SPI Global Content Mauritius Holding

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

SPI Global Content Mauritius Holding

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SPI Global Content Mauritius Holding

CORPORATE DATA

		Date of appointment
DIRECTORS:	Lina How Ah Chong	08 June 2017
	Niralah Beeharry	08 June 2017
ADMINISTRATOR AND SECRETARY:	DTOS Ltd 10th Floor, Standard Chartered Tower 19, Cybercity Ebène Mauritius	
REGISTERED OFFICE:	C/o DTOS Ltd 10th Floor, Standard Chartered Tower 19, Cybercity Ebène Mauritius	
AUDITORS:	KPMG KPMG Centre 31, Cybercity Ebène Mauritius	
BANKER:	SBM Bank (Mauritius) Ltd Corporate office, SBM Tower 1 Queen Elizabeth II Avenue, Port Louis Mauritius	

SPI Global Content Mauritius Holding

COMMENTARY OF THE DIRECTORS

The directors present their commentary and the audited financial statements of SPI Global Content Mauritius Holding (the "Company") for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding.

RESULTS AND DIVIDENDS

The results for the year are shown in the financial statements and related notes. The directors did not propose the payment of a dividend for the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS`

Mauritius Companies Act requires the directors to prepare financial statements for each financial year, which present in all material respects the financial position, financial performance and cash flows of the Company. The directors are responsible for the preparation and presentation of the financial statements in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Global Business Licence, as described in note 2 to the financial statements, 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.

The directors are also responsible for keeping accounting records which:
- correctly record and explain the transactions of the Company;
- disclose with reasonable accuracy at any time the financial position of the Company; and
- would enable them to ensure that the financial statements comply with the Mauritius Companies Act.

The directors confirm that they have complied with the above requirements in preparing the financial statements. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the presentation and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to Covid-19, which is at least, but is not limited to, twelve months from the signing off date of the financial statements. We confirm that we have not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The directors have made an assessment of the Company's ability to continue as a going concern in notes 3 and 15 while taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, The effect of the impact of COVID-19 has not been reflected in these financial statements, whilst such impact may affect the results of the Company in the future.

AUDITORS

The auditors, KPMG, has indicated its willingness to continue in office and a resolution concerning its appointment will be proposed at the Annual Meeting of shareholders.

SPI Global Content Mauritius Holding

SECRETARY'S CERTIFICATE TO THE MEMBER OF SPI Global Content Mauritius Holding
under section 166 (d) of the Mauritian Companies Act

We certify that, based on records and information made available to us by the directors and shareholder of the Company, the Company has filed with the Registrar of Companies under the Mauritius Companies Act, for the year ended 31 December 2021, all such returns as are required of the Company.

***for* DTOS Ltd**
CORPORATE SECRETARY
10th Floor, Standard Chartered Tower
19, Cybercity
Ebène
Mauritius

Date : 04 July 2022

SPI Global Content Mauritius Holding

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 USD	2020 USD
INCOME			
Interest income		**5,055,279**	2,466,369
Other income	9	**8,282**	3,305,171
TOTAL INCOME		**5,063,561**	5,771,540
EXPENSES			
Professional fees		**58,543**	223,239
Bank charges		**1,528**	1,462
Interest expense		**-**	485
Unrealised foreign exchange loss		**800,255**	141,768
Other expenses		**-**	131,137
TOTAL EXPENSES		**860,326**	498,091
PROFIT BEFORE TAXATION		**4,203,235**	5,273,449
Income tax expense	8	**(528,886)**	(383,908)
PROFIT FOR THE YEAR		**3,674,349**	4,889,541
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,674,349**	4,889,541

The notes set out on pages 13 to 43 are an integral part of these financial statements.

SPI Global Content Mauritius Holding

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 USD	2020 USD
ASSETS			
Non-current assets			
Investment in subsidiary	10	**30,704,820**	30,704,820
Financial assets at fair value through profit or loss	10	**42,662,484**	43,456,648
		73,367,304	74,161,468
Current assets			
Receivable from related parties	12	**10,845**	10,845
Interest receivable	12	**881,559**	895,515
Prepayments		**221,599**	221,587
Cash and cash equivalents		**668,632**	867,310
		1,782,635	1,995,257
TOTAL ASSETS		**75,149,939**	76,156,725
EQUITY			
Stated capital	11	**3,729,356**	3,729,356
Retained earnings		**9,182,318**	5,507,969
Total equity		**12,911,674**	9,237,325
LIABILITIES			
Current liabilities			
Loan from shareholder	12	**61,922,500**	66,592,500
Advances from a related party	12	**34,745**	32,500
Other payables		**33,261**	32,002
Income tax payable	8	**247,759**	262,398
Total liabilities		**62,238,265**	66,919,400
TOTAL EQUITY AND LIABILITIES		**75,149,939**	76,156,725

Authorised for issue by the Board of directors on ..04 July 2022.. **and signed on its behalf by:**

Lina How Ah Chong }

DIRECTORS

Niralah Beeharry }

The notes set out on pages 13 to 43 are an integral part of these financial statements.

