

Company Registration No.: 200719277D

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

GENERAL INFORMATION

Directors

Salil Anupendra Chaturvedi
Krishnaveni d/o Sandanam

Company Secretaries

Cheng Lian Siang
Pathima Muncera Azmi

Registered Office

160 Robinson Road
#17-01 SBF Center
Singapore 068914

Independent Auditor

JBS Practice PAC

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

DIRECTORS' STATEMENT

The directors present their statement to the member together with the audited financial statements of Prozone Liberty International Limited (the "Company") for the financial year ended 31 March 2018.

In the opinion of the directors,

- (a) the accompanying financial statements of the Company together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of its financial performance, changes in equity and cash flows for the financial year then ended; and
- (b) at the date of this statement, on the understanding that continuing financial support will be provided by its holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Salil Anupendra Chaturvedi
Krishnaveni d/o Sandanam

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations at the beginning and end of the financial year as recorded in the register of directors' shareholdings kept by the Company for the purpose of Section 164 of the Singapore Companies Act, Chapter 50.

PROZONE LIBERTY INTERNATIONAL LIMITED
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DIRECTORS' STATEMENT (...CONT'D)

SHARE OPTIONS

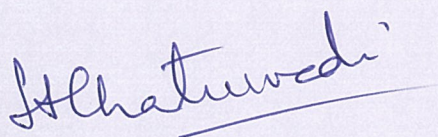
There were no share options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.


There were no unissued shares of the Company under option at the end of the financial year.

INDEPENDENT AUDITOR

The independent auditor, Messrs JBS Practice PAC has expressed its willingness to accept re-appointment.



Salil Anupendra Chaturvedi
Director



Krishnaveni d/o Sandanam
Director

13 September 2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PROZONE LIBERTY INTERNATIONAL LIMITED**

(Incorporated in Singapore)

Report on the Audit of the Financial Statements*Opinion*

We have audited the accompanying financial statements of PROZONE LIBERTY INTERNATIONAL LIMITED (the "Company") as set out on pages 8 to 31, which comprise the statement of financial position as at 31 March 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the General Information set out on page 1, the Directors' Statement set out on pages 2 to 3, and the accompanying schedule of Operating Expenses.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PROZONE LIBERTY INTERNATIONAL LIMITED (...CONT'D)**
(Incorporated in Singapore)

Report on the Audit of the Financial Statements (...cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PROZONE LIBERTY INTERNATIONAL LIMITED (...CONT'D)**
(Incorporated in Singapore)

Report on the Audit of the Financial Statements (...cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (...cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PROZONE LIBERTY INTERNATIONAL LIMITED (...CONT'D)**
(Incorporated in Singapore)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

A handwritten signature in blue ink that reads 'JBS Practice PAC' with a horizontal line underneath.

JBS PRACTICE PAC
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore

13 September 2018

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	<u>Note</u>	<u>2018</u> US\$	<u>2017</u> US\$
ASSETS			
Current assets			
Cash and cash equivalents	5	12,371	13,355
Other receivables	6	6,846	6,846
		<u>19,217</u>	<u>20,201</u>
Non-current assets			
Investment in subsidiaries	7	54,027,180	54,027,182
Investment in joint venture	8	10,144,214	10,144,214
		<u>64,171,394</u>	<u>64,171,396</u>
Total assets		<u>64,190,611</u>	<u>64,191,597</u>
LIABILITIES			
Current liabilities			
Other payables	9	148,094	122,915
Amount owing to immediate holding company	10	262,038	249,815
		<u>410,132</u>	<u>372,730</u>
Total liabilities		<u>410,132</u>	<u>372,730</u>
NET ASSETS		<u>63,780,479</u>	<u>63,818,867</u>
SHAREHOLDER'S EQUITY			
Share capital	11	61,474,094	18,497,692
Equity loan	12	-	42,976,402
Capital reserve	13	1,814,067	1,814,067
Retained earnings		492,318	530,706
TOTAL EQUITY		<u>63,780,479</u>	<u>63,818,867</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	<u>Note</u>	<u>2018</u> US\$	<u>2017</u> US\$
REVENUE			
Other income – professional fees write-back		-	128,032
		-	128,032
EXPENSES			
Operating expenses	14	35,641	31,103
Finance cost	15	2,747	742
		38,388	31,845
(Loss)/profit before income tax		(38,388)	96,187
Income tax expense	16	-	-
Net (loss)/profit, representing total comprehensive (loss)/income for the financial year		(38,388)	96,187

