

Company Registration No.: 200719277D

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

GENERAL INFORMATION

Directors

Salil Chaturvedi	(Resigned on 15 May 2020)
Krishnaveni d/o Sandanam	(Appointed on 15 May 2020 and
Sunil Iyer	resigned on 25 December 2020)
Shanker Iyer	(Appointed on 15 December 2020 and
	resigned on 13 August 2021)
Arangannal S/O Kathamuthu	(Appointed on 13 August 2021)

Company Secretaries

Cheng Lian Siang
Pathima Muneera Azmi

Registered Office

9 Raffles Place
#27-00 Republic Plaza
Singapore 048619

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 2021.

In the opinion of the directors,

- (a) the accompanying financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of its financial performance, changes in equity and cash flows of the Company 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 as follows:

Salil Chaturvedi
Arangannal S/O Kathamuthu

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 is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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
(Incorporated in Singapore)

DIRECTORS' STATEMENT (...CONT'D)

SHARE OPTIONS

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

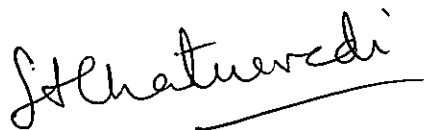
No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

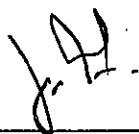
INDEPENDENT AUDITOR

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

The Board of Directors



Salil Chaturvedi
Director



Arangannal S/O Kathamuthu
Director

22 November 2021

**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 7 to 30, which comprise the statement of financial position as at 31 March 2021, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Singapore 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 2021 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 FRSSs, 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.

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.

**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 (...cont'd):

- (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.

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.



JBS PRACTICE PAC
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore

22 November 2021

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
ASSETS			
Current asset			
Cash at bank	5	<u>4,517,455</u>	<u>11,697</u>
Non-current assets			
Investment in subsidiaries	6	49,251,136	54,027,180
Investment in joint venture	7	<u>-</u>	<u>5,516,029</u>
		<u>49,251,136</u>	<u>59,543,209</u>
Total assets		<u>53,768,591</u>	<u>59,554,906</u>
LIABILITIES			
Current liabilities			
Other payables	8	188,098	180,730
Amount owing to holding company	9	<u>4,450,000</u>	<u>-</u>
Total liabilities		<u>4,638,098</u>	<u>180,730</u>
NET ASSETS		<u>49,130,493</u>	<u>59,374,176</u>
SHAREHOLDER'S EQUITY			
Share capital	10	57,288,561	61,738,561
Capital reserve	11	1,814,067	1,814,067
Accumulated loss		<u>(9,972,135)</u>	<u>(4,178,452)</u>
TOTAL EQUITY		<u>49,130,493</u>	<u>59,374,176</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 2021**

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
REVENUE		-	-
EXPENSES			
Impairment loss on investment in subsidiaries	6	(4,776,044)	-
Impairment loss on investment in joint venture	7	-	(1,160,871)
Operating expenses	12	(8,275)	(19,146)
Loss on disposal of investment in joint venture		(1,009,364)	-
Total expenses		<u>(5,793,683)</u>	<u>(1,180,017)</u>
Loss before income tax		(5,793,683)	(1,180,017)
Income tax expense	13	-	-
Net loss, representing total comprehensive loss for the financial year		<u>(5,793,683)</u>	<u>(1,180,017)</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 CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	<u>Note</u>	Share capital US\$	Capital reserve US\$	Accumulated loss US\$	<u>Total</u> US\$
2021					
Balance as at 1 April 2020		61,738,561	1,814,067	(4,178,452)	59,374,176
Reduction of share capital	10	(4,450,000)	-	-	(4,450,000)
Net loss, representing total comprehensive loss for the financial year		-	-	(5,793,683)	(5,793,683)
Balance as at 31 March 2021		<u>57,288,561</u>	<u>1,814,067</u>	<u>(9,972,135)</u>	<u>49,130,493</u>
2020					
Balance as at 1 April 2019		61,738,561	1,814,067	(2,998,435)	60,554,193
Net loss, representing total comprehensive loss for the financial year		-	-	(1,180,017)	(1,180,017)
Balance as at 31 March 2020		<u>61,738,561</u>	<u>1,814,067</u>	<u>(4,178,452)</u>	<u>59,374,176</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 2021

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
Operating Activities			
Loss before income tax		(5,793,683)	(1,180,017)
Adjustments for:			
Loss on disposal of investment in joint venture		1,009,364	-
Impairment loss on investment in subsidiaries	6	4,776,044	-
Impairment loss on investment in joint venture	7	-	1,160,871
Cash flows from operations before changes in working capital		<u>(8,275)</u>	<u>(19,146)</u>
Working capital changes, excluding changes relating to cash:			
Other receivables		-	6,846
Other payables		7,368	12,269
Net cash used in operating activities		<u>(907)</u>	<u>(31)</u>
Cash flows from investment activity			
Proceed from disposal of investment in joint venture		4,506,665	-
Net cash generated from investment activity		<u>4,506,665</u>	<u>-</u>
Net increase/(decrease) in cash at bank		4,505,758	(31)
Cash at bank at the beginning of the financial year		11,697	11,728
Cash at bank at the end of the financial year	5	<u><u>4,517,455</u></u>	<u><u>11,697</u></u>

Reconciliation of liabilities arising from financing activities

	<u>1 April 2020</u> US\$	<u>Principal paid</u> US\$	<u>Non-cash changes Reduces of share capital</u> US\$	<u>31 March 2021</u> US\$
<u>2021</u>				
Amount owing to holding company	<u>-</u>	<u>-</u>	<u>(4,450,000)</u>	<u>(4,450,000)</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 2021

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, domiciled in Singapore. The Company’s registered office and principal place of business is 9 Raffles Place, #27-00 Republic Plaza, Singapore 048619.