SPI Global Content Mauritius Holding

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Stated capital USD (Note 11)	Retained earnings USD	Total equity USD
At 31 December 2019	3,729,356	618,428	4,347,784
Total comprehensive income for the year			
Profit for the year	-	4,889,541	4,889,541
At 31 December 2020	**3,729,356**	**5,507,969**	**9,237,325**
Total comprehensive income for the year			
Profit for the year	-	**3,674,349**	**3,674,349**
At 31 December 2021	**3,729,356**	**9,182,318**	**12,911,674**

The notes set out on pages 13 to 43 are an integral part of these financial statements.

SPI Global Content Mauritius Holding

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 USD	2020 USD
Cash flows from operating activities			
Profit before taxation		**4,203,235**	5,273,449
Interest income		**(5,055,279)**	(2,466,369)
Interest expense		**-**	485
Unrealised foreign exchange loss		**800,255**	141,768
Operating (loss)/profit before working capital changes		**(51,789)**	2,949,333
Decrease in receivables		**370,954**	189,804
Increase in prepayments		**7**	147,254
Decrease in trade and other payables		**(33,903)**	(1,273,731)
Cash flows generated from operating activities		**285,269**	2,012,660
Interest received		**4,692,194**	1,386,287
Interest paid		**-**	(485)
Taxes paid		**(506,141)**	(245,429)
Net cash generated from operating activities		**4,471,322**	3,153,033
Cash flows from financing activities			
Loan received	12	**-**	150,000
Loan repayment to shareholder	12	**(4,670,000)**	(3,190,000)
Net cash used in financing activities		**(4,670,000)**	(3,040,000)
Net (decrease)/increase in cash and cash equivalents		**(198,678)**	113,033
Cash and cash equivalents at beginning of year		**867,310**	754,277
Cash and cash equivalents at end of year		**668,632**	867,310

The notes set out on pages 13 to 43 are an integral part of these financial statements.

SPI Global Content Mauritius Holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

SPI Global Content Mauritius Holding (the "Company") was incorporated on 8 June 2017 as a private company limited by shares and is domiciled in Mauritius. The Company holds a Global Business License ("GBL") under the Financial Services Act 2007 and is regulated by the Financial Services Commission. Pursuant to the enactment of the Finance Act 2018, with effect as from 01 January 2019, the Company was subsequently converted into a Global Business Company. The Company's registered office is c/o DTOS Ltd, 10th Floor, Standard Chartered Tower, 19, Cybercity, Ebène, Mauritius. The principal activity of the Company is that of investment holding.

2 BASIS OF PREPARATION

The Company has a subsidiary and in accordance with International Financial Reporting Standards is required to present consolidated financial statements. In accordance with the Fourteenth Schedule of the Mauritius Companies Act, Section 12, the Company may not prepare group financial statements as it is a wholly owned subsidiary of another company and, in accordance with section 211 of Mauritius Companies Act, Content and form of financial statements, these financial statements present the financial position, financial performance, and cash flow of the Company. Because the Company is a holder of a Global Business License and is a wholly owned subsidiary of another company, these financial statements are prepared in accordance with Mauritius Companies Act which allows the use of International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Boards (IASB), except for the standard applicable to Consolidated Financial Statements (IFRS 10).

The preparation of financial statements in conformity with IFRS as modified by the Mauritian Companies Act requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgements in the process of applying the Company's accounting policies. Estimates 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. As at 31 December 2021, there are areas where management has applied a higher degree of judgements that have a significant effect on the amounts recognised in the financial statements as disclosed in note 6.

3 GOING CONCERN

The Company's current liabilities exceeded its current assets by **USD 60,455,630** (2020: USD 64,924,143) as at 31 December 2021.

The ultimate parent company, Global Content Alpha Holdco Pte. Ltd, has provided a letter of guarantee to confirm its undertaking to provide financial support to the Company whenever required. Accordingly, the financial statements are prepared on the basis of accounting policies applicable to going concern.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD"), which is the Company's functional currency. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(ii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Recognition and initial measurement

Financial assets at FVOCI (debt instruments) are recognised initially when they are originated. Other financial assets and liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(b) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI).

Financial assets at FVTPL

Financial assets which are managed and whose performance is evaluated on a fair value basis and those are not classified as measured at amortised cost or FVOCI as described below are measured at FVTPL. This includes investments in Compulsory Convertible debentures.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Financial instruments (Continued)

(b) Classification (continued)

Financial assets at FVTPL (continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The election made on an investment-by-investments basis. The Company has not elected to designate equity instruments at FVOCI at the time of initial recognition.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

• the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category includes receivable from related parties, interest receivable and cash and cash equivalents.

Debt investments at FVOCI

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

• the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and selling financial assets; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Financial instruments (Continued)

(c) Subsequent measurement

Category	Subsequent measurement
Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any foreign exchange are recognised in profit or loss as 'other net changes in fair value on financial assets at fair value through profit or loss' in statement of profit or loss. Dividend income on such instruments has been disclosed as a separate line item in statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'Interest income calculated using effective interest method' and impairment is recognised in 'impairment loss on financial assets at amortised cost' is recognised in separate line item in profit or loss. Any gain or loss on derecognition and modification is also recognised in profit or loss.
Financial liabilities at amortised cost	These financial liabilities are subsequently measured at effective cost using the effective interest rate.

