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

**Directors' Statement and Financial Statements**
**Financial Year Ended 31 March 2023**

***KLP LLP***
CHARTERED ACCOUNTANTS
Associated with Abacus Worldwide
13A MacKenzie Road Singapore 228676
Tel: 6227 4180 Fax: 6324 0213

**Directors**

Loo Boon San
Ravi Shekhar Mitra
You Kwan Stanley Lau (Appointed on 25 April 2023)

**Company Secretary**

Michael Craig Lawrence

**Registered Office**

8 Cross Street
#24-03/04 Manulife Tower
Singapore 048424

**Auditor**

KLP LLP

**Principal Banker**

HSBC Bank Limited

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|---|---|

The directors are pleased to 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 2023.

## 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 2023 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:

Loo Boon San
Ravi Shekhar Mitra
You Kwan Stanley Lau (Appointed on 25 April 2023)

## 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.

The Board of Directors

DocuSigned by:
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**Loo Boon San**
Director

DocuSigned by:
0059AE5452704D6...

**Ravi Shekhar Mitra**
Director

Singapore, 25 April 2023

KLP

**KLP LLP**
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**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 2023, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 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 2023 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 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.

*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.

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**Independent Auditor's Report to the member of Gland Pharma International Pte. Ltd. (continued)**

*Responsibilities of Management and Directors for the Financial Statements (continued)*

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 director's 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.

- 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.

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**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)*

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.

DocuSigned by:
KLP
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**KLP LLP**
Public Accountants and
Chartered Accountants

Singapore, 25 April 2023

**Gland Pharma International Pte. Ltd.**
**Statement of Financial Position**
**As at 31 March 2023**

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | US$ | US$ |
| **Assets** | | | |
| **Non-current asset** | | | |
| Investment in a subsidiary | 4 | 500,000 | 100,000 |
| **Current assets** | | | |
| Trade and other receivables | 5 | 17,521,348 | - |
| Prepayments | | 3,043 | - |
| Cash at bank | 6 | 286,317 | 1,014,342 |
| | | 17,810,708 | 1,014,342 |
| **Total assets** | | 18,310,708 | 1,114,342 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Share capital | 7 | 1,075,000 | 1,075,000 |
| Retained earnings/(accumulated losses) | | 585,106 | (72,336) |
| **Total equity** | | 1,660,106 | 1,002,664 |
| **Current liabilities** | | | |
| Trade and other payables | 8 | 16,530,761 | 11,678 |
| Amounts due to a subsidiary | 9 | - | 100,000 |
| Provision for taxation | | 119,841 | - |
| **Total liabilities** | | 16,650,602 | 111,678 |
| **Total equity and liabilities** | | 18,310,708 | 1,114,342 |

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 2023**

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | US$ | US$ |
| **Revenue** | 10 | 27,924,199 | - |
| | | | - |
| **Other items of expense** | | | |
| Purchase of pharmaceutical products | | (26,919,059) | - |
| Employee benefits expense | 11 | (91,113) | - |
| Other expenses | 12 | (136,744) | (66,599) |
| **Profit/(loss) before tax** | | 777,283 | (66,599) |
| Income tax expense | 13 | (119,841) | - |
| **Profit/(loss) after tax, representing total comprehensive loss for the year** | | 657,442 | (66,599) |

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 2023**

| | Share capital | (Accumulated losses)/Retained profits | Total equity |
|---|---|---|---|
| | US$ | US$ | US$ |
| **Balance as at 1 April 2021** | 75,000 | (5,737) | 69,263 |
| Total comprehensive loss for the year | - | (66,599) | (66,599) |
| Issuance of ordinary shares (Note 7) | 1,000,000 | - | 1,000,000 |
| **Balance as at 31 March 2022** | 1,075,000 | (72,336) | 1,002,664 |
| Total comprehensive income for the year | - | 657,442 | 657,442 |
| **Balance as at 31 March 2023** | 1,075,000 | 585,106 | 1,660,106 |