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

PROZONE LIBERTY INTERNATIONAL LIMITED
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**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	<u>Note</u>	<u>Share capital</u> US\$	<u>Equity loan</u> US\$	<u>Capital reserve</u> US\$	<u>Retained earnings</u> US\$	<u>Total</u> US\$
<u>2018</u>						
Balance as at 1 April 2017		18,497,692	42,976,402	1,814,067	530,706	63,818,867
Issuance of ordinary shares	11	42,976,402	(42,976,402)	-	-	-
Net loss, representing total comprehensive loss for the financial year		-	-	-	(38,388)	(38,388)
Balance as at 31 March 2018		<u>61,474,094</u>	<u>-</u>	<u>1,814,067</u>	<u>492,318</u>	<u>63,780,479</u>
<u>2017</u>						
Balance as at 1 April 2016		18,497,692	42,976,402	1,814,067	434,519	63,722,680
Net profit, representing total comprehensive income for the financial year		-	-	-	96,187	96,187
Balance as at 31 March 2017		<u>18,497,692</u>	<u>42,976,402</u>	<u>1,814,067</u>	<u>530,706</u>	<u>63,818,867</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	<u>Note</u>	<u>2018</u> US\$	<u>2017</u> US\$
Operating Activities			
(Loss)/Profit before income tax		(38,388)	96,187
Adjustments for:			
Interest expense		2,747	742
Investment in subsidiaries written off		2	-
Cash flows from operations before changes in working capital		<u>(35,639)</u>	<u>96,929</u>
Working capital changes, excluding changes relating to cash:			
Other payables		<u>25,179</u>	<u>(116,214)</u>
Net cash used in operating activities		<u>(10,460)</u>	<u>(19,285)</u>
 Cash flows from financing activity			
Amount owing to immediate holding company		<u>9,476</u>	<u>24,970</u>
Net cash generated from financing activity		<u>9,476</u>	<u>24,970</u>
 Net (decrease)/increase in cash and cash equivalents		<u>(984)</u>	<u>5,685</u>
Cash and cash equivalents at the beginning of the financial year		<u>13,355</u>	<u>7,670</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>12,371</u></u>	<u><u>13,355</u></u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Prozone Liberty International Limited (the “Company”) (Registration No: 200719277D) is a public company limited by shares, incorporated and domiciled in Singapore. The Company’s registered office and principal place of business is 160 Robinson Road, #17-01 SBF Center, Singapore 068914.

The principal activities of the Company are those of investment holding.

The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The financial statements of the Company for the financial year ended 31 March 2018 were authorised by the directors for issuance on 13 September 2018 .

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”). The financial statements, which are expressed in United States dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are mandatory for application beginning on or after 1 April 2016. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements.

At the date of authorisation of these financial statements, the Company has not applied those FRSs and INT FRSs that have been issued but are effective only in the next financial year. The Company expects that the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

a) Basis of preparation (...cont'd)

These financial statements are separate financial statements of Prozone Liberty International Limited. The Company is exempted from the equity method of accounting for its joint venture and the preparation of consolidated financial statements as the Company is a wholly owned subsidiary of Prozone Intu Properties Limited, a company incorporated in India which produces consolidated financial statements available for public use. The registered office of its ultimate holding company is located at Provogue House, 105/106 Off Link Road, Andheri (W), Mumbai 400053, India.

b) Business combination

Business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Prozone International Limited which was a wholly owned subsidiary of the Company, was amalgamated with the Company with effect from 30 April 2013. Consequently, merger accounting was used in combining the financial statements of the subsidiaries with the financial statements of the Company. The effective date of the merger accounting purposes is the date of incorporation of the subsidiary.

Under the merger accounting, the assets, liabilities, revenue, expenses and cash flows of all the entities are combined. This manner of presentation reflects the economic substance of the combining entities, which were under common control throughout the relevant period, as a single economic enterprise.

c) Currency translation

The financial statements of the Company are measured in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in United States dollars, which is the functional currency of the Company.

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

c) Currency translation (...cont'd)

In preparing the financial statements of the Company, monetary assets and liabilities in foreign currencies are translated into United States dollars at rates of exchange closely approximating to those ruling at the end of the reporting period and transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

d) Financial assets

(i) *Classification*

Financial assets are classified into the following specified categories: financial assets “at fair value through profit or loss”, “loans and receivables”, “held to maturity investments” and “available-for-sale” financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as “cash and cash equivalents” and “other receivables” on the statement of financial position.

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

d) Financial assets (...cont'd)

(ii) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments.

(iii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(iv) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

(v) *Subsequent measurement*

Loans and receivables are subsequently carried at amortised cost using the effective interest method less allowance for impairment.