(d) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable input and minimize the use of unobservable input. The chosen valuation technique incorporates all of the factors that market participant would take into account in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. The fair value of the financial instruments that are not traded in active markets is determined by using valuation techniques. The Company has used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the reporting date. The principles of the International Private Equity and Venture Capital Valuation Guidelines have been used for the valuation of the financial assets at FVTPL.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Financial instruments (Continued)

(e) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability at initial recognition. When calculating the effective interest rate, the Company estimates the future cash flows considering all contractual terms of the financial instruments but not the future credit losses.

(f) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company measures loss allowances at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Financial instruments (Continued)

(f) Impairment (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer
- it is probable that the borrower will enter bankruptcy or other financial reorganisation
- the underlying project is put on hold
- breach of contract such as a default or being more than 90 days past due.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at fair value through other comprehensive income, the loss allowance is charged to profit or loss and is recognised in other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(g) Derecognition and modification

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Financial instruments (Continued)

(g) Derecognition and modification (Continued)

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. Realised gain is calculated based on proceeds realised on disposal of investments less its cost. The cost is based on an average cost.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

The Company recalculates the gross carrying amount of financial assets and recognises a modification gain or loss in profit or loss when the contractual cash flows are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate.

(h) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

There is no offsetting of financial instruments applied as on reporting in the statement of financial position.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Investment in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect the returns through its power over the entity.

The investment in subsidiary is shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Details of the Company's subsidiary are shown in Note 10.

(iv) Consolidated financial statements

The Company has subsidiary and taken advantage of the exemption provided by the Mauritian Companies Act allowing a company holding a Global Business License not to present consolidated financial statements where it is a wholly-owned or virtually wholly-owned parent of any company. The financial statements contain information about SPI Global Content Mauritius Holding as an individual company and do not contain consolidated financial information as the parent of a group.

(v) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company has elected to present the statement of cashflows using indirect method.

(vi) Receivable from related parties

Receivable from related parties is unsecured and repayable on demand. These are initially recognised on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Subsequently it is measured at amortized cost using the effective interest method, less any provision for impairment.

Provision for impairment and other relevant accounting policies are presented in Note (f).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(vii) Loan from shareholder

Loan from shareholder are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of income over the period of the loan using the effective interest method.

Loan from shareholder are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(viii) Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of tax effects.

(ix) Other payables

Other payables consisting of accruals, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(x) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

(xi) Income tax

Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax is also recognised in other comprehensive income or directly in equity, respectively. The income tax expense for the year comprises current, withholding and deferred tax.

Current tax

The current tax expense is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(xi) Income tax (continued)

Withholding tax

Interest income is subject to withholding tax imposed in the country of origin.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- related to investments in subsidiaries, associates and jointly arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and they probably will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improve.

(xii) Interest income

Interest income, gross of corresponding withholding tax, is recognized on a time-proportion basis using the effective interest method.

(xiii) Expense recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on an accrual basis.

(xiv) Other income

Other income is recognised when there is an incremental economic benefit other than the usual business operations, that will flow to the Company through an increase in asset or reduction in liabilities and that can be measured reliably.

Other income which comprises of gain from professional fee reversal recognised on an accruals basis in prior year.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(xv) Common control transactions

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

A company in a common control transaction uses one of the following approaches and applies consistently to all similar common control transactions:

- Book value accounting: This is on the basis that the entities are part of a larger economic group, and that the figures from that larger group are the relevant ones. In applying book value accounting, the transaction is recognised as a distribution or contribution from a transaction with shareholders.

- The assets acquired and liabilities assumed are recognised using the book values in the financial statements and an adjustment may be required in equity to reflect any difference between the consideration paid and the capital of the acquiree which is recognised either in a capital account, called a 'common control reserve' or similar or in retained earnings.

- Fair value accounting: This is on the basis that the parties are separate entities in their own right and that the accounting for the transaction should be as if it had been carried out in an orderly manner between market participants.

- Exchange amount accounting: This is on the basis that the parties are separate entities in their own right and that the accounting should reflect the actual terms of the transaction.

As at 03 September 2020, the Company has transferred its 14,004,123 equity shares in Scope E-Knowledge Center Private Limited amounting to USD 35,227,566 to SPI Technologies India Private Limited against a swap of 8,126,480 Compulsory Convertible Debentures (CCDs) valued at USD 30,264,698 which had resulted in a deficit of USD 4,962,868. The deficit has been recognised as an additional investment in SPI Technologies India Private Limited as there is no loss on such transaction. The Company does not lose any value as the investment in Scope E-Knowledge Center Private Limited has changed from a direct to an indirect shareholding.

5 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

New standards, amendments and interpretations adopted during the year

There has been amendments and interpretations that have become effective for the current year. The Company has adopted the following new interpretation during the year:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The directors have assessed the impact of the adoption of this standard on the financial statements and concluded that it did not have a significant impact on the financial statements.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2022 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Annual Improvements to IFRS Standards 2018-2020

IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted. The directors have assessed the impact of the adoption of this standard on the financial statements and concluded that it will not significantly impact on the financial statements.