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

**Gland Pharma International Pte. Ltd.**
**Statement of Cash Flows**
**For the financial year ended 31 March 2023**

| | 2023 | 2022 |
|---|---|---|
| | US$ | US$ |
| **Cash flows from operating activities** | | |
| Profit/(loss) before tax | 777,283 | (66,599) |
| *Changes in working capital:* | | |
| Trade and other receivables | (17,521,348) | - |
| Prepayments | (3,043) | 3,846 |
| Trade and other payables | 16,519,083 | 2,110 |
| **Net cash used in operating activities** | (228,025) | (60,643) |
| | | |
| **Cash flows from investing activities** | | |
| Acquisition of a subsidiary | - | (100,000) |
| Additional investments in subsidiary | (400,000) | - |
| **Net cash used in investing activities** | (400,000) | (100,000) |
| | | |
| **Cash flows from financing activities** | | |
| Issuance of ordinary shares | - | 1,000,000 |
| (Repayment to)/advances from a subsidiary | (100,000) | 100,000 |
| **Net cash (used in)/generated from financing activities** | (100,000) | 1,100,000 |
| | | |
| **Net (decrease)/increase in cash in bank** | (728,025) | 939,357 |
| Cash in bank at the beginning of financial year | 1,014,342 | 74,985 |
| **Cash and cash equivalents at the end of financial year (Note 6)** | 286,317 | 1,014,342 |

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. General

Gland Pharma International Pte. Ltd. (the Company) is incorporated and domiciled in Singapore with its registered office and principal place of business at 8 Cross Street, #24-03/04 Manulife Tower, Singapore 048424.

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

The immediate holding company is Gland Pharma Limited, which is incorporated in India. The ultimate holding company is Shanghai Fosun Pharmaceutical (Group) Co., Ltd, which is incorporated in China.

## 2. Summary of significant accounting policies

### 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.

### 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 2022. The adoption of these standards did not have any material effect on the financial performance or position 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 the standards above will have no material impact on the financial statements in the year of initial application.

## 2. Summary of significant accounting policies (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. 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 Subsidiary

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, investment in a subsidiary is accounted for at cost less impairment losses.

### 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. Summary of significant accounting policies (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.

**Subsequent measurement**

*Investments in 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.

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

*Investments in equity instruments*

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

**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 entirely, 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.

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

### 2.7 Financial instruments

#### (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, directly attributable transaction costs.

**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 90 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 at bank

Cash at bank is subject to an insignificant risk of changes in value.

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

### 2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.11 Revenue recognition

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**

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.

### 2.12 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 at the reporting date.

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 reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. There is no deferred tax at the reporting date.

### 2.13 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.

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

### 2.14 Employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### 2.15 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As Lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases.

**Short-term leases**

The Company applies the short-term lease recognition exemption to its short-term leases of office (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

## 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.

## 3. Significant accounting judgements and estimates (continued)

### 3.2 Key sources of estimation uncertainty (continued)

#### (a) 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. The information about the ECLs on the Company's trade receivables is disclosed in Note 29(a).

The carrying amount of the Company's trade receivables as at 31 March 2023 was $17,502,225 (2022: $Nil).

## 4. Investment in a subsidiary

| | 2023<br>US$ | 2022<br>US$ |
|---|---|---|
| At beginning of the financial year | 100,000 | - |
| Additional investments in subsidiary | 400,000 | - |
| Acquisition of a subsidiary | - | 100,000 |
| At end of the financial year | 500,000 | 100,000 |

The details of the subsidiary is as follows:

| Name | Principal place of business | Principal activities | Proportion (%) of ownership interest 2023 | Proportion (%) of ownership interest 2022 |
|---|---|---|---|---|
| *Held by the Company* | | | | |
| Gland Pharma USA Inc. [(i)] | United States of America | Marketing and distribution | 100 | 100 |

[(i)] Audited by V R P S &Co. (India) for the immediate holding company's group audit purposes

Under Financial Reporting Standard No. 110 – Consolidated Financial Statements, the Company is exempted from preparing consolidated financial statements as its holding Company, Gland Pharma Limited, incorporated in India, prepares consolidated financial statements for the group that publicly available at its registered address at Sy. No. 143 - 148, 150 & 151, Near Gandimaisamma 'X' Roads, D.P. Pally, Dundigal, Dundigal- Gandimaisamma Mandal, Medchal-Malkajgiri District, Hyderabad, Telangana- 500 043.

