

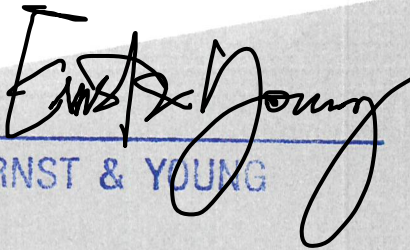
Report of the Directors and Audited Financial Statements

VIN PEARL GLOBAL VIETNAM LIMITED

31 March 2024



CERTIFIED TRUE COPY

  
ERNST & YOUNG

A handwritten signature in black ink is written over a blue horizontal line. The signature is stylized and appears to read 'Ernst & Young'. Below the signature, the words 'ERNST & YOUNG' are printed in a blue, sans-serif font.

VIN PEARL GLOBAL VIETNAM LIMITED

CONTENTS

	Pages
REPORT OF THE DIRECTORS	1 - 2
INDEPENDENT AUDITOR'S REPORT	3 - 5
AUDITED FINANCIAL STATEMENTS	
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to financial statements	10 - 19

# VIN PEARL GLOBAL VIETNAM LIMITED

## REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2024.

### Principal activities

The principal activity of the Company is investment holding. There were no significant changes in the nature of the Company's principal activity during the year. Details of the principal activities of the Company's subsidiary is set out in note 7 to the financial statements.

### Results

The Company's loss for the year ended 31 March 2024 and the Company's financial position at that date are set out in the financial statements on pages 6 to 19.

### Directors

The directors of the Company during the year were:

Deepak Kumar SETH  
Pulkit SETH  
Gurusankar GURUMOORTHY  
Sumit LATH

In accordance with articles 22 of the Company's Articles of Association, all directors continue in office for the ensuing year.

### Directors' interests

At no time during the year was the Company, its subsidiary or any of its holding companies or its fellow subsidiaries a party to any arrangement to enable the Company's directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### Directors' interests in transactions, arrangements or contracts

No director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Company to which the Company, its subsidiary or any of its holding companies or its fellow subsidiaries was a party during the year.

### Permitted indemnity provisions

During the year ended 31 March 2024, a permitted indemnity provision as defined in the Hong Kong Companies Ordinance was in force for an indemnity against a liability incurred by the directors of the Company, to a third party.

VIN PEARL GLOBAL VIETNAM LIMITED

REPORT OF THE DIRECTORS

Auditor

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD



.....  
Deepak Kumar SETH  
Chairman

Hong Kong  
15 May 2024



Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

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**Independent auditor's report**  
**To the member of Vin Pearl Global Vietnam Limited**  
(Incorporated in Hong Kong with limited liability)

**Opinion**

We have audited the financial statements of Vin Pearl Global Vietnam Limited (the "Company") set out on pages 6 to 19, which comprise the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with the applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") relevant to these financial statements and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the financial statements and auditor's report thereon**

The directors are responsible for the other information. The other information comprises the information included in the report of the directors.

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 (continued)**  
**To the member of Vin Pearl Global Vietnam Limited**  
(Incorporated in Hong Kong with limited liability)

**Responsibilities of the directors for the financial statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the applicable HKFRSs issued by the HKICPA that are relevant to these financial statements and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the 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. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

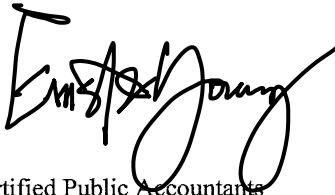
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 the directors.

**Independent auditor's report (continued)**  
**To the member of Vin Pearl Global Vietnam Limited**  
(Incorporated in Hong Kong with limited liability)

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 board of 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.