5 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendment is effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. The amendments are to be applied retrospectively from the effective date. The directors have assessed the impact of the adoption of this standard on the financial statements and concluded that it will not significantly impact on the financial statements.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).
The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

The amendments are effective from 1 January 2023. The directors have assessed the impact of the adoption of this standard on the financial statements and concluded that it did not have a significant impact on the financial statements.

5 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

Definition of Accounting Estimate (Amendments to IAS 8)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The directors have assessed the impact of the adoption of this standard on the financial statements and concluded that it did not have a significant impact on the financial statements.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgements in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition, therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgements that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONTINUED)

Critical judgement areas

Determination of functional currency

'Functional currency' is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

The Company's investments and transactions are denominated in, United States Dollar and Indian Rupee. The primary objective of the Company is to generate returns and capital growth in USD for the benefit of its shareholder. The assets and liabilities of the Company and the cash flows are predominantly USD denominated. The Company's performance is also evaluated in USD. The determination of the Company's functional currency is determined based on management's significant judgement in assessing the economic environment in which the Company operates.

Accordingly, management has to exercise significant judgement in determining the functional currency resulting from use of different foreign currencies in the Company's operations.

Estimates and assumptions

Fair valuation of financial assets at fair value through profit or loss

The Company may, from time to time, hold financial instruments that are not quoted in active markets, such as its financial assets at fair value through profit or loss amounting to **USD 42,662,484** (2020: USD 43,456,648). Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by experienced personnel at the Company's management. The management's evaluation takes into consideration a business review of the underlying investments (performance development compared with plans) and the actual and planned transactions in the investments.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of estimation depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. This results in management exercising significant assumption on the unobservable inputs being used for fair valuation.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a close-price.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONTINUED)

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The Company has used its judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the reporting date. The Company has determined the fair value of Convertible Compulsory Debentures using the net present value of future cash flows. Based on the valuation, management has concluded that the Company was better off not converting the CCDs. The closing balance of the investment in CCDs has been translated using the closing rate at the end of the reporting period.

Impairment of financial assets

The impairment of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of investment in subsidiary

The carrying values of investment in subsidiary is tested for impairment whenever there is any objective evidence or indication that the investments may be impaired. This determination requires significant judgement. In estimating the recoverable amount of the investment, the Company evaluates, amongst other factors, the future profitability of the subsidiary, its financial health and near-term business outlook, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows. There are no impairment indicators as at 31 December 2021.

7 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risk from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The Board of Directors has the overall responsibility for the determination of the Company's risk management objectives and policies. The Company's overall risk management policies focuses on the volatility of financial markets and seeks to minimise potential adverse effects on the Company's financial performance and flexibility.

Risk management is carried out under policies approved by the Board of Directors.

SPI Global Content Mauritius Holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

- Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency exchange risk arising from the effect of fluctuations in foreign exchange rates on its financial assets at fair value through profit or loss denominated in Indian Rupee (INR) amounting to **INR 3,176,655,555 (USD 42,662,484**) as at 31 December 2021 (2020 - INR 3,176,655,555 / USD 43,456,648). The Company does not enter into derivative financial instruments for trading or speculative purposes, nor is it a party to leveraged derivatives.

The Company assessed the impact of changes in U.S. Dollar - Indian Rupee exchange rates as at 31 December 2021 in demonstrating sensitivities to a reasonable change in U.S. Dollar exchange rate.

The table below summarises the sensitivity of the Company's monetary assets to changes in foreign exchange movements at 31 December. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by the percentage disclosed in the table below, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

	Reasonable possible shift in rate 2021	**Movement in value 2021**	Reasonable possible shift in rate 2020	Movement in value 2020
Currency				
Indian Rupee				
Financial assets at fair value through profit or loss	**1%**	**+/-321,010**	4%	+/-1,647,936
Swiss Franc				
Financial assets at fair value through profit or los	**3%**	**+/-67**	-	-

- Interest rate risk

Interest rate risk arises from fluctuations in market interest rates. The Company receives interest income from its financial assets at fair value through profit or loss based on a fixed rate of 11.75%, hence it is not exposed to interest rate risk.

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NOTES TO THE FINANCIAL STATEMENTS
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7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

- Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or of its issuer, or factors affecting all similar financial instruments traded in the market. The Company holds investment that is classified as financial assets at fair value through profit or loss and carried at fair value. Where non-monetary financial instruments are denominated in foreign currency, the price initially expressed in foreign currency and then converted into USD will also fluctuate because of changes in foreign exchange rates.

As at December 31, 2021, if market prices, including the effect of possible change in foreign currency, increased or decreased by 5%, the Company profit for the year would have been **USD 210,162** (2020: USD 263,672) higher or lower respectively and total equity would have been **USD 646,977** (2020:USD 461,866) higher or lower respectively.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's major classes of financial assets are investments in Compulsory Convertible Debentures, cash and cash equivalents, receivable from related parties and interest receivable.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position.