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

The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The financial statements of the Company for the financial year ended 31 March 2021 were authorised by the directors for issuance on 22 November 2021.

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.

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 105/106, Ground Floor, Dream Square, Dalia Industrial Estate, Off, New Link Road, Andheri West Mumbai 400053.

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 2020. The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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

b) Development of COVID-19 outbreak and its corresponding impact on the Company

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Singapore and other governments as well as the travel and trade restrictions imposed by Singapore and other countries in early 2020 have caused disruption to businesses and economic activity.

The Company evaluated the impact on its business operations, liquidity, assets and financial position and based on management's review of current indicators and economic conditions there is no material impacts and adjustments required on its financial results as at 31 March 2021.

The Company will continue to monitor any material changes to future economic conditions and impact, if any.

As the situation remains fluid (due to evolving changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the directors of the Company considered that the financial effects of COVID-19 on the Company's financial statements cannot be reasonably estimated for future financial periods.

Based on the management's latest assessment, there is no indicator that the going concern assumption in preparing the financial statements is inappropriate.

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.

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.

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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

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

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 and measurement*

Financial assets are classified in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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

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

(i) *Classification and measurement (...cont'd)*

At subsequent measurement

(a) Debt instruments

Debt instruments mainly comprise of cash at bank. There are three subsequent measurement categories, depending on the Company's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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

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

(i) *Classification and measurement (...cont'd)*

(b) Equity instruments

The Company subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in “other gains and losses”, except for those equity securities which are not held for trading. The Company has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Company considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as “fair value gains / losses” in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as “dividend income”.

(ii) *Impairment*

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 15(b) details how the Company determines whether there has been a significant increase in credit risk.

(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.

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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

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

(iii) *Recognition and derecognition (...cont'd)*

On disposal of a debt instrument, 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.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

e) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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.

g) Impairment of non-financial assets

Investments in subsidiaries and joint venture

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

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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

g) Impairment of non-financial assets (...cont'd)

Investments in subsidiaries and joint venture (...cont'd)

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

(i) *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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

h) Financial liabilities (...cont'd)

(i) *Initial recognition and measurement (...cont'd)*

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

(ii) *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(iii) *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

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.

PROZONE LIBERTY INTERNATIONAL LIMITED
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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

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 liability is recognised for all taxable temporary differences.

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.

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).

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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

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.
- (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).
 - (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.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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.

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

Investments in subsidiaries are tested for impairment whenever there is objective evidence or indication of those assets may be impaired.

Determining whether the investments in subsidiaries are impaired requires an estimation of value-in-use of the investments in subsidiaries. The value-in-use calculation requires the management estimate the future cash flows and appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and provided US\$4,776,044 (2020: US\$ nil) for impairment of investment in subsidiaries.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

4. GOING CONCERN

As at 31 March 2021, the Company's current liabilities exceeded its current assets by US\$120,643 (2020: US\$169,033). During the financial year, the Company incurred net loss of US\$5,793,683 (2020: US\$1,180,017) and negative operating cash flows of US\$907 (2020: US\$31). Notwithstanding this, the financial statements have been prepared on a going concern basis as the 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.

5. CASH AT BANK

	<u>2021</u> US\$	<u>2020</u> US\$
Cash at bank	<u>4,517,455</u>	<u>11,697</u>

Cash at bank are denominated in United States dollars.

6. INVESTMENT IN SUBSIDIARIES

	<u>2021</u> US\$	<u>2020</u> US\$
<u>Unquoted equity investments, at cost</u>		
Balance at beginning and end of financial year	<u>54,027,180</u>	<u>54,027,180</u>
<u>Accumulated impairment loss</u>		
Balance at beginning of financial year	-	-
Impairment loss recognised in the financial year	<u>4,776,044</u>	-
Balance at end of financial year	<u>4,776,044</u>	-
Carrying amount	<u>49,251,136</u>	<u>54,027,180</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (...CONT'D)

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

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>2021</u>	<u>2020</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 ⁽¹⁾ ("EMPL")	India	Property developer	34.7%	34.7%

- ⁽¹⁾ 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.