## 4. Investment in a subsidiary (continued)

During the current financial year, the Company invested additional share capital of US$400,000 in its wholly owned subsidiary. The shares were held in trust by Prakash Baliga, Vice-President of the immediate holding company and director of the subsidiary.

Except as disclosed, the Company has no further transaction with the subsidiary.

## 5. Trade and other receivables

| | 2023 | 2022 |
|---|---|---|
| | US$ | US$ |
| Trade receivables | 17,502,225 | - |
| Other receivables | 11,000 | - |
| Deposit | 8,123 | - |
| | 17,521,348 | - |

Trade receivables are due within 150 days and do not bear any interest. All trade receivables are subject to credit risk exposure. Further details of the Company's financial risk management of credit risk are disclosed in Note 15.

Trade and other receivables are denominated in the following currencies:

| | 2023 | 2022 |
|---|---|---|
| | US$ | US$ |
| United States Dollar | 17,513,225 | - |
| Singapore Dollar | 8,123 | - |
| | 17,521,348 | - |

## 6. Cash at bank

Cash at bank is denominated in United States Dollar.

## 7. Share capital

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| | | US$ | | US$ |
| **Issued and fully paid ordinary shares:** | | | | |
| At beginning of the financial year | 10,750 | 1,075,000 | 750 | 75,000 |
| Issuance of ordinary shares | - | - | 10,000 | 1,000,000 |
| At end of the financial year | 10,750 | 1,075,000 | 10,750 | 1,075,000 |

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.

## 8. Trade and other payables

| | 2023<br>US$ | 2022<br>US$ |
|---|---|---|
| Trade payables | | |
| - Holding company | 16,461,324 | - |
| Other payables | 48,364 | - |
| Accruals | 21,073 | 11,678 |
| | 16,530,761 | 11,678 |

Trade payables are non-interest bearing and are normally settled on 90 days (2022: Nil) term.

Trade and other payables are denominated in the following currencies:

| | 2023<br>US$ | 2022<br>US$ |
|---|---|---|
| United States Dollar | 16,509,688 | - |
| Singapore Dollar | 21,073 | 11,678 |
| | 16,530,761 | 11,678 |

## 9. Amounts due to a subsidiary

There are no amounts due to a subsidiary during the current financial year.

Amounts due to a subsidiary are non-trade, non-interest bearing and repayable on demand.

Amounts due to a subsidiary are denominated in United States Dollar.

## 10. Revenue

| Timing of transfer of service | Point in time<br>US$ |
|---|---|
| **2023** | |
| Sale of goods | 27,924,199 |
| **2022** | |
| Sale of goods | - |

## 11. Employee benefits expense

| | 2023<br>US$ | 2022<br>US$ |
|---|---|---|
| **Directors' remuneration** | | |
| Salary | 9,070 | - |
| **Staff** | | |
| Salaries and allowances | 60,543 | - |
| Other benefits | 21,500 | - |
| | 91,113 | - |

## 12. Other expenses

| | 2023<br>US$ | 2022<br>US$ |
|---|---|---|
| Bank charges | 3,492 | 329 |
| Commission fee | 1,395 | - |
| Loss on foreign exchange | 123 | 336 |
| Professional fees | 104,826 | 65,934 |
| Repair and maintenance | 1,725 | - |
| Subscription charges | 469 | - |
| Short-term lease: | | |
| - Rental of premises | 20,257 | - |
| Travelling expenses | 4,457 | - |
| | 136,744 | 66,599 |

## 13. Income tax expense

| | 2023<br>S$ | 2022<br>S$ |
|---|---|---|
| Current income tax: | | |
| - Current year | 119,841 | - |

**Relationship between tax expense and accounting profit/(loss)**

A reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial year ended 31 March 2023 and 31 March 2022 were as follows:

| | 2023<br>US$ | 2022<br>US$ |
|---|---|---|
| Profit/(loss) before tax | 777,283 | (66,599) |
| Income tax using the statutory tax rate of 17% (2022: 17%) | 132,138 | (11,322) |
| Adjustments: | | |
| Non-deductible expenses | 5,128 | 11,322 |
| Tax exemptions | (17,425) | |
| Income tax expense recognised in profit or loss | 119,841 | - |

## 14. Significant related party transaction

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:

| | 2023 | 2022 |
|---|---|---|
| | US$ | US$ |
| Purchase of traded goods from holding company | 26,919,059 | - |

*Compensation of key management personnel*

There are no other key management personnel in the Company other than the directors and the directors' remuneration are disclosed in Note 11.

