

Gland Pharma International Pte. Ltd.
(Company Registration Number: 202108434D)

Directors' Statement and Financial Statements
Financial Year Ended 31 March 2025

KLP LLP
CHARTERED ACCOUNTANTS
Associated with Abacus Worldwide
13A MacKenzie Road Singapore 228676
Tel: 6227 4180

CONFIDENTIAL

Directors

Liao Rong
Wu Rong (Appointed on 10.06.2024)
Chavali Satyanarayana Murthy (Appointed on 10.06.2024)
Srinivas Sadu (Appointed on 10.06.2024)
Ravi Shekhar Mitra (Resigned on 10.06.2024)
Yiu Kwan Stanley Lau (Resigned on 10.06.2024)

Company Secretary

Ang Lee Lee

Registered Office

50 Raffles Place
#30-00, Singapore Land Tower
Singapore 048623

Auditor

KLP LLP

Principal Bankers

HSBC Bank Limited
Standard Chartered Singapore

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Gland Pharma International Pte. Ltd.
Directors' Statement
For the financial year ended 31 March 2025

The directors present their statement to the member together with the audited financial statements of Gland Pharma International Pte. Ltd. (the Company) for the financial year ended 31 March 2025.

1. Opinion of the directors

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and of the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Liao Rong
Wu Rong (Appointed on 10.06.2024)
Chavali Satyanarayana Murthy (Appointed on 10.06.2024)
Srinivas Sadu (Appointed on 10.06.2024)
Ravi Shekhar Mitra (Resigned on 10.06.2024)
Yiu Kwan Stanley Lau (Resigned on 10.06.2024)

3. Arrangements to enable directors to acquire shares or debentures

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

4. Directors' interests in shares or debentures

None of the directors of the Company holding office at the reporting date had any interest in the shares or debentures of the Company or any related corporations either at the beginning or end of financial year.

5. Share options

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

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

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

6. Auditor

KLP LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of directors



Liao Rong
Director



Wu Rong
Director

Singapore, 25 April 2025

Independent Auditor's Report to the member of Gland Pharma International Pte. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gland Pharma International Pte. Ltd. (the Company), which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and of the financial performance, changes in equity and cash flows of the Company for the year then ended on that date.

Basis for Opinion

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

Other Matter

The financial statements of the Company for the year ended 31 March 2024 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 03 May 2024.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

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

Independent Auditor's Report to the member of Gland Pharma International Pte. Ltd. (continued)*Responsibilities of Management and Directors for the Financial Statements*

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

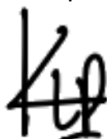
Independent Auditor's Report to the member of Gland Pharma International Pte. Ltd. (continued)*Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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



KLP LLP
Public Accountants and
Chartered Accountants

Singapore, 25 April 2025

Gland Pharma International Pte. Ltd.
Statement of Financial Position
As at 31 March 2025

	Note	2025 US\$	2024 (As reclassified) US\$
Assets			
Non-current asset			
Investment in subsidiaries	4	246,030,868	246,030,868
Trade and other receivables	5	4,428,485	1,107,813
Prepayment		517,980	681,139
Loan to subsidiaries	6	77,643,980	16,249,611
		<u>328,621,313</u>	<u>264,069,431</u>
Current assets			
Trade and other receivables	5	5,903,485	9,487,357
Prepayments		166,277	166,130
Loan to subsidiaries	6	2,154,400	2,155,200
Cash and cash equivalents	7	13,748,959	28,040,645
		<u>21,973,121</u>	<u>39,849,332</u>
Total assets		<u>350,594,434</u>	<u>303,918,763</u>
Equity and liabilities			
Equity			
Share capital	8	338,502,168	290,362,134
Retained earnings		8,503,800	5,097,648
Total equity		<u>347,005,968</u>	<u>295,459,782</u>
Non-current liability			
Deferred tax liabilities	14	-	197,864
Current liabilities			
Trade and other payables	9	3,588,466	8,083,072
Provision for income tax		-	178,045
		<u>3,588,466</u>	<u>8,261,117</u>
Total liabilities		<u>3,588,466</u>	<u>8,458,981</u>
Total equity and liabilities		<u>350,594,434</u>	<u>303,918,763</u>

The accompanying notes form an integral part of these financial statements.