The tables below provide information regarding the credit quality by class of the Company's financial assets according to its credit ratings of counterparties:

		Neither past due nor impaired		Past due but not	Past due
	Total	Class A[1]	Class B[2]	impaired[3]	and impaired
December 31,2021					
Financial assets at amortized cost:					
Cash and cash equivalents	**668,632**	**668,632**	**-**	**-**	**-**
Receivable from related parties	**10,845**	**10,845**	**-**	**-**	**-**
Interest receivable	**881,559**	**881,559**	**-**	**-**	**-**
Financial assets at fair value through profit or loss	**42,662,484**	**42,662,484**	**-**	**-**	**-**
	44,223,520	**44,223,520**	**-**	**-**	**-**
December 31,2020					
Financial assets at amortized cost:					
Cash and cash equivalents	867,310	867,310	-	-	-
Receivable from related parties	10,845	10,845	-	-	-
Interest receivable	895,515	895,515	-	-	-
Financial assets at fair value through profit or loss	43,456,648	43,456,648	-	-	-
	45,230,318	45,230,318	-	-	-

The table above excludes prepayment amounting to **USD 221,599** (2020: USD 221,587).

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Contined)

(1) This includes receivables, deposits and placements to counterparties with good credit rating or bank standing.

(2) This includes medium risk and average paying customer accounts with no overdue accounts as at report date and any new customer accounts for which sufficient credit history has not been established; and deposits or placements to counterparties not classified as Class A; and

(3) These receivables are from counterparties to which the Company has long-standing relationship with.

(i) Risk management

The Company adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Company mitigates its credit risks by transacting only with counterparties with high credit-ratings by independent rating agencies.

Amounts due from related parties such as loans and interest on convertible debentures are provided under SPI Global (the "Group") overall treasury strategy. The Group Treasury entity has sufficient financial assets and other committed credit lines to meet the cash flow needs of the Company.

There is no significant concentration of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

(ii) Credit rating

For receivable from related parties, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Performing	Borrower or issuer have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Underperforming	Borrower or issuer for which there is a significant increase in credit risk; as known risk that the interest and/ or principal to be uncollectible or dispute	Lifetime expected credit losses
Non-performing	Borrower or issuer have significant financial difficulty	Lifetime expected credit losses
Write-off	Interest and/or principal repayments are known to be uncollectible and there is no reasonable expectation of recovery	Asset is written off

These financial assets are subject to immaterial credit risk.

(iii) Impairment of financial assets

No credit loss allowance is recognised for the current or prior financial years.

SPI Global Content Mauritius Holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity management is overseen by the directors who ensure that necessary funds are available at all times to meet commitments. The ultimate parent company, Global Content Alpha Holdco Pte. Ltd, has provided a letter of guarantee to confirm its undertaking to provide financial support to the Company.

The following are the Company's contractual maturities of financial liabilities:

	Due on demand USD	Due within one year USD	Due more than one year USD	Total USD
31 December 2021				
Financial liabilities				
Loan from shareholder	**61,922,500**	**-**	**-**	**61,922,500**
Advances from a related party	**34,745**	**-**	**-**	**34,745**
Other payables	**-**	**33,261**	**-**	**33,261**
Total financial liabilities	**61,957,245**	**33,261**	**-**	**61,990,506**
31 December 2020				
Financial liabilities				
Loan from shareholder	66,592,500	-	-	66,592,500
Advances from a related party	32,500	-	-	32,500
Other payables	-	32,002	-	32,002
Total financial liabilities	66,625,000	32,002	-	66,657,002

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to pay its debts as they fall due in order to continue as a going concern and provide returns to its shareholder. Capital consists of equity. In order to maintain or adjust its capital structure, the Company may issue new shares or have recourse to its holding company for funding.

Fair value estimation

The carrying amounts of receivable from related parties, interest receivable, cash and cash equivalents, loan from shareholder, advances from a related party and other payables approximate their fair values.

The investment in compulsory convertible debentures is measured at financial assets at fair value through profit or loss and the fair value estimation at 31 December 2021 amounted to **USD 42,662,484** (2020 :USD 43,456,648).

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Fair value estimation (continued)

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 are inputs on unobservable inputs for the asset and liability

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirely is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement is a level 3 measurement. Assessing the significance of a particular input the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed for updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Company's financial instruments measured at fair value:

December 31, 2021

	Level 1	**Level 2**	**Level 3**	**Total balance**
	USD	**USD**	**USD**	**USD**
Financial assets at fair value through profit or loss				
Debt securities - CCD	**-**	**-**	**42,662,484**	**42,662,484**

December 31, 2020

	Level 1	Level 2	Level 3	Total balance
	USD	USD	USD	USD
Financial assets at fair value through profit or loss				
Debt securities - CCD	-	-	43,456,648	43,456,648

SPI Global Content Mauritius Holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

Reconciliation of level 3 fair values

Financial assets at fair value through profit or loss

	USD
Balance at 1 January 2020	13,338,951
Foreign currency revaluation	(147,005)
Additions	30,264,702
Balance at 31 December 2020	43,456,648

	USD
Balance at 1 January 2021	**43,456,648**
Foreign currency revaluation	**(794,164)**
Additions	**-**
Balance at 31 December 2021	**42,662,484**

Type of investment	Fair Value as at 31 December 2021 USD	Valuation Technique	Significant unobservable inputs	Value (Range)	Interrelationship between key unobservable inputs
2021					
Unquoted Compulsory Convertible Debts (CCDs)	**42,662,484**	**Net present value of future cash flows**	**Discount rate**	**11.75%**	**The estimated fair value would increase/decrease if the discount rate increases/decreases**
2020	43,456,648				
Unquoted Compulsory Convertible Debts (CCDs)		Price of recent transaction	-	-	-

The Compulsory Convertible Debentures, are measured at fair value using Level 3 inputs. The Company's convertible debt securities are not traded in an active market, hence fair value are determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates.