Certified Public Accountants  
Hong Kong  
15 May 2024

VIN PEARL GLOBAL VIETNAM LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2024

	Note	2024 US\$	2023 US\$
Administrative expenses		( 4,766)	( 4,356)
Other operating expenses		<u>( 107)</u>	<u>( 137)</u>
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR	4	<u>( 4,873)</u>	<u>( 4,493)</u>

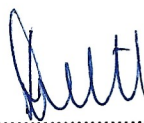


VIN PEARL GLOBAL VIETNAM LIMITED

STATEMENT OF FINANCIAL POSITION

31 March 2024

	Notes	2024 US\$	2023 US\$
<b>NON-CURRENT ASSETS</b>			
Investment in a subsidiary	6	<u>4,124,296</u>	<u>4,124,296</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		<u>3,362</u>	<u>4,400</u>
<b>CURRENT LIABILITIES</b>			
Amount due to the immediate holding company	8	4,440,144	4,440,144
Amount due to a fellow subsidiary	8	38,013	38,013
Other payables		<u>3,835</u>	<u>-</u>
Total current liabilities		<u>4,481,992</u>	<u>4,478,157</u>
<b>NET CURRENT LIABILITIES</b>		<u>( 4,478,630)</u>	<u>( 4,473,757)</u>
Net liabilities		<u>( 354,334)</u>	<u>( 349,461)</u>
<b>EQUITY</b>			
Share capital	7	12,000	12,000
Accumulated losses		<u>( 366,334)</u>	<u>( 361,461)</u>
Net deficiency in assets		<u>( 354,334)</u>	<u>( 349,461)</u>



.....  
Deepak Kumar SETH  
Director

.....  
Pulkit SETH  
Director


VIN PEARL GLOBAL VIETNAM LIMITED

STATEMENT OF FINANCIAL POSITION

31 March 2024

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.....  
Deepak Kumar SETH  
Director

  
.....  
Pulkit SETH  
Director

VIN PEARL GLOBAL VIETNAM LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

	Share capital US\$	Accumulated losses US\$	Net deficiency in assets US\$
At 1 April 2022	12,000	( 356,968)	( 344,968)
Loss and total comprehensive loss for the year	<u>-</u>	<u>( 4,493)</u>	<u>( 4,493)</u>
At 31 March 2023 and 1 April 2023	12,000	( 361,461)	( 349,461)
Loss and total comprehensive loss for the year	<u>-</u>	<u>( 4,873)</u>	<u>( 4,873)</u>
At 31 March 2024	<u>12,000</u>	<u>( 366,334)</u>	<u>( 354,334)</u>

VIN PEARL GLOBAL VIETNAM LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 March 2024

	2024 US\$	2023 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the year	( 4,873)	( 4,493)
Increase in other payables and accruals	3,835	-
Increase in an amount due to the immediate holding company	<u>-</u>	<u>3,662</u>
Net cash flows used in operating activities	<u>( 1,038)</u>	<u>( 831)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of year	<u>4,400</u>	<u>5,231</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>3,362</u></u>	<u><u>4,400</u></u>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<u><u>3,362</u></u>	<u><u>4,400</u></u>

# VIN PEARL GLOBAL VIETNAM LIMITED

## NOTES TO FINANCIAL STATEMENTS

31 March 2024

### 1. CORPORATE INFORMATION

Vin Pearl Global Vietnam Limited is a limited liability company incorporated in Hong Kong. Its registered office is at Room 1801, 18/F, Kimberland Centre, No. 55 Wing Hong Street, Cheung Sha Wan, Kowloon. The principal activity of the Company is investment holding.

The Company is a wholly-owned subsidiary of Pearl Global (HK) Limited, a company incorporated in Hong Kong.

In the opinion of the directors, the ultimate holding company is Pearl Global Industries Limited, a company incorporated in India and listed on Bombay Stock Exchange and National Stock Exchange in India.

### 2. ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION AND FUNDAMENTAL ACCOUNTING CONCEPT

For the purposes of compliance with sections 379 and 380 of the Hong Kong Companies Ordinance, these financial statements have been prepared to present a true and fair view of the financial position and financial performance of the Company only. Consequently, they have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance that are relevant to the preparation of company level financial statements by an intermediate parent company. These financial statements have been prepared under the historical cost convention and presented in United States dollars (“US\$”).