Gland Pharma International Pte. Ltd.
Statement of Comprehensive Income
For the financial year ended 31 March 2025

	<u>Note</u>	<u>2025</u> <u>US\$</u>	<u>2024</u> <u>US\$</u>
Revenue	10	18,783,312	30,508,118
Cost of sales		<u>(17,749,046)</u>	<u>(29,346,441)</u>
Gross profit		1,034,266	1,161,677
Other income	11	<u>4,040,777</u>	<u>4,773,129</u>
Items of expense			
Employee benefits expenses	12	(373,601)	(112,077)
Other expenses	13	<u>(1,519,890)</u>	<u>(937,552)</u>
Profit before tax		3,181,552	4,885,177
Income tax benefit/(expense)	14	<u>224,600</u>	<u>(372,635)</u>
Profit after tax and total comprehensive income for the year		<u>3,406,152</u>	<u>4,512,542</u>

The accompanying notes form an integral part of these financial statements.

Gland Pharma International Pte. Ltd.
Statement of Changes in Equity
For the financial year ended 31 March 2025

	Share capital	Retained earnings	Total equity
	US\$	US\$	US\$
Balance as at 1 April 2023	1,075,000	585,106	1,660,106
Total comprehensive income for the year	-	4,512,542	4,512,542
Issuance of ordinary shares (Note 8)	289,287,134	-	289,287,134
Balance as at 31 March 2024	290,362,134	5,097,648	295,459,782
Total comprehensive income for the year	-	3,406,152	3,406,152
Issuance of ordinary shares (Note 8)	48,140,034	-	48,140,034
Balance as at 31 March 2025	<u>338,502,168</u>	<u>8,503,800</u>	<u>347,005,968</u>

The accompanying notes form an integral part of these financial statements.

Gland Pharma International Pte. Ltd.
Statement of Cash Flow
For the financial year ended 31 March 2025

	2025	2024
	US\$	US\$
Cash flows from operating activities		
Profit before tax	3,181,552	4,885,177
Adjustment for:		
Interest income on bank deposits	(609,616)	(132,077)
Interest income on loan to subsidiaries	(3,429,632)	(4,641,052)
Unrealised foreign exchange adjustments	(365,640)	(211,300)
Operating cash flows before working capital changes	(1,223,336)	(99,252)
<i>Changes in working capital:</i>		
Trade and other receivables	264,395	8,099,263
Prepayment	163,012	(844,226)
Trade and other payables	(4,488,566)	(8,447,292)
Cash used in operating activities	(5,284,495)	(1,291,507)
Income taxes paid	(151,309)	(116,567)
Net cash used in operating activities	(5,435,804)	(1,408,074)
Cash flows from investing activities		
Interest received	608,421	122,898
Loan to subsidiaries	(57,664,739)	(136,027,944)
Infusion of equity share capital in subsidiary	-	(124,163,505)
Net cash used in investing activities	(57,056,318)	(260,068,551)
Cash flows from financing activities		
Issuance of ordinary shares	48,140,034	289,287,134
Net cash generated from financing activities	48,140,034	289,287,134
Net (decrease)/increase in cash in bank	(14,352,088)	27,810,509
Cash and cash equivalents at the beginning of financial year	28,040,645	286,317
Effects of exchange rate change on cash and cash equivalents	60,402	(56,181)
Cash and cash equivalents at the end of financial year		
(Note 7)	13,748,959	28,040,645

The accompanying notes form an integral part of these financial statements.

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

1. Corporate information

Gland Pharma International Pte. Ltd. (the Company) is incorporated and domiciled in Singapore with its registered office and principal place of business at 50 Raffles Place #30-00, Singapore Land Tower, Singapore 048623.

The principal activity of the Company is those of trading of pharmaceutical products, along with investment holding companies.

The immediate holding company is Gland Pharma Limited, which is incorporated in India and listed on the National Stock Exchange of India (the NSE). The ultimate holding company is Shanghai Fosun Pharmaceutical (Group) Co., Ltd, which is incorporated in China and listed on the listed on the Shanghai Stock Exchange (the SSE) and the Stock Exchange of Hong Kong Limited (the HKEx).

2. Material accounting policy information

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollar (US\$), which is the Company's functional currency.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period except that in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2024. The adoption of these standards did not have any material effect on the financial statements of the Company.

2.3 Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

2. Material accounting policy information (continued)

2.4 Foreign currency translation and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2.5 Subsidiaries

A subsidiary is an investee that is controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those return through its power over the investee.

