GMR HOLDINGS OVERSEAS (SINGAPORE) PTE. LTD.
Company Registration No. 201544285E

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

GMR Holdings Overseas (Singapore) Pte. Ltd.

General Information

Directors

Sreenivasa Rao Pasumarty
Tummalapalli Srinivasa Subrahmanya Veerabhadra Lakshminarayana

Company Secretary

Sinha Mithilesh Kumar

Registered Office

33A Chander Road
Singapore 219539

Auditor

CA.sg PAC

Principal Banker

AfrAsia Bank Limited

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GMR Holdings Overseas (Singapore) Pte. Ltd.

Directors' statement
For the year ended 31 March 2021

The directors present the statement to the member together with the audited financial statements of the company for the year ended 31 March 2021.

Opinion of the directors

In the opinion of the directors,

(a) the 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 the financial performance, changes in equity and cash flows of the company for the year then ended; and

(b) at the date of this statement, 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 in office at the date of this statement are:-

Sreenivasa Rao Pasumarty
Tummalapalli Srinivasa Subrahmanya Veerabhadra Lakshminarayana

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose objects are, or one of whose objects 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 or debentures

According to the register of directors' shareholding kept by the company under Section 164 of the Singapore Companies Act, Chapter 50, none of the directors of the company who held office at the end of the financial year had an interest in the shares of the company or related corporations.

Shares options

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

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the company.

There was no unissued share of the company under option at the end of the financial year.

Auditor

The auditor, CA.sg PAC, has expressed its willingness to accept reappointment.

The Board of Directors

....
Director

....
Director

[date]

CA.sg

CA.SG PAC
(UEN : 201403139W)
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Website: www.ca.sg
Email: info@ca-sg.com

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特许会计师事务所

INDEPENDENT AUDITOR'S REPORT
to the member of
GMR HOLDINGS OVERSEAS (SINGAPORE) PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GMR Holdings Overseas (Singapore) Pte. Ltd. (the "company"), which comprise the statement of financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements 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 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 Directors' statement [set out on pages 1 to 2].

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.

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Report on the Audit of the Financial Statements (continued)

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 and 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:

- 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

- 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.

CA.sg PAC
Public Accountants and
Chartered Accountants
Singapore

[date]

GMR Holdings Overseas (Singapore) Pte. Ltd.

Statement of Financial Position
as at 31 March 2021

	Note	2021 US$	2020 US$
ASSETS AND LIABILITIES			
Non-Current Assets			
Investment in associated company	4	-	1,175,541
Investment in joint venture	5	-	895,864
Financial assets, at FVOCI	6	299,997	-
		299,997	2,071,405
Current assets			
Other receivables	7	19,853,600	879,554
Cash and cash equivalents	8	181,769	17,782
		20,035,369	897,336
Total assets		20,335,366	2,968,741
Current Liabilities			
Other payables	9	641,228	489,690
Current income tax liabilities		113,889	-
Total Liabilities		755,117	489,690
Net Current Assets		19,280,252	407,646
Net Assets		19,580,249	2,479,051
EQUITY			
Share capital	10	100	100
Foreign exchange reserve		-	45,212
Retained profits		19,580,149	2,433,739
Total Equity		19,580,249	2,479,051

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

GMR Holdings Overseas (Singapore) Pte. Ltd.

Statement of Comprehensive Income
for the year ended 31 March 2021

	Note	2021 US$	2020 US$
Revenue		-	-
Other operating income	11	17,538,947	-
Other operating expenses		(344,311)	(30,222)
Share of results of associated company and joint venture, net of tax		(19,723)	1,244,412
Profit before income tax	12	17,174,913	1,214,190
Income tax expense	13	(113,889)	(145,064)
Net profit for the year		17,061,024	1,069,126
Other comprehensive income, net of tax			
Currency translation differences arising from equity accounting		40,174	65,074
Total comprehensive income for the year		17,101,198	1,134,200

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

GMR Holdings Overseas (Singapore) Pte. Ltd.

Statement of Changes in Equity
for the year ended 31 March 2021

	Share Capital US$	Foreign Exchange Reserve US$	Retained Profits US$	Total US$
At 1 April 2019	100	(19,862)	1,364,613	1,344,851
Total comprehensive income for the year	-	65,074	1,069,126	1,134,200
At 31 March 2020	100	45,212	2,433,739	2,479,051
Disposal of investments in associated company and joint venture	-	(85,386)	85,386	-
Total comprehensive income for the year	-	40,174	17,061,024	17,101,198
At 31 March 2021	100	-	19,580,149	19,580,249

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

GMR Holdings Overseas (Singapore) Pte. Ltd.