SPI Global Content Mauritius Holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments by category

At 31 December	At fair value through profit or loss 2021	Amortized cost 2021	At fair value through profit or loss 2020	Amortized cost 2020
Assets	**USD**	**USD**	USD	USD
Financial assets at fair value through profit or loss	**42,662,484**	**-**	43,456,648	-
Receivable from related parties	**-**	**10,845**	-	10,845
Interest receivable	**-**	**881,559**	-	895,515
Cash and cash equivalents	**-**	**668,632**	-	867,310
	42,662,484	**1,561,036**	43,456,648	1,773,670

The table above excludes prepayment amounting to **USD 221,599** (2020: USD 221,587).

At 31 December:	Amortized cost 2021	Amortized cost 2020
Liabilities	**USD**	USD
Loan from shareholder	**61,922,500**	66,592,500
Advances from a related party	**34,745**	32,500
Other payables	**33,261**	32,002
	61,990,506	66,657,002

8 INCOME TAX

Mauritius

The Company holds a Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Entities which had obtained their Global Business Licence on or before 16 October 2017, would have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company was entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed foreign tax credit") on its foreign source income resulting in a maximum effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemptions or exchanges of Shares.

8 INCOME TAX (CONTINUED)

Post 30 June 2021 (as applicable for financial year ending 31 December 2021 onwards) and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

India

As a tax resident of Mauritius, the Company expects to obtain benefits under the double taxation treaty between India and Mauritius ("DTAA"). To obtain benefits under the double taxation tax treaty, the Company must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. The Company has obtained a tax residence certificate ("TRC") from the Mauritius Revenue Authority, renewable annually and believes such certification is determinative of its resident status for treaty purposes.

Following the amendments to India-Mauritius treaty made on 10 May, 2016, taxation rights on capital gains from disposal of shares has been shifted from Mauritius to India effective from 01 April 2017 and there has been the implementation of Long Term Capital Gain Tax (LTCGT) in India on long term capital gains.

However, investments made by Mauritius structures up to 31 March 2017 shall be grandfathered and thus exempted from capital gains tax in India irrespective of the date of disposal.

In addition, based on the update in the Finance bill in India in April 2018, the cost of acquisition for the long-term capital asset acquired on or before 31 of January 2018 shall be the actual cost. However, if the actual cost is less than the fair market value of such asset as on 31 of January 2018, the fair market value shall be deemed to be the cost of acquisition. Further, if the full value of consideration on transfer is less than the fair market value, then such full value of consideration or the actual cost, whichever is higher, shall be deemed to be the cost of acquisition. It has also been clarified that the holding period for computation of LTCG shall be counted from the date of acquisition.

SPI Global Content Mauritius Holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8 INCOME TAX (CONTINUED)

Income tax expense

	2021 USD	2020 USD
Tax Charge for the year	**150,062**	199,109
Withholding tax	**378,824**	184,799
	528,886	383,908

	2021 USD	2020 USD
Income before income tax	**4,203,235**	5,273,449
Tax calculated at 15%	**630,485**	791,017
Foreign tax credit	**(299,100)**	(291,012)
Expenses not deductible for tax purposes	**123,895**	69,317
Exempt income	**(305,218)**	(496,568)
Withholding tax written off	**-**	121,509
Short provision	**-**	4,846
Tax charge	**150,062**	199,109

Income tax payable at the end of the year amounted to **USD 247,759** (2020: USD 262,398).

9 OTHER INCOME

	2021 USD	2020 USD
Gain from escrow settlement	**-**	3,310,453
Other miscellaneous income/(loss)	**8,282**	(5,282)
Total	**8,282**	3,305,171

The gain from escrow settlement comprises of arbitration settlement of USD 2,222,953 pertaining to consideration paid in earlier years for the acquisition of additional stake in Scope E-knowledge Center Private Limited and reversal of accrued professional fees amounting to USD 1,087,500 following the resolution of the legal dispute.

SPI Global Content Mauritius Holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 INVESTMENT IN SUBSIDIARY AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 USD	2020 USD
Investment in subsidiary	**30,704,820**	30,704,820
Financial assets at fair value through profit or loss	**42,662,484**	43,456,648
At end of the year	**73,367,304**	74,161,468

Investment in subsidiary *Unquoted at cost:*	2021 USD	2020 USD
At beginning of the year	**30,704,820**	60,969,518
Additions	**-**	4,962,868
Disposal	**-**	(35,227,566)
At end of the year	**30,704,820**	30,704,820

As at 03 September 2020, the Company has transferred its 14,004,123 equity shares in Scope E-Knowledge Center Private Limited amounting to USD 35,227,566 to SPI Technologies India Private Limited against a swap of 8,126,480 Compulsory Convertible Debentures (CCDs) valued at USD 30,264,698 which had resulted in a deficit of USD 4,962,868. Accordingly, the deficit has been recognised as an additional investment in SPI Technologies India Private Limited as there is no loss on such transaction. As this is a common control transaction with its subsidiary, the Company does not lose any value as the investment in Scope E-Knowledge Center Private Limited has changed from a direct to an indirect shareholding.

