination is made.

1.16. NEW AND REVISED ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

There are a number of new and revised Accounting standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee adopted by Institute of Chartered Accountants in Malawi that are not yet mandatorily applicable to the Group and have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early.

These standards are not expected to have a material impact on the Company in the current or future reporting periods.

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2022
NOTES TO THE FINANCIAL STATEMENTS

	2022 MK	2021 MK
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2. SHARE CAPITAL

AUTHORISED

50,000,000 Ordinary shares of MK 1 each	50,000,000	50,000,000
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ISSUED

Ordinary	50,000,000	50,000,000
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3. TRADE AND OTHER PAYABLES

Financial instruments:

Other payables	41,940,000	30,927,109
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FINANCIAL INSTRUMENT AND NON-FINANCIAL INSTRUMENT COMPONENTS OF TRADE AND OTHER PAYABLES

At amortised cost	41,940,000	30,927,109
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4. EXPLORATION ASSETS

Balance at beginning of financial year	-	-
Foreign exchange movement	-	-
Exploration and evaluation expenditure at cost	-	-
Exploration and evaluation expenditure written off	-	-
Balance at end of financial year (i)	-	-

All expenditure in relation to the Company's Exploration licences was paid by another entity within the ME Group and was accounted for at Group level in accordance with the policy of that entity. .

5. CONTROLLED ENTITIES

The following were controlled entities at balance date and have been included in the consolidated financial statements. All shares held are ordinary shares.

Name	Country of Incorporation	Percentage Interest Held 2021 %	Percentage Interest Held 2022 %
Parent Entity:			
MEIML			
Subsidiaries of MEIML :			
Liwonde Logistics Platform Limited	Malawi	51	51

The entity Liwonde Logistics Platform Limited was a controlled entity as at the balance date and is included in the accounts. This company has been dormant and has had no activities since incorporation.

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6. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors is satisfied is that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors is not aware of any new material changes that may adversely impact the company. The directors is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. CONTINGENT LIABILITIES

The Company does not have any contingent liabilities at the reporting date.

8. EVENTS AFTER THE REPORTING PERIOD

In June 2023 the Company and its parent have entered an agreement with Chilwa Minerals Limited, an Australian Company, to transfer the Exploration Licences to Chilwa Minerals Africa Limited. As at the date of signing these accounts the transaction has not been finalized.

On 1 June 2023, the shares registered to the Company in Liwonde Logistics Platform Limited company have been transferred to another Mota-Engil Group company also incorporated in Malawi.. Liwonde has been dormant since incorporation.

No other matters or circumstances have arisen since the end of the financial year which significantly altered or may significantly alter the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in financial years subsequent to 31 December 2022

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DETAILED INCOME STATEMENT

	Note(s)	2022 MK	2021 MK
Other operating expenses			
Auditor's remuneration		(11,012,891)	(8,832,444)
Total comprehensive loss for the year		(11,012,891)	(8,832,444)

The notes on page 13 - 19 form an integral part of the financial statements.