Statement of Cash Flows
for the year ended 31 March 2021

	2021 US$	2020 US$
Cash flows from operating activities		
Net profit for the year	17,174,913	1,214,190
Adjustment for:		
Gain on disposal of an associated company	(16,604,008)	-
Loss on disposal of a joint venture	334,864	-
Share of results of associated company, net of tax	19,723	(1,244,412)
Interest income	(182,058)	-
Operating profit/(loss) before working capital changes	743,434	(30,222)
Increase in other receivable	(401,542)	-
Increase in other payables	-	190
Cash generated from/(used in) in operation	341,892	(30,032)
Foreign tax paid	-	(145,064)
Net cash generated from/(used in) operating activities	341,892	(175,096)
Cash flows from investing activities		
Increase in financial assets, FVOCI	(299,997)	-
Proceeds from disposal of an associated company	17,800,000	-
Proceeds from disposal of a joint venture	76,000	-
Dividend received	-	984,628
Net cash generated from investing activities	17,576,003	984,628
Cash flows from financing activities		
Dividend received on behalf of a related company	636,538	-
Repayment from immediate holding company	879,554	-
Advances to immediate holding company	(19,270,000)	(800,000)
Net cash used in financing activities	(17,753,908)	(800,000)
Net increase in cash and cash equivalents	163,987	9,532
Cash and cash equivalents at beginning of the year	17,782	8,250
Cash and cash equivalents at end of the year	181,769	17,782

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

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

1. Corporate information

The company (company registration no. 201544285E) is a limited liability company which is incorporated in Singapore with the registered office at 33A Chander Road Singapore 219539 and the principal place of business at #14-01, MYP Plaza, 135 Cecil Street, Singapore 069536.

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

The immediate holding company is GMR Holdings (Mauritius) Limited, a company incorporated in Mauritius, which owns 100% of the issued and paid up capital of the company. The ultimate holding company is GMR Enterprises Private Limited, a company incorporated in India. Related companies in these financial statements refer to companies within the GMR Enterprises Private Limited group of companies.

2. Summary of significant accounting policies

2.1 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies, and the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards ("FRS").

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The financial statements are presented in United States dollars ("US$") and all values are presented to the nearest dollar except where indicated otherwise.

2.2 Adoption of new standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the company has adopted all the new and amended standards which are relevant to the company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the company.

2. **Summary of significant accounting policies** (continued)

2.3 **Financial assets**

(a) Classification and measurement

The company classifies its financial assets 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.

Trade receivables are measured at the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. **Summary of significant accounting policies** (continued)

2.3 **Financial assets** (continued)

(a) Classification and measurement (continued)

<u>At subsequent measurement</u>

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

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".

2. **Summary of significant accounting policies** (continued)

2.3 **Financial assets** (continued)

(a) Classification and measurement (continued)

At subsequent measurement (continued)

(i) Equity investments

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".

(b) 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.

(c) 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 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.

2. **Summary of significant accounting policies** (continued)

2.4 Investment in associated company

An associated company is defined as a company, not being a subsidiary company, in which the company has a long-term interest of at least 20% and not more than 50% of the equity and in whose financial and operating policy decisions the company exercises significant influence.

The results and assets and liabilities of associated company are incorporated in these financial statements using the equity method of accounting. Under the equity method, investment in an associated company is carried at cost as adjusted for post-acquisition changes in the company's share of the net assets of the associated companies, less any impairment in the value of investment. Losses of an associated company in excess of the company's interest in that associated company are not recognised.

Any excess of the cost of acquisition over the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the statement of comprehensive income.

Where the company transacts with the associated company, profits and losses arising from the transactions are eliminated to the extent of the company's interest in the associated company.

Investments in associated companies are derecognised when significant influence is lost. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit or loss. Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

Investment in associate is carried at cost less accumulated impairment losses in the company's statement of financial position. On disposal of investment in associate, the difference between disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.5 Investment in joint venture

Joint ventures are entities over which the company has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investment in joint ventures are accounted for in the financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on joint ventures represents the excess of the cost of acquisition of the joint venture over the company's share of the fair value of the identifiable net assets of the joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the company's share of its joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the joint venture companies are adjusted against the carrying amount of the investments. When the company's share of losses in a joint venture company equals or exceeds its interest in the joint venture company, including any other unsecured non-current receivables, the company does not recognise further losses, unless it has obligations to make or has made payments on behalf of the joint venture company.