(vi) *Impairment*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence arises.

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

d) Financial assets (...cont'd)

(vi) *Impairment (...cont'd)*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

Loans and receivables

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank which are subject to an insignificant risk of change in value.

f) Investment in subsidiaries and joint venture

Unquoted equity investment in subsidiaries and joint venture are stated at cost less accumulated impairment losses. On disposal of investment in subsidiaries and joint venture, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

g) Impairment of non-financial assets

Investment in subsidiaries and joint venture

Investment in subsidiaries and joint venture is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment is also credited to profit or loss.

h) Financial liabilities

Financial liabilities are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled and expired.

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

k) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when it affects neither the taxable profit nor the accounting profit at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

k) Income tax (...cont'd)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

l) Related parties

A related party is defined as follows:

- (i) A person or a close member of that person's family is related to the Company if that person:
 - (a) Has control or joint control over the Company;
 - (b) Has significant influence over the Company; or
 - (c) Is a member of the key management personnel of the Company or of a parent of the Company.

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

l) Related parties (...cont'd)

(ii) An entity is related to the Company if any of the following conditions applies:

- (a) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (c) Both entities are joint ventures of the same third party;
- (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (e) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (f) The entity is controlled or jointly controlled by a person identified in (i);
- (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming to FRS requires the use of certain critical accounting estimates, assumptions and judgments in applying the accounting policies. These estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

**3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS
(...CONT'D)**

The following are the critical accounting estimates, assumptions and judgments for preparation of financial statements:

(a) Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies which are described in Note 2 above, management is of the opinion that there are no critical judgements involved, apart from those involving estimations that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of non-financial assets

Investment in subsidiaries and joint venture is tested for impairment whenever there is objective evidence or indication that they may be impaired. The carrying amount of the Company's investment in subsidiaries and joint venture at the end of the reporting period are disclosed in Notes 7 and 8 to the financial statements.

4. GOING CONCERN

As at 31 March 2018, the Company's current liabilities exceeded its current assets by US\$390,915 (2017: US\$352,529). During the financial year, the Company incurred net loss of S\$38,388. Notwithstanding this, the financial statements have been prepared on a going concern basis as the immediate and ultimate holding company has undertaken to provide continuing financial support to enable the Company to meet its financial obligation as and when they fall due, until such time the Company is able to operate on its own financial resources.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (...CONT'D)

5. CASH AND CASH EQUIVALENTS

	<u>2018</u> US\$	<u>2017</u> US\$
Cash at bank	<u>12,371</u>	<u>13,355</u>

Cash at bank are denominated in United States dollars.

6. OTHER RECEIVABLES

	<u>2018</u> US\$	<u>2017</u> US\$
Deposit	<u>6,846</u>	<u>6,846</u>

Other receivables are denominated in Singapore dollars.

7. INVESTMENT IN SUBSIDIARIES

	<u>2018</u> US\$	<u>2017</u> US\$
<u>Unquoted equity investments, at cost</u>		
Balance at beginning of financial year	54,027,182	54,027,182
Written off during the financial year	(2)	-
Balance at end of financial year	<u>54,027,180</u>	<u>54,027,182</u>

The details of the subsidiaries are as follows:

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Percentage of equity held by the Company</u>	
			<u>2018</u>	<u>2017</u>
Prozone Overseas Pte Ltd (⁽¹⁾ "POPL")	Singapore	Investment holding	-	100%
Prozone International Coimbatore Limited ⁽¹⁾ ("PICL")	Singapore	Investment holding	-	100%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (...CONT'D)

7. INVESTMENT IN SUBSIDIARIES (...CONT'D)

The details of the subsidiaries are as follows (...cont'd):

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Percentage of equity held by the Company</u>	
			<u>2018</u>	<u>2017</u>
Hagwood Commercial Developers Private Limited	India	Property developer	61.5%	61.5%
Omni Infrastructure Private Limited	India	Property developer	60.0%	60.0%
Empire Mall Private Limited ⁽²⁾ ("EMPL")	India	Property developer	34.7%	34.7%

- (1) During the year. The Company's wholly owned subsidiaries, POPL and PICL, were struck-off with effect from 7 August 2017.
- (2) As at 8 August 2015, the percentage of equity held in EMPL by the Company has been reduced to 34.7% from 61.5% subsequent to EMPL's issue of equity share capital to another non-related shareholder. Although the Company holds less than 50% of equity in EMPL, the Company retains control over EMPL as it appoints the majority of the board of directors in EMPL.