In the Company's separate financial statements, investments in subsidiary is accounted for at cost less any impairment losses. On disposal of investment in subsidiary, the difference between the disposal proceeds and the carrying amounts of the investment are recognised in the profit or loss.

These financial statements are the separate financial statements of Gland Pharma International Pte. Ltd. Pursuant to paragraph 4(a) of FRS 110 *Consolidated Financial Statements*, the Company is exempted from the requirement to prepare consolidated financial statements as the Company is a subsidiary of Gland Pharma Limited, a company incorporated in India which produces the consolidated financial statements available for public use.

The registered office of Gland Pharma Limited., where these consolidated financial statements can be obtained at Survey No. 143-148, 150 & 151, Near Gandimaisamma 'X' Roads D.P. Pally, Dundigal, Dundigal-Gandimaisamma Mandal Medchal-Malkajgiri District, Hyderabad 500043, Telangana, India.

2.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. Material accounting policy information (continued)

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

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

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

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

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

2. Material accounting policy information (continued)

2.7 Financial instruments (continued)

(b) Financial liabilities (continued)

Subsequent measurement

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

Derecognition

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

2.8 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and fixed deposits which are subject to an insignificant risk of changes in value.

2. Material accounting policy information (continued)

2.10 Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

The Company revenue is generated from sales of pharmaceutical products. Revenue is recognised at a point in time when the goods are delivered to customer and all criteria acceptance have been satisfied. The amount of revenue recognised is based on transaction price. The Company has assessed its revenue arrangements based on the substance of the transaction and business model against specific criteria to determine if it is acting as principal or agent and has determined that the Company act as the principal.

2.11 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.12 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

3. Significant accounting judgements and 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 the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of investments

Investments are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The Investments impairment test is performed at the level of the cash-generating unit or Groups of cash-generating units which are benefitting from the synergies of the acquisition. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

(b) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

(b) Provision for expected credit losses of trade receivables

The carrying amount of the Company's trade receivables as at 31 March 2025 was US\$5,695,960 (2024: US\$ 9,416,372).

(c) Provision for expected credit losses of loan to subsidiaries

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

The carrying amounts of the Company's loan to subsidiaries as at 31 March 2025 were US\$79,798,380 (2024: US\$18,404,811).

4. Investment in subsidiaries

	2025	2024
	US\$	US\$
Shares, at cost		
At beginning of the year	246,030,868	500,000
Acquisition during the year	-	245,530,868
At end of the year	<u>246,030,868</u>	<u>246,030,868</u>

The details of the subsidiaries are as follows:

Name	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2025	2024
<i>Held by the Company</i>				
Gland Pharma USA Inc. ⁽ⁱ⁾	United States of America	Marketing and distribution	100	100
Phixen SAS	France	Contract Development & Manufacturing	99.42	99.42
Manxen SAS	France	Investing entities	100	100
Manxen 2 SAS	France		100	100
Manxen 3 SAS	France		100	100

(i) Audited by V R P S & Co.

4. Investment in a subsidiaries (continued)

In year 2024, Gland Pharma Limited (Holding Company) through the Company has acquired 100% of the issued capital of Phixen SAS, France (doing business as Cenexi and hereinafter referred as Cenexi) and 3 other companies (Manxen Companies) holding shares of Phixen SAS, France for an amount of EUR 112.80 million (US\$ 124,163,504) and refinanced the outstanding existing loan of EUR 79.46 million (US \$ 87,104,052). Accordingly, Phixen SAS, France along with its subsidiaries became wholly owned subsidiaries of the Company with effect from 27 April 2023 (Completion Date), upon satisfaction of customary closing conditions and receipt of the necessary regulatory approvals.

In year 2024, the Company has converted inter-corporate loan and interest accrued amounting to US\$121,367,364 into equity share capital of the subsidiary.

5. Trade and other receivables

	2025	2024
	US\$	(As reclassified)
		US\$
Non current assets		
Interest accrued on loan to subsidiaries	4,428,485	1,107,813
Current assets		
Trade receivables - third parties	5,695,960	9,416,372
Deposits	6,428	5,713
Interest accrued on fixed deposit	10,374	9,179
Interest accrued on loan to subsidiaries	190,723	56,093
	<u>5,903,485</u>	<u>9,487,357</u>
Total trade and other receivables	<u>10,331,970</u>	<u>10,595,170</u>

Trade receivables are unsecured, non-interest bearing and are generally on 90 days (2024: 90 days) terms.