At the end of each reporting period, the Company is required to assess whether there is any indication that the investment in subsidiary may be impaired (i.e., its carrying amount may be higher than its recoverable amount). The directors have made an impairment assessment and concluded that no impairment is required for the investment in subsidiary.

SPI Global Content Mauritius Holding

NOTES TO THE FINANCIAL STATEMENTS
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10 INVESTMENT IN SUBSIDIARY AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Details of the Company's subsidiary:

31 December 2021

Name of investee company	Class of share held	Country of incorporation	Number of shares	% holding	Cost USD
SPI Technologies India Private Limited	Equity shares	India	16,507,464	100%	30,704,820
					30,704,820

31 December 2020

Name of investee companies	Class of share held	Country of incorporation	Number of shares	% holding	Cost USD
SPI Technologies India Private Limited	Equity shares	India	16,507,464	100%	30,704,820
					30,704,820

SPI Technologies India Private Limited (STIP)

STIP is an unlisted private company incorporated on 02 June 2017. The primary purpose of STIP is to provide business process outsourcing (BPO) services, information technology (IT) and communications-enabled devices and engage in the design, development and implementation of BPO markets, value-added software solutions, and support services in the operational, technological and administrative requirements of other businesses. On 15 May 2018, the Board of Directors of the Company authorized the subscription to 8,878,505 Compulsory Convertible Debentures ("CCD") of INR 107 each aggregating to INR 950,000,035. On 09 September 2020, the Board of Directors approved the acquisition of 1 equity share in STIP.

Details of the Company's investment in Compulsory Convertible Debentures, classified as financial asset at fair value through profit or loss, is as follows:

Name of investee company	Class of bonds held	Country of incorporation	Number of subscription	Cost USD	Fair value USD
December 31, 2021					
SPI Technologies India Private Limited	**CCD**	**India**	**17,004,985**	**44,228,550**	**42,662,484**
December 31, 2020					
SPI Technologies India Private Limited	CCD	India	17,004,985	44,228,550	43,456,648

SPI Global Content Mauritius Holding

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11 STATED CAPITAL

	2021		2020	
	Number of shares	USD	Number of shares	USD
Issued and fully paid up:				
Ordinary shares of USD 1 each				
At beginning/ end of year	**3,729,356**	**3,729,356**	3,729,356	3,729,356

On 17 August 2017 the Company entered into a share pledge agreement (the "Agreement"), governed by Mauritius laws and to be entered into by SPI Global Holding Pte. Ltd. (SPGC), as pledgor, the Company and Australia and New Zealand banking Group Limited (ANZ) as offshore security agent. As a result of the Agreement, SPGC pledges all of its shares held in the Company in favour of ANZ. There was also a condition in the Share Pledge Agreement that upon acquiring additional shares of the Company, SPGC would be required to pledge such additional shares in favour of ANZ. On 4 June 2018, the Company issued additional 2,440,000 ordinary shares to SPGC. As at 31 December 2021, there has been no change with regards to the pledge of shares.

12 RELATED PARTY DISCLOSURES

Parties are considered to be related, if one party has the ability to control the other party, has control of the reporting entity, exercise significant influence over the party in making financial and operating decisions or is a member of the key management personnel of the reporting entity. An entity is related to a reporting entity if both of them are members of the same group or one of them is either an associate or joint venture of the other entity. Related parties can be individual or entities.

During the year ended 31 December 2021 and 2020, the Company had the following transactions with related parties:

Name of related parties	Nature of relationship	Nature of transactions	Transactions during the period USD	Balance outstanding USD	Terms and conditions
31 December 2021					
SPI Global Content Holding Pte. Ltd	Parent	Loan repaid	**(4,670,000)**	**(61,922,500)**	Loan payable to parent is unsecured, interest free and repayable on demand.
SPI Global Content Holding Pte. Ltd	Parent	Amount receivable	**-**	**10,845**	Amount receivable from parent is unsecured, interest free and repayable on demand.
SPI Technologies India Private Limited	Subsidiary	Interest receivable	**5,055,279**	**881,559**	Amount receivable from subsidiary is unsecured and repayable on demand.
SPI Technologies Inc.	Entity under common control	Cash advance	**-**	**(32,500)**	Amount due to related party is unsecured, interest free and repayable on demand.
Global Content Alpha Partners Holdco Pte. Ltd.	Ultimate Parent	Recharges	**(2,245)**	**(2,245)**	Amount due to related party is unsecured, interest free and repayable on demand.
DTOS Ltd	Management company	Amount payable	**4,969**	**(8,046)**	Amount payable to related party and repayable on demand.