7. INVESTMENT IN JOINT VENTURE

	<u>2021</u> US\$	<u>2020</u> US\$
<u>Unquoted equity investments, at cost</u>		
Balance at beginning of the financial year	10,144,214	10,144,214
Disposal	(10,144,214)	-
Balance at end of the financial year	-	10,144,214
<u>Accumulated impairment loss</u>		
At beginning of financial year	4,628,185	3,467,314
Impairment loss recognised in the financial year	-	1,160,871
Disposal	(4,628,185)	-
At end of financial year	-	4,628,185
Carrying amount	-	5,516,029

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (...CONT'D)

7. INVESTMENT IN JOINT VENTURE (...CONT'D)

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>2021</u>	<u>2020</u>
Emerald Buildhome Private Limited	India	Property developer	-	50.0%

During the year, the Company had disposed of its investment in joint venture amounting to US\$4,506,665.

8. OTHER PAYABLES

	<u>2021</u> US\$	<u>2020</u> US\$
Accruals of operating expenses	7,079	5,964
Other creditors	181,019	174,766
	<u>188,098</u>	<u>180,730</u>

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

	<u>2021</u> US\$	<u>2020</u> US\$
Singapore dollars	118,958	111,590
United States dollars	69,140	69,140
	<u>188,098</u>	<u>180,730</u>

9. AMOUNT OWING TO HOLDING COMPANY

The amount owing to holding company are non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing to holding company are denominated in United States dollars.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (...CONT'D)

10. SHARE CAPITAL

	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Number of ordinary shares issued		US\$	US\$
At beginning of the year	61,738,561	61,738,561	61,738,561	61,738,561
Reduction during the year	<u>(4,450,000)</u>	-	<u>(4,450,000)</u>	-
At end of the year	<u>57,288,561</u>	<u>61,738,561</u>	<u>57,288,561</u>	<u>61,738,561</u>

During the financial year, the directors of the Company have assessed that the current capital of the Company is in excess of its requirement and have decided to return its surplus capital to the shareholder. Arising from the above, the Company reduced its paid up capital from US\$61,738,561 to US\$57,288,561 through capital reduction process.

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

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.

11. 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 shareholder.

12. OPERATING EXPENSES

	<u>2021</u>	<u>2020</u>
	US\$	US\$
Professional fees	-	12,469
Others	<u>8,275</u>	<u>6,677</u>
	<u>8,275</u>	<u>19,146</u>

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

13. INCOME TAX EXPENSE

	<u>2021</u> US\$	<u>2020</u> US\$
Current year's provision	<u>-</u>	<u>-</u>

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% (2020: 17%) to loss before income tax as a result of the following differences:

	<u>2021</u> US\$	<u>2020</u> US\$
Loss before income tax	<u>(5,793,683)</u>	<u>(1,180,017)</u>
Income tax benefit at statutory rate	(984,926)	(200,603)
Non-deductible items	<u>984,926</u>	<u>200,603</u>
	<u>-</u>	<u>-</u>

14. IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

15. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to market risk (including currency risk, interest rate 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.

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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

Financial risk factors (...cont'd)

(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>2021</u> US\$	<u>2020</u> US\$
<u>Financial liability</u>		
Other payables	(118,958)	(111,590)
Net currency exposure on financial liability	<u>(118,958)</u>	<u>(111,590)</u>

If the Singapore dollars had strengthened/weakened by 5% (2020: 5%) against the United States dollars with all other variables including tax rate being held constant, the Company's loss after tax for the financial year would have been approximately US\$5,900 (2020: US\$5,500) 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.

PROZONE LIBERTY INTERNATIONAL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (...CONT'D)

15. 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 asset of the Company is cash at bank.

The Company's cash at bank is 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.

Cash at bank is subject to immaterial credit loss under FRS 109.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. The Company monitors and maintains a level of cash at bank deemed adequate by the management to meet its liquidity requirement. Management believes that the Company will have sufficient funding from its 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>2021</u> US\$	<u>2020</u> US\$
<u>Less than 1 year</u>		
Other payables	188,098	180,730
Amount owing to holding company	4,450,000	-
	<u>4,638,098</u>	<u>180,730</u>

PROZONE LIBERTY INTERNATIONAL LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

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

Financial risk factors (...cont'd)

(d) Fair value measurement

The carrying amounts of cash at bank, other payables and amount owing to 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>2021</u> US\$
Financial assets, at amortised cost	4,517,455
Financial liabilities, at amortised cost	<u>4,638,098</u>
	<u>2020</u> US\$
Financial assets, at amortised cost	11,697
Financial liabilities, at amortised cost	<u>180,730</u>

16. 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. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholder, 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 2021 and 2020.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (...CONT'D)**

17. STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the Company has not applied 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 1: <i>Classification of liabilities as current or non-current</i>	1 January 2023
Amendments to FRS 103: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to FRS 16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to FRSs 2018 -2020	1 January 2022
Amendments to FRS 109, FRS 39, FRS 107, FRS 116: <i>Interest Rate benchmark Reform – Phase 2</i>	1 January 2021

The Company has not applied those FRSs and INT FRSs that have been issued but are effective only in next financial year. The Company expects the adoption of the standards will have no material 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 2021

	<u>2021</u> US\$	<u>2020</u> US\$
Auditor's remuneration – current year	7,079	5,964
– prior year underprovision	1,114	682
Bank charges	82	31
Professional fees	-	12,469
	<u>8,275</u>	<u>19,146</u>

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