As the Company is a holding company that is a wholly owned subsidiary of another body corporate, it satisfies the exemption criteria set out in section 379(3)(a) of the Hong Kong Companies Ordinance, and is therefore not required to prepare consolidated financial statements.

Given the above, these financial statements are not prepared for the purposes of compliance with HKFRS 10 Consolidated Financial Statements (“HKFRS 10”), so far as the preparation of consolidated financial statements of the Company and its subsidiary (together, the “Group”) is concerned. As a consequence, the financial statements do not give all the information required by HKFRS 10 about the economic activities of the Group of which the Company is the parent and investor. Furthermore, as these financial statements are prepared in respect of the Company only, HKFRS 12 Disclosure of Interests in Other Entities does not apply to the financial statements.

These financial statements have been prepared under the going concern basis notwithstanding that the Company had net current liabilities and net liabilities as at 31 March 2024 because the immediate holding company of the Company has agreed to provide adequate funds to enable the Company to meet its liabilities and when they fall due. The immediate holding company has also agreed not to demand the Company to repay the amount due to the immediate holding company of US\$4,440,144 (2023: US\$4,440,144) until the Company is in a financial position to repay the amount due, without impairing its liquidity position.

31 March 2024

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendment to HKFRS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction Use</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

### Amendments to HKAS 1 and HKFRS Practice Statement 2 *Disclosure of Accounting Policies*

Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Company has disclosed the material accounting policy information in note 2.4 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any item in the Company's financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any item in the Company's financial statements.

### Amendments to HKAS 8 *Definition of Accounting Estimates*

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Company's approach and policy align with the amendments, the amendments had no impact on the Company's financial statements.

### Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Amendments to HKAS 12 narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments had no impact on the Company's financial statements.

31 March 2024

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Amendments to HKAS 12 International Tax Reform – Pillar Two Model Rules

Amendments to HKAS 12 introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Company has applied the amendments retrospectively. Since the Company did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Company.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Company has not early applied any of the new and revised HKFRSs, that have been issued but are not yet effective in the accounting year ended 31 March 2024, in these financial statements.

The Company is in the process of making an assessment of the impact of the new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on the Company's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Company the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Company's voting rights and potential voting rights.

The result of the subsidiary is included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investment in a subsidiary are stated at cost less any impairment losses.

31 March 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Company if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company; or
- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Company are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Company are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) 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); and
  - (viii) 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.

Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If such an indication exists, the Company makes an estimate of the asset's recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit). In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to profit or loss in the year in which it arises.



31 March 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial assets

All financial assets are initially recognised at fair value plus transaction costs that are attributable to the acquisition of the financial assets. Regular way purchases and sales of financial assets are recognised on the trade date, that is, the date when the Company commits to purchase or sell the assets.

(a) Classification and measurement

Debt instruments are measured at amortised cost using the effective interest rate method, subject to impairment if the assets are held for the collection of contractual cash flows where those contractual cash flows represent solely payments of principal and interest.

(b) Impairment

The Company applies the expected credit loss model on all the financial assets that are subject to impairment. Impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Company is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The Company considers a default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more appropriate default criterion should be applied.

(c) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired; or where the Company has transferred its contractual rights to receive the cash flows of the financial assets and has transferred substantially all the risks and rewards of ownership; or where control is not retained.

Financial liabilities

Financial liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when they are extinguished, i.e., when the obligation is discharged or cancelled, or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

31 March 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in profit or loss.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits, as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

Foreign currency transactions

These financial statements are presented in US\$, which is the Company's functional currency.

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised.

31 March 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Company has a legally enforceable right exists to set off current tax assets and current tax liabilities and the deferred assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainties

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

*Impairment of non-financial assets*

Non-financial assets are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value-in-use calculation requires the Company to estimate the future cash flows expected to arise from the relevant cash-generating unit and a suitable discount rate is used in order to calculate the present value.