Unrealised gains on transactions between the company and joint venture companies are eliminated to the extent of the company's interest in the joint venture companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of joint venture companies have been changed where necessary to ensure consistency with the accounting policies adopted by the company.

2. **Summary of significant accounting policies** (continued)

2.5 **Investment in joint venture** (continued)

(iii) **Disposals**

Investments in joint venture companies are derecognised when the company loses joint control and any retained interest in the former joint venture is a financial asset. Such retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when joint control is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in joint venture companies in which joint control is retained are recognised in profit or loss.

Investments in joint ventures are carried at cost less accumulated impairment losses in the company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit and loss.

2.6 **Financial liabilities**

(a) Classification and measurement

<u>At initial recognition</u>

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include other payables.

2. **Summary of significant accounting policies** (continued)

2.6 **Financial liabilities** (continued)

(a) Classification and measurement (continued)

At subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by FRS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in FRS 109 are satisfied. The company has not designated any financial liability as at fair value through profit or loss.

(b) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2. **Summary of significant accounting policies** (continued)

2.7 Other payables

Other payables represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.8 Deferred taxation

Deferred taxation is provided, using the liability method, on all temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled based on the tax rates enacted or substantively enacted at the date of the statement of financial position.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised.

2.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognised as a deduction from equity.

2.10 Revenue recognition

(i) Service income

Service income is recognised when services are performed and rendered to the customer and all criteria for acceptance have been satisfied.

(ii) Interest income

Interest income from loans to the immediate holding company is accrued on a time proportion basis on the principal outstanding and at the applicable interest rate.

2. **Summary of significant accounting policies** (continued)

2.11 Foreign currency

(i) Functional currency

Items included in the financial statements of the company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the company ("functional currency"). The financial statements are presented in United States dollars, which is also the functional currency of the company.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the company and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the date of the statement of financial position are recognised in the statement of comprehensive income.

2.12 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the statement of financial position.

2. Summary of significant accounting policies (continued)

2.13 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party when making financial or operational decisions. In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form.

Related parties include the key management personnel, associates and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the shareholders or key management personnel.

3. Significant accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with FRSs requires management to make estimates, assumptions and judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements 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.

3.1 Significant accounting estimates and assumptions

<u>Fair value measurement of financial instruments</u>

A number of the company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the company uses observable market data as far as possible.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on observable market data in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

The company uses a variety of methods and makes assumptions that are based on market conditions existing at each date of the statement of financial position. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

3. Significant accounting estimates, assumptions and judgements (continued)

3.1 Significant accounting estimates and assumptions (continued)

Fair value measurement of financial instruments (continued)

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in the respective notes to the financial statements.

Income taxes

Significant judgement and assumptions are involved in determining the company's provision for income taxes. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. Investment in associated company

	2021 US$	2020 US$
Unquoted equity shares, at cost	-	204,200
Add :		
Share of post-acquisition results	-	938,298
Share of foreign exchange reserve	-	33,043
	-	1,175,541

4. **Investment in associated company** (continued)

Details of the associated company are as follows :

Name of company	Principal Activities	Place of incorporation	Equity interest held 2021	2020
Globemerchants, Inc.	Supplies of duty free goods within airport	Philippines	-	50%

During the financial year, the company has disposed of its equity interest in Globemerchants, Inc.

The assets, liabilities and operating results of the associated company (not adjusted for the company's proportionate share) are as follows :

	2021 US$	2020 US$
Net assets		
Non-current assets	395,813	566,993
Current assets	2,426,263	4,028,611
Current liabilities	(425,897)	(2,125,880)
Non-current liabilities	(83,089)	(118,641)
Net results		
Revenue	1,424,465	6,426,869
(Loss)/Profit before taxation	(99,091)	2,210,932
(Loss)/Profit after taxation	(118,340)	1,549,179
Other comprehensive income	-	-
Total comprehensive (loss)/income	(118,340)	1,549,179

Reconciliation of the summarised financial information presented to the carrying amount of the company's interest in the associated company is as follows:

	2021 US$	2020 US$
Net assets as at beginning of the year	2,351,083	2,671,616
(Loss)/Profit for the year	(39,446)	1,549,179
Dividends	-	(1,969,257)
Foreign exchange reserve	80,347	99,545
Disposal during the year	(2,391,984)	-
Net assets as at end of the year	-	2,351,083
Carrying value of interest in associated company @ 50%	-	1,175,541

5. Investment in joint venture

	2021 US$	2020 US$
Unquoted equity shares, at cost	-	174,000
Add :		
Share of post-acquisition results	-	709,695
Share of foreign exchange reserve	-	12,169
	-	895,864

Details of the joint venture are as follows :-

Name of company	Principal activities	Place of incorporation	Equity interest held 2021	Equity interest held 2020
Megawide GMR Construction JV, Inc.	General construction business	Philippines	-	5%

During the financial year, the company has disposed of its equity interest in Megawide GMR Construction JV, Inc.

The assets, liabilities and operating results of the joint venture (not adjusted for the company's proportionate share) in respect of the prior year were as follows :

	2021 US$	2020 US$
Net assets		
Non-current assets	-	438,909
Current assets	-	89,558,305
Current liabilities	-	(72,079,925)
Net results		
Revenue	-	113,445,368
Profit/(Loss) before taxation	-	10,166,118
Profit/(Loss) after taxation	-	9,396,447
Other comprehensive income	-	-
Total comprehensive income	-	9,396,447

No financial information of the joint venture is disclosed in respect of the current year as the company has disposed of its interest in the joint venture.

5. **Investment in joint venture** (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the company's interest in the joint venture is as follows:

	2021 US$	2020 US$
Net assets as at beginning of the year	17,917,289	8,214,772
Additional cost of investment	-	-
Profit for the year	-	9,396,447
Foreign exchange reserve	-	306,070
Disposal during the year	(17,917,289)	-
Net assets as at end of the year	-	17,917,289
Carrying value of interest in joint venture @ 5%	-	895,864

6. **Financial assets, FVOCI**

	2021 US$	2020 US$
At beginning of the year	-	-
Addition	299,997	-
At end of the year	299,997	-

	2021 US$	2020 US$
Financial asset in equity instruments designated as at FVOCI		
Unquoted equity shares :		
- Geltor, Inc.	299,997	-

The fair value of the unquoted equity shares was derived using income approach. The fair value was within Level 3 of the fair value hierarchy.

The investment in equity instrument is not held for trading. Instead, it is held for strategic purpose. Accordingly, management has elected to designate the investment in equity instrument as at FVOCI as they believe that recognising short-term fluctuations in the investment in profit or loss would not be consistent with the company's strategy of holding the investment for long-term purpose and realising its performance potential in the long run.

7. Other receivables

	2021 US$	2020 US$
Advances to immediate holding company	19,452,058	879,554
Other receivables	401,542	-
	19,853,600	879,554

The advances to immediate holding company are unsecured, bear interest at 1.5% per annum (2020: non-interest bearing) and repayable on demand.

Other receivables are denominated in United States dollars.

8. Cash and cash equivalents

Cash and cash equivalents are denominated in United States dollars.

9. Other payables

	2021 US$	2020 US$
Accrued expenses	4,690	4,690
Advance payment from a related company	-	485,000
Dividend received on behalf of a related company	636,538	-
	641,228	489,690

Other payables are denominated in the following currencies:

	2021 US$	2020 US$
Singapore dollars	4,690	4,690
United States dollars	636,538	485,000
	641,228	489,690

10. Share capital

	2021 US$	2020 US$
Issued and fully paid :-		
100 ordinary shares	100	100

The ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restrictions.

11. Other operating income

	2021 US$	2020 US$
Gain on disposal of an associated company	16,604,008	-
Interest income	182,058	-
Service income	752,881	-
	17,538,947	-

12. Profit before income tax

Other than as disclosed elsewhere in the financial statements, this is arrived at after charging the following :-

	2021 US$	2020 US$
Loss on disposal of investment in a joint venture	334,864	-

13. Income tax expense

	2021 US$	2020 US$
Current income tax	113,889	-
Foreign tax paid	-	145,064
	113,889	145,064

13. **Income tax expense** (continued)

A numerical reconciliation between the accounting profit and tax expense is as follows: -

	2021 US$	2020 US$
Accounting profit	17,174,913	1,214,190
Tax at the applicable tax rate of 17%	2,919,735	(206,412)
Tax effects of :-		
Income not subject to tax	(2,853,631)	-
Expenses not deductible for tax purposes	57,221	-
Share of results of associated company not subject to tax	3,353	211,550
	126,678	5,138
Tax losses disallowed	-	(5,138)
Tax exemption*	(12,789)	-
Current taxation	113,889	-
Foreign tax paid	-	145,064
	113,889	145,064

* This relates to a partial tax exemption granted by the Comptroller of Income Tax.