8. INVESTMENT IN JOINT VENTURE

	<u>2018</u>	<u>2017</u>
	<u>US\$</u>	<u>US\$</u>
<u>Unquoted equity investments, at cost</u>		
Balance at beginning and end of the financial year	<u>10,144,214</u>	<u>10,144,214</u>

The details of the joint venture is as follows:

<u>Name of joint venture</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Percentage of equity held by the Company</u>	
			<u>2018</u>	<u>2017</u>
Emerald Buildhome Private Limited	India	Property developer	50.0%	50.0%

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

9. OTHER PAYABLES

	<u>2018</u> US\$	<u>2017</u> US\$
Accruals	40,624	34,519
Other creditors	107,470	88,396
	<u>148,094</u>	<u>122,915</u>

The Company's payables are denominated in the following currencies:

	<u>2018</u> US\$	<u>2017</u> US\$
Singapore dollars	49,747	52,920
United States dollars	98,347	69,995
	<u>148,094</u>	<u>122,915</u>

10. AMOUNT OWING TO IMMEDIATE HOLDING COMPANY

The amount owing to immediate holding company which is denominated in United States dollars is non-trade in nature, unsecured and bear interests as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
Interest-bearing at 8.5% per annum	37,935	25,712
Interest-free	224,103	224,103
	<u>262,038</u>	<u>249,815</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

11. SHARE CAPITAL

	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	Number of ordinary shares		US\$	US\$
<u>Issued</u>				
At beginning of the year	6,147	6,147	18,497,692	18,497,692
Issuance of ordinary shares	<u>61,467,947</u>	<u>-</u>	<u>42,976,402</u>	<u>-</u>
At end of the year	<u>61,474,094</u>	<u>6,147</u>	<u>61,474,094</u>	<u>18,497,692</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

During the financial year, the Company increased its paid up share capital from US\$18,497,692 to US\$61,474,094 by way of further allotment of shares for a total consideration of US\$42,976,402 by capitalising the equity loan (Note 12).

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

In 2017, the Company's holding company, Prozone Enterprises Private Limited ("PEPL"), a company incorporated in India, was merged with Prozone Intu Properties Limited ("PIPL") (formerly known as Prozone Capital Shopping Centre Limited), a company incorporated in India on 10 February 2012. By virtue of the merger of PEPL with PIPL, PIPL has become the shareholder of the Company. On 16 August 2016, PEPL has transferred its entire shareholdings held in the Company, comprising 6,147 ordinary shares, to PIPL. The amount of S\$28,722,000 (approximately US\$21,357,000) is the consideration deemed for purpose of calculation of stamp duty on the transfer of shares as per the relevant laws in Singapore.

12. EQUITY LOAN

In the financial year ended 31 March 2014, the Company has reduced its issued and paid up capital by way of cancelling and extinguishing the paid up capital for the amount of US\$42,976,402 and that such reduction be effected by returning US\$42,976,402 to the immediate holding company. As the funds pertaining to the transaction has not been transferred and there is no visibility of repayment to the holding company in the near future, the reduced amount is presented as equity loan.

During the financial year, the equity loan was converted to share capital.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

13. CAPITAL RESERVE

The capital reserve arises due to the amalgamation of Prozone Liberty International Limited (the "Amalgamated Company") and Prozone International Limited (the "Amalgamating Company") pursuant to Section 215D (2) of the Singapore Companies Act, Chapter 50 (the "Act"). This comprise the share capital of the Amalgamating Company which have been cancelled without any payment or consideration pursuant to the Act. This reserve is not available for distribution to shareholders.

14. OPERATING EXPENSES

	<u>2018</u> US\$	<u>2017</u> US\$
Professional fees	29,599	24,513
Investment in subsidiaries written off	2	-
Others	6,040	6,590
	<u>35,641</u>	<u>31,103</u>

15. FINANCE COST

	<u>2018</u> US\$	<u>2017</u> US\$
Interest expense – immediate holding company	<u>2,747</u>	<u>742</u>

16. INCOME TAX EXPENSE

	<u>2018</u> US\$	<u>2017</u> US\$
Current year's provision	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (...CONT'D)

16. INCOME TAX EXPENSE (...CONT'D)

The current year's income tax varied from the amount of income tax determined by applying the applicable Singapore statutory income tax rate of 17% (2017: 17%) to profit/(loss) before income tax as a result of the following differences:

	<u>2018</u> US\$	<u>2017</u> US\$
(Loss)/Profit before income tax	<u>(38,388)</u>	<u>96,187</u>
Income tax (benefit)/expense at statutory rate	(6,526)	16,352
Non-deductible/(Non-taxable) items	<u>6,526</u>	<u>(16,352)</u>
	<u>-</u>	<u>-</u>

17. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate and ultimate holding company is Prozone Intu Properties Limited, a company incorporated in India.