SPI Global Content Mauritius Holding

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12 RELATED PARTY DISCLOSURES (CONTINUED)

Name of related parties	Nature of relationship	Nature of transactions	Transactions during the period USD	Balance outstanding USD	Terms and conditions
31 December 2020					
SPI Global Content Holding Pte. Ltd	Parent	Loan repaid	(3,190,000)	(66,592,500)	Loan payable to parent is unsecured, interest free and repayable on demand.
SPI Global Content Holding Pte. Ltd	Parent	Amount receivable	-	10,845	Amount receivable from parent is unsecured, interest free and repayable on demand.
SPI Technologies India Private Limited	Subsidiary	Interest receivable	2,466,369	895,515	Amount receivable from subsidiary is unsecured, interest free and repayable on demand.
SPI Technologies Inc.	Entity under common control	Cash advance	-	(32,500)	Amount due to related party is unsecured, interest free and repayable on demand.
		Loan received	150,000	-	
		Loan repaid	(150,000)	-	
DTOS Ltd	Management company	Amount payable	-	(12,615)	Amount payable to related party.

On 13 March 2018, 25 April 2018 and 18 May 2018, the Company received USD 400,000, USD 35,000,000 and USD 14,100,000, respectively, from SPGC. The total amount was allocated for the issuance of additional shares amounting to USD 2,440,000 (Note 11) and the remaining USD 47,060,000 which was treated as non-interest bearing loans from shareholder and repayable on demand. Within the same year, a portion amounting to USD 400,000 was settled. During 2019, USD 1,600,000 was settled and during 2020, USD 3,040,000 was settled. As at 31 December 2021, an amount of USD 4,670,000 was also settled.

On May 15, 2018, the Company subscribed 8,878,505 (11.75%) Compulsory Convertible Debenture (CCD) of Rs.107/- each aggregating Rs. 950,000,035 issued by SPI Technologies India Private Limited (formerly known as Lambda Content Private Ltd) on Private Placement basis. Tenor of the CCDs is 15 years from date of allotment and is unsecured. The Company may convert the CCD in whole or in part into equity shares at fair market value at the date of allotment of the CCDs or conversion of the CCDs into equity shares, whichever is higher. Such fair market value shall be determined by suitable persons appointed by the Board of Directors and shall be in accordance with any requirement under applicable laws. Conversion into equity share may happen at any time before completion of 14 years and 364 days from date of allotment, The Company shall be issued fully paid up equity shares and will not be required at the time of conversion of such CCDs into equity shares, to pay any amounts to SPI Technologies India Private Limited towards such equity shares.

On September 03, 2020, the Company disposed of its entire equity investment comprising of USD 14,004,123 equity shares in Scope E-Knowledge Centre Private Limited against a swap of 8,126,480 (11.75%) Compulsory Convertible Debenture (CCD) of Rs.274/- each aggregating Rs. 2,226,655,520 issued by SPI Technologies India Private Limited (formerly known as Lambda Content Private Ltd) on Private Placement basis which had resulted in a deficit of USD 4,962,868. Accordingly, the deficit has been recognised as an additional investment in SPI Technologies India Private Limited as there is no loss on such transaction.

12 RELATED PARTY DISCLOSURES (CONTINUED)

As this is a common control transaction with its subsidiary, the Company does not lose any value as the investment in Scope E-Knowledge Center Private Limited has changed from a direct to an indirect shareholding. Tenor of the CCDs is 15 years from date of allotment and is unsecured. The Company may convert the CCD in whole or in part into equity shares at fair market value at the date of allotment of the CCDs or conversion of the CCDs into equity shares, whichever is higher.

Such fair market value shall be determined by suitable persons appointed by the Board of Directors and shall be in accordance with any requirement under applicable laws. Conversion into equity share may happen at any time before completion of 14 years and 364 days from date of allotment, The Company shall be issued fully paid up equity shares and will not be required at the time of conversion of such CCDs into equity shares, to pay any amounts to SPI Technologies India Private Limited towards such equity shares.

13 PARENT AND ULTIMATE PARENT

The directors consider SPI Global Content Holding Pte Ltd, a company incorporated in Singapore, as the parent and Partners Group Access 188 L.P., incorporated in Great Britain, as the ultimate parent.

14 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

31 December 2021	**Opening balance USD**	**Cash changes USD**	**Non cash changes USD**	**Closing balance USD**
Loan from shareholder	**66,592,500**	**(4,670,000)**	**-**	**61,922,500**
Advances from a related party	**32,500**	**-**	**2,245**	**34,745**
	66,625,000	**(4,670,000)**	**2,245**	**61,957,245**

31 December 2020	Opening balance USD	Cash Changes USD	Non cash changes USD	Closing balance USD
Loan from shareholder	69,632,500	(3,040,000)	-	66,592,500
Advances from a related party	32,500	-	-	32,500
	69,665,000	(3,040,000)	-	66,625,000

15 GOING CONCERN

The Company is dependent on the support of its ultimate parent to continue as a going concern. The ultimate parent company, Global Content Alpha Holdco Pte.Ltd, has provided a letter of guarantee to confirm its undertaking to provide financial support to the Company whenever required.

The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19. The effect of the impact of COVID-19 has not been reflected in these financial statements, whilst such impact may affect the results of the Company in the future.

16 EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the reporting date which, in the opinion of the Board of Directors, requires disclosure in the financial statements.