14. **Related party transactions**

Related party transactions, on terms mutually agreed between the parties, are as follows :-

	2021 US$	2020 US$
Interest income from immediate holding company	182,058	-
Repayment from immediate holding company	879,554	-
Advances to immediate holding company	19,270,000	800,000

15. **Capital management**

Capital comprises of share capital and reserves stated on the statement of financial position. The company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders. The company manages capital by regularly monitoring its current and expected liquidity requirements as well as using debt/equity ratio analysis.

The company is not subject to either internally or externally imposed capital requirements.

16. Financial instruments

16.1 Categories of financial instruments

The following sets out the financial instruments of the company as at the date of the statement of financial position :-

	2021 US$	2020 US$
Financial assets		
Financial asset, FVOCI	299,997	-
Other receivables	19,853,600	879,554
Cash and cash equivalents	181,769	17,782
	20,335,366	897,336
Financial liabilities		
Other payables	641,228	4,690

16.2 Risk management

(i) Credit risk

The main risks arising from the company's financial instruments are credit risk, liquidity risk and price risk, primarily changes in foreign exchange rates. The management has not established any written risk management policies and guidelines. However, as a minimum requirement, the management monitors and controls its main risks in the following manner :-

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the company. The company's exposure to credit risk arises primarily from the other receivable and advances to its immediate holding company. For other financial assets (including cash and cash equivalents), the company minimises credit risk by dealing exclusively with high credit rating counterparties.

The company has adopted a policy of only dealing with creditworthy counterparties. The company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

16. **Financial instruments** (continued)

16.2 **Risk management** (continued)

(i) **Credit risk** (continued)

The company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets.

Accordingly, the company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Exposure to credit risk

The company has no significant concentration of credit risk other than the balance with its immediate holding company.

(ii) **Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

In the management of liquidity risk, the company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuation in cash flows.

Financing is obtained from the ultimate holding company when the need arises.

(iii) **Foreign exchange risk**

Foreign exchange risk is the risk to earnings and value of financial instruments caused by fluctuation in foreign exchange rates. The company's exposure arises from transactions that are denominated in a currency other than the United States dollar. The currency giving rise to this risk is primarily the Singapore dollar. At the date of the statement of financial position, the company does not use derivative financial instruments to hedge its foreign exchange risk. The exchange rates are monitored regularly.

Sensitivity analysis

Management has assessed that the exposure to changes in foreign exchange rates is minimal and hence the resulting impact on profit and loss or equity of the company is insignificant.

16. **Financial instruments** (continued)

16.3 Fair values

At 31 March 2021	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**	**Total US$**
Financial asset, FVOCI	-	-	299,997	299,997

The Level 3 financial asset is valued using income approach.

Other receivables, cash and cash equivalents and other payables

The directors are of the view that the fair values of other financial assets and liabilities with a maturity period of less than one year approximate their carrying amounts as disclosed in the statement of financial position and in the notes to the financial statements due to the short period to maturity.

17. Significant event subsequent to the end of the financial year

On 3 August 2021, the company has established a branch in Dubai Silicon Oasis, Dubai, United Arab Emirates.

18. Authorisation of financial statements

The financial statements were authorised for issue in accordance with a resolution of the directors on [date].

The annexed detailed income statement does not form part of the audited statutory financial statements. It is not necessary to file the detailed income statement with the Accounting and Corporate Regulatory Authority.

GMR Holdings Overseas (Singapore) Pte. Ltd.

Detailed Income Statement
for the year ended 31 March 2021

	2021 US$	2020 US$
Other operating income		
Dividend income	-	967,093
Interest income	182,058	-
Service income	752,881	-
Gain on disposal of an associated company	16,604,008	-
	17,538,947	967,093
Less:		
Other operating expenses		
Auditor's remuneration		
- Current year	3,698	3,700
- Underprovision in respect of prior year	16	219
Bank charges	1,045	330
Consultancy fees	1,730	5,445
Loss on disposal of a joint venture	334,864	-
Secretarial fee	1,972	2,003
Tax fee	986	990
Total operating expenses	344,311	12,687
Profit before income tax expense	17,194,636	954,406