## 15. 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 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 from trade and other receivables. For other financial assets (including cash at bank), 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 365 days, default of interest due for more than 365 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:

**15. Financial risk management (continued)**

- Internal credit rating
- External credit rating
- 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.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 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 reorganisation
- 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 365 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 >365 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.

**15. Financial risk management (continued)**

Exposure to credit risk

The Company has concentration of credit risk with one (2022: Nil) customer comprising 96% (2022: Nil) of trade receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

**Other receivables**

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.

**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.

*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 (S$). There is no sensitivity analysis prepared as the risk is not material.

**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.

## 15. Financial risk management (continued)

### Liquidity risk (continued)

| | Carrying amount US$ | Contractual cash flows US$ | One year or less US$ |
|---|---|---|---|
| **2023** | | | |
| **Financial assets:** | | | |
| Cash at bank | 286,317 | 286,317 | 286,317 |
| Trade and other receivables | 17,521,348 | 17,521,348 | 17,521,348 |
| Total undiscounted financial assets | 17,807,665 | 17,807,665 | 17,807,665 |
| **Financial liabilities:** | | | |
| Trade and other payables | 16,530,761 | 16,530,761 | 16,530,761 |
| Total undiscounted financial liabilities | 16,530,761 | 16,530,761 | 16,530,761 |
| **Net undiscounted financial assets** | 1,276,904 | 1,276,904 | 1,276,904 |
| | | | |
| **2022** | | | |
| **Financial assets:** | | | |
| Cash at bank | 1,014,342 | 1,014,342 | 1,014,342 |
| Total undiscounted financial assets | 1,014,342 | 1,014,342 | 1,014,342 |
| **Financial liabilities:** | | | |
| Trade and other payables | 11,678 | 11,678 | 11,678 |
| Amount due to a subsidiary | 100,000 | 100,000 | 100,000 |
| Total undiscounted financial liabilities | 111,678 | 111,678 | 111,678 |
| **Net undiscounted financial assets** | 902,664 | 902,664 | 902,664 |

## 16. Fair value of assets and liabilities

### Assets and liabilities not measured at fair value

*Trade receivables and trade payables*

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

*Cash at bank, other payables and amounts due to a subsidiary*

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

## 17. 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:

## 17. Financial instruments by category (continued)

| | 2023 US$ | 2022 US$ |
|---|---|---|
| **Financial assets measured at amortised cost** | | |
| Trade and other receivables (Note 5) | 17,521,348 | - |
| Cash at bank (Note 7) | 286,317 | 1,014,342 |
| Total financial assets measured at amortised cost | 17,807,665 | 1,014,342 |
| **Financial liabilities measured at amortised cost** | | |
| Trade and other payables (Note 9) | 16,530,761 | 11,678 |
| Amounts due to a subsidiary (Note 10) | - | 100,000 |
| Total financial liabilities measured at amortised cost | 16,530,761 | 111,678 |

## 18. 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 accumulated losses.

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 year/period ended 31 March 2023 and 31 March 2022.

## 19. Significant event during the reporting period

During the year, Gland Pharma International PTE. Ltd., Singapore, ('the Company') has entered into a Put option agreement on November 29, 2022 to acquire 100% of the issued capital of Phixen SAS, France (doing business as 'Cenexi' and hereinafter referred as " Cenexi") and 3 holding companies of Cenexi for a maximum consideration of EUR 210 Mn for the proposed acquisition, which includes equity consideration of Euro 120 Mn and balance for debt repayment. Subsequently, the Company has entered into a Share Purchase Agreement on January 06, 2023. The closing of the transaction is subject to customary closing conditions and receipt of the necessary regulatory approvals. Subsequently, Phixen SAS and its subsidiaries would become direct and indirect subsidiaries of the Company.

## 20. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2023 were authorised for issue by the Board of Directors on the date of the Directors' Statement.