Trade and other receivables are denominated in the following currencies:

	2025	2024
	US\$	(As reclassified)
		US\$
Euro	4,619,208	1,173,085
Singapore Dollars	6,428	5,713
United States Dollars	5,706,334	9,416,372
	<u>10,331,970</u>	<u>10,595,170</u>

5. Trade and other receivables (continued)

Receivables that are past due but not impaired

The Company had trade receivables amounting to US\$2,405,667 (2024: US\$5,930,635) that were past due at the reporting date but not impaired. These receivables were unsecured and the analysis of their aging at the reporting date was as follows:

	2025	2024
	US\$	US\$
Trade receivables past due but not impaired:		
0 to 90 days	2,405,601	5,930,635
more than 180 days	66	-
	<u>2,405,667</u>	<u>5,930,635</u>

Expected credit losses (ECL)

There are no allowance for expected credit loss of trade receivables computed based on lifetime ECL.

6. Loan to subsidiaries

Non-current loan due to subsidiaries are unsecured, bears an interest rate of 6.90% (2024: 6.90%) per annum, repayable in more than twelve months after financial year and is to be settled in cash.

Current loan to subsidiary is unsecured, bears an interest at 6.25% (2024: 6.25%) per annum, repayable on demand and is to be settled in cash.

Loan to subsidiaries is denominated in Euro.

7. Cash and cash equivalents

Cash and cash equivalents comprise of the following:

	2025	2024
	US\$	US\$
Cash and bank balances	1,075,710	777,365
Fixed deposits	12,673,249	27,263,280
	<u>13,748,959</u>	<u>28,040,645</u>

Fixed deposits are for a period up to 8 days (2024: 93 days) and earned interest of 4.19% to 4.85% (2024: 2.80% to 3.60%) per annum respectively at reporting date.

Cash and cash equivalents is denominated in the following currencies:

	2025	2024
	US\$	US\$
Euro	184,415	27,359,298
Singapore Dollars	18,971	6,392
United States Dollars	13,545,573	674,955
	<u>13,748,959</u>	<u>28,040,645</u>

8. Share capital

	2025		2024	
	Number of shares	Amount US\$	Number of shares	Amount US\$
Issued and fully paid ordinary shares:				
At beginning of the year	217,950	290,362,134	10,750	1,075,000
Issuance of ordinary shares	30,300	48,140,034	207,200	289,287,134
At end of the year	<u>248,250</u>	<u>338,502,168</u>	<u>217,950</u>	<u>290,362,134</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

On 31 March 2025, the Company issued 30,300 ordinary shares for a total cash consideration of US\$48,140,034 to provide funds for the expansion of the Company's operations. The newly issued shares rank pari passu in all aspects with the previously issued shares.

9. Trade and other payables

	2025 US\$	2024 US\$
Trade payables - holding company	3,505,744	8,017,401
Other payables	36,344	29,902
Accruals	46,378	35,769
	<u>3,588,466</u>	<u>8,083,072</u>

Trade payables are non-interest bearing and are normally settled on 90 days term.

Trade and other payables are denominated in the following currencies:

	2025 US\$	2024 US\$
United States Dollar	3,557,287	8,017,401
Singapore Dollars	31,179	65,671
	<u>3,588,466</u>	<u>8,083,072</u>

10. Revenue

Timing of transfer of good

**At a point in
time
US\$**

2025

Sale of goods

18,783,312

2024

Sale of goods

30,508,118

11. Other income

2025

US\$

2024

US\$

Interest on fixed deposits

609,616

132,077

Interest income on loan to subsidiaries

3,429,632

4,641,052

CIT rebate

1,529

-

4,040,777

4,773,129

12. Employee benefits expenses

2025

US\$

2024

US\$

Directors' remuneration

Salaries and bonuses

353,601

37,678

Fees

20,000

25,054

373,601

62,732

Staff

Salaries, and allowances

-

39,198

Other benefits

-

10,147

-

49,345

373,601

112,077

13. Other expenses

	2025	2024
	US\$	US\$
Audit fee	19,051	35,298
Bank charges	10,026	51,993
Insurance	163,159	149,562
Loss on foreign exchange (net)	1,161,114	369,178
Miscellaneous	79	7,406
Professional fees	116,017	124,992
Rate and taxes	-	123,824
Rental of premise (Note 15(a))	38,480	35,922
Repair and maintenance	1,856	1,784
Subscription fee	1,094	-
Travelling expenses	9,014	37,593
	<u>1,519,890</u>	<u>937,552</u>