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Company has transactions with the related parties on terms agreed between them with respect to the following during the financial year.

	<u>2018</u> US\$	<u>2017</u> US\$
Advance from immediate holding company	9,475	24,970
Interest payable to immediate holding company	<u>2,747</u>	<u>742</u>

Key management personnel compensation

There is no key management apart from the directors.

The directors did not receive any remuneration for the current and previous financial years.

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

19. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance.

(a) *Market risk*

(i) Foreign currency risk

The Company incurs foreign currency risk on transactions that are denominated in currency other than United States dollars such as Singapore dollars.

However, the Company does not use any hedging instruments to protect against the volatility associated with foreign currency purchases and other assets and liabilities created in the normal course of business.

The Company's currency exposure to Singapore dollars based on the information provided to key management is as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
<u>Financial asset</u>		
Other receivables	6,846	6,846
<u>Financial liability</u>		
Other payables	(49,747)	(52,920)
Net currency exposure	<u>(42,901)</u>	<u>(46,074)</u>

If the Singapore dollars had strengthened/weakened by 6% (2017: 3%) against the United States dollars with all other variables including tax rate being held constant, the Company's profit/(loss) after tax for the financial year would have been approximately US\$2,500 (2017: US\$1,400) higher/lower as a result of currency translation gains/losses on the remaining Singapore dollars denominated financial assets and liabilities.

(ii) Interest rate risk

The Company has no significant exposure to market risk for changes in interest rate as it has no interest bearing borrowings. Hence, no sensitivity analysis disclosure has been made.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

19. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...Cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are cash and cash equivalents and other receivables.

The Company's cash and cash equivalents are placed with a credit-worthy institution. As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to meet its liquidity requirement. Management believes that the Company will have sufficient funding from its ultimate holding company, as necessary, to meet its financial obligations as and when they fall due. The ability of the Company to operate as a going concern is dependent on factors disclosed in Note 4.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity grouping based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months after the reporting date equal their carrying amounts as the impact of discounting is not significant.

	<u>2018</u> US\$	<u>2017</u> US\$
<u>Less than 1 year</u>		
Other payables	148,094	122,915
Amount owing to immediate holding company	262,038	249,815
	<u>410,132</u>	<u>372,730</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (...CONT'D)

19. FINANCIAL RISK MANAGEMENT (...CONT'D)

Financial risk factors (...cont'd)

(d) Fair value measurement

The carrying amounts of cash and cash equivalents, other receivables, other payables and amount owing to immediate holding company approximate their fair values due to their short-term nature.

(e) Categories of financial instruments

The following table sets out the Company's financial instruments as at the end of the reporting period:

	<u>2018</u> US\$	<u>2017</u> US\$
Financial assets		
Loans and receivables:		
Cash and cash equivalents	12,371	13,355
Other receivables	<u>6,846</u>	<u>6,846</u>
Financial liabilities		
Amortised cost:		
Other payables	148,094	122,915
Amount owing to immediate holding company	<u>262,038</u>	<u>249,815</u>

20. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the Company consists of its issued capital and retained earnings. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares or obtain borrowings.

The Company is not subject to externally imposed capital requirements and its overall strategy remained unchanged for the financial years ended 31 March 2018 and 2017.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (...CONT'D)**

21. STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following FRS and amendments to FRS that are relevant to the Company were issued but not yet effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 115 <i>Classifications to FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 115 <i>Revenue From Contracts With Customers</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
INT FRS 122 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
INT FRS 123 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019

The Company expects the adoption of the above standards will have no financial effect on the financial statements in the period of initial application.

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**THE ACCOMPANYING SCHEDULE OF OPERATING EXPENSES HAS BEEN
PREPARED FOR MANAGEMENT PURPOSES ONLY AND DOES NOT FORM
PART OF THE AUDITED FINANCIAL STATEMENTS.**

PROZONE LIBERTY INTERNATIONAL LIMITED
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SCHEDULE OF OPERATING EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	<u>2018</u> US\$	<u>2017</u> US\$
<u>OPERATING EXPENSES</u>		
Auditor's remuneration	6,105	5,733
Bank charges	(65)	857
Investment in subsidiaries written off	2	-
Professional fees	29,599	24,513
	<u>35,641</u>	<u>31,103</u>

The above schedule of operating expenses has been prepared for management purposes only and does not form part of the audited financial statements.