VIN PEARL GLOBAL VIETNAM LIMITED

NOTES TO FINANCIAL STATEMENTS

31 March 2024

4. LOSS BEFORE TAX

The Company's loss before tax is arrived after charging:

	2024 US\$	2023 US\$
Auditor's remuneration	<u>2,200</u>	<u>2,119</u>

No directors received any fees or emoluments in respect of their services rendered to the Company during the year (2023: Nil).

5. INCOME TAX

No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profits arising in Hong Kong during the year (2023: Nil).

A reconciliation of the tax expenses applicable to loss for the year at the Hong Kong statutory rate to the tax amount at the Company's effective tax rate are as follows:

	2024 US\$	2023 US\$
Loss for the year	<u>( 4,873)</u>	<u>( 4,493)</u>
Tax at the Hong Kong statutory tax rate of 16.5% (2022: 16.5%)	( 804)	( 741)
Expenses not deductible for tax	<u>804</u>	<u>741</u>
Tax amount at effective rate	<u>-</u>	<u>-</u>

VIN PEARL GLOBAL VIETNAM LIMITED

NOTES TO FINANCIAL STATEMENTS

31 March 2024

6. INVESTMENT IN A SUBSIDIARY

	2024 HK\$	2023 HK\$
Unlisted investments, at cost	<u>4,124,296</u>	<u>4,124,296</u>

Particulars of the subsidiary as at the end of the reporting period are as follows:

Name	Place of incorporation and business	Percentage of equity directly attribute to the Company		Principal activities
		2024	2023	
Pearl Global Vietnam Company Limited	Vietnam	100	100	Garment Manufacturing

7. SHARE CAPITAL

	2024 US\$	2023 US\$
Issued and fully paid: 12,000 (2023: 12,000) ordinary shares	<u>12,000</u>	<u>12,000</u>

8. RELATED PARTY TRANSACTIONS

The amounts due to the immediate holding company and a fellow subsidiary are unsecured, interest-free and repayable on demand.

Save as disclosed above and elsewhere in the financial statements, the Company did not have other transactions/balances with related parties during the year.

The key management personnel of the Company did not receive any compensation in respect of their services rendered to the Company during the year (2023: Nil).

9. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Company comprise cash and cash equivalents, which are categorised as financial assets at amortised cost. The carrying amounts of these financial assets are the amounts shown on the statement of financial position.

The financial liabilities of the Company comprise amounts due to the immediate holding company and a fellow subsidiary, which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the statement of financial position.

31 March 2024

10. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Management has assessed that the fair values of cash and cash equivalents, financial liabilities included in other payables, balances with a fellow subsidiary and amount due to the immediate holding company reasonably approximate to their carrying amounts largely due to the short term maturities of these instruments or the effect of discounting is not material.

The Company did not have any financial assets and liabilities measured at fair value as at 31 March 2024 and 31 March 2023.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's exposure to liquidity risk arises in the normal course of its business. This risk is managed by the Company's financial management policies and practices described below:

*Liquidity risk*

The Company has a minimal risk of shortage of funds as its immediate holding company has agreed to provide adequate funds for the Company to meet its liabilities as and when they fall due.

The maturity profile of the accruals, amount due to a fellow subsidiary and amount due to the immediate holding company, based on the contractual undiscounted payment, is repayable on demand or less than three months as at 31 March 2024 and 31 March 2023.

*Capital management*

The primary objectives of the Company's capital management are to (i) safeguard the Company's ability to continue as a going concern; (ii) provide returns for shareholders and benefits for other stakeholders; (iii) support the Company's stability and growth; and (iv) provide capital for the purpose of strengthening the Company's risk management capability.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

Capital of the Company comprises all components of shareholder's equity.

12. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 15 May 2024.