14. Income tax (benefit)/expense

	2025	2024
	US\$	US\$
Current income tax:		
- Current year	-	178,045
- Over provision in respect of prior year	(26,736)	(3,274)
	(26,736)	174,771
Deferred income tax		
- Origination of temporary difference	-	197,864
- Over provision in respect of prior years	(197,864)	-
	(197,864)	197,864
Income tax (benefit)/expense recognised in profit or loss	<u>(224,600)</u>	<u>372,635</u>

14. Income tax (benefit)/expense (continued)

Relationship between tax expense and accounting profit

A reconciliation between tax (benefit)/expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2025 and 31 March 2024 were as follows:

	2025	2024
	US\$	US\$
Profit before tax	3,181,552	4,885,177
Income tax using the statutory tax rate of 17% (2024: 17%)	540,864	830,480
Adjustments:		
Non-deductible expenses	44,474	136,543
Non-taxable income	(633,901)	(591,114)
Others	48,563	-
Over provision of income tax expenses in prior year	(26,736)	(3,274)
Over provision of deferred tax expenses in prior year	(197,864)	-
Income tax (benefit)/expense recognised in profit or loss	<u>(224,600)</u>	<u>372,635</u>

Movements in deferred tax liabilities during the financial year were as follows:

	At 1	Recognised	At 31	Recognised	At 31
	April	in profit	March	in profit	March
	2023	or loss	2024	or loss	2025
	US\$	US\$	US\$	US\$	US\$
Deferred tax liabilities					
Others	-	197,864	197,864	(197,864)	-

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. As at 31 March 2025, the Company has unutilised tax losses of US\$285,667, which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses and donations have no expiry date. They have not been recognised as deferred income tax assets in the financial statements due to uncertainty of their recovery.

15. Lease

Company as a lessee

The Company has lease of office with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(a) Amount recognised in profit or loss

	<u>2025</u> US\$	<u>2024</u> US\$
Lease expense not capitalised in lease liabilities:		
- Expenses relating to short-term leases (Note 13)	<u>38,480</u>	<u>35,922</u>

(b) Total cash flows

The Company had total cash outflows for lease of US\$38,840 (2024: US\$35,922) in 2025.

16. Significant related party transaction

Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	<u>2025</u> US\$	<u>2024</u> US\$
Interest charged to subsidiaries	3,429,632	4,641,052
Purchase paid from holding company	<u>17,749,046</u>	<u>29,346,441</u>

Compensation of key management personnel

Director's remuneration is disclosed in Note 12. There are no other key management personnel in the Company other than the directors.

17. Fair value of assets and liabilities

Assets and liabilities not measured at fair value

Cash at banks, other receivables, and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and payables

The carrying amounts of these payables approximate their fair values as they are subject to normal trade credit terms.

17. Fair value of assets and liabilities (continued)

Fixed deposits and loan to subsidiaries

The carrying amounts of these balances approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

18. Financial risk management

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The Directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current financial year and previous financial period, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily trade and other receivables. For other financial assets (including other investment and cash and bank balances), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

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

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

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for more than 90 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

18. Financial risk management (continued)

Credit risk (continued)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganization
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
III	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

Trade receivables

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has significant concentration of credit risk with one customer (2025: One) comprising 94% (2024: 99%) of trade receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

18. Financial risk management (continued)

Credit risk (continued)

Loan to subsidiaries

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company has taken into account the historical default experience and concluded that there has been significant increase in the credit risk.

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain internally generated cash flows and available cash to finance their activities. The Company finances its working capital requirements mainly through funds generated from operations. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

Amend	Carrying amount US\$	Contractual cash flows US\$	One year or less US\$	Two to five years US\$
2025				
Financial assets:				
Trade and other receivables	10,331,970	10,331,970	5,903,485	4,428,485
Loan to subsidiaries	79,798,380	84,417,587	2,345,123	82,072,464
Cash and cash equivalents	13,748,959	13,759,334	13,759,334	-
Total undiscounted financial assets	103,879,309	108,508,891	22,007,942	86,500,949
Financial liabilities:				
Trade and other payables	3,588,466	3,588,466	3,588,466	-
Total undiscounted financial liabilities	3,588,466	3,588,466	3,588,466	-
Net undiscounted financial assets	100,290,843	104,920,425	18,419,476	86,500,949

18. Financial risk management (continued)

Liquidity risk (continued)

	Carrying amount US\$	Contractual cash flows US\$	One year or less US\$	Two to five years US\$
2024 (As reclassified)				
Financial assets:				
Trade and other				
receivables	10,595,170	10,595,170	9,487,357	1,107,813
Loan to subsidiaries	18,404,811	19,568,718	2,211,293	17,357,425
Cash and cash equivalents	28,040,645	28,049,824	28,049,824	-
Total undiscounted				
financial assets	57,040,626	58,213,712	39,748,474	18,465,238
Financial liabilities:				
Trade and other payables	8,083,072	8,083,072	8,083,072	-
Total undiscounted				
financial liabilities	8,083,072	8,083,072	8,083,072	-
Net undiscounted				
 financial assets	<u>48,957,554</u>	<u>50,130,640</u>	<u>31,665,402</u>	<u>18,465,238</u>

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their loan to subsidiaries and fixed deposits.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from transactions that are denominated in a currency other than the functional currency of the Company, primarily Singapore Dollar (SGD) and Euros (EUR).

18. Financial risk management (continued)

Market risk (continued)

Foreign currency risk (continued)

The Company's currency exposures to the SGD and EUR at the reporting date were as follows:

	EUR US\$	SGD US\$
2025		
Financial assets		
Trade and other receivables	4,619,208	6,428
Loan to subsidiaries	79,798,380	-
Cash and cash equivalents	184,415	18,971
	<u>84,602,003</u>	<u>25,399</u>
Financial liabilities		
Trade and other payables	-	31,179
	<u>-</u>	<u>31,179</u>
Currency exposure	<u>84,602,003</u>	<u>(5,780)</u>
2024		
Financial assets		
Trade and other receivables	1,173,085	5,713
Loan to subsidiaries	18,404,811	-
Cash and cash equivalents	27,359,298	6,392
	<u>46,937,194</u>	<u>12,105</u>
Financial liabilities		
Trade and other payables	-	65,671
	<u>-</u>	<u>65,671</u>
Currency exposure	<u>46,937,194</u>	<u>(53,566)</u>

A 7% (2024: 1%) and 6% (2024: 1%) strengthening of Euro and Singapore Dollar respectively against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit before tax 2025 US\$	2024 US\$
Euro	5,922,140	469,372
Singapore Dollars	<u>(347)</u>	<u>(536)</u>

A 7% (2024: 1%) and 6% (2024: 1%) weakening of Euro and Singapore Dollar respectively against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

19. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2025	2024
	US\$	US\$
Financial assets measured at amortised cost		
Trade and other receivables (Note 5)	10,331,970	10,595,170
Loan to subsidiaries (Note 6)	79,798,380	18,404,811
Cash and cash equivalents (Note 7)	13,748,959	28,040,645
Total financial assets measured at amortised cost	<u>103,879,309</u>	<u>57,040,626</u>
Financial liabilities measured at amortised cost		
Trade and other payables (Note 9)	3,588,466	8,083,072
Total financial liabilities measured at amortised cost	<u>3,588,466</u>	<u>8,083,072</u>

20. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial years ended 31 March 2025 and 31 March 2024.

21. Comparative information

During the financial year, the Company modified the classification of 'Trade and other receivables', and 'Loan to subsidiaries' to reflect more appropriately the way in which economic benefits are derived from its use. Since the amounts are reclassifications within the statement of financial position. This reclassification did not have any effect on the statement of comprehensive income and statement of changes in equity.

	Before restatement 2024 US\$	(Decrease)/ Increase US\$	After restatement 2024 US\$
Statement of Financial Position			
Non current assets			
Trade and other receivables	17,357,424	(16,249,611)	1,107,813
Loan to subsidiaries	<u>-</u>	<u>16,249,611</u>	<u>16,249,611</u>
Current assets			
Trade and other receivables	11,642,557	(2,155,200)	9,487,357
Loan to subsidiaries	<u>-</u>	<u>2,155,200</u>	<u>2,155,200</u>

22. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors on the date of the Directors' Statement.