

Registration No.	198201009462 (89186-K)
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RANBAXY (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

REPORT AND FINANCIAL STATEMENTS
31 MARCH 2025

RANBAXY (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

REPORT AND FINANCIAL STATEMENTS
31 MARCH 2025

CONTENTS	PAGE NO.
DIRECTORS' REPORT	1-4
STATEMENT BY DIRECTORS AND STATUTORY DECLARATION	5
INDEPENDENT AUDITORS' REPORT	6-9
STATEMENT OF FINANCIAL POSITION	10
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	11
STATEMENT OF CHANGES IN EQUITY	12
STATEMENT OF CASH FLOWS	13-14
NOTES TO THE FINANCIAL STATEMENTS	15-33

RANBAXY (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the audited financial statements of the Company for the financial year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the manufacturing and distributing of pharmaceutical products.

RESULT

RM'000

Net profit for the year

45,246

In the opinion of the directors, the financial result of the Company during the financial year has not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the directors do not recommend any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The directors who held office during the financial year until the date of this report are:

Viswanathan Sethuraman
Karthic Kumar Doraisamy

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than as disclosed in Note 21 to the financial statements) by reason of a contract made by the Company or a related corporation with a director or with a firm of which a director is a member or with a company in which the director has a substantial financial interest.

During and at the end of the financial year, the Company was not a party to any arrangement whose object is to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS

None of the directors in office at the end of the financial year held any interest in the shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION

The amount of remunerations of the directors of the Company comprising remunerations received/receivable from the Company during the financial year are as follow:

	RM'000
Salaries and allowances	1,080
Others	25
	<u>1,105</u>

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid during or since the end of the financial year for any person who is or has been the director, officer or auditor of the Company.

ULTIMATE HOLDING COMPANY

The directors regard Sun Pharmaceutical Industries Limited, a company incorporated in India and listed in BSE Limited and National Stock Exchange of India Limited as the holding and ultimate holding company.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Company were prepared, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that the current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would require the write off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
 - (iv) not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the Company's financial statements misleading.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to substantially affect the result of the operation of the Company for the current financial year.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The amount of audit and other fees payable to the Auditors amounted to RM93,000 by the Company for the financial year ended 31 March 2025.

Signed by the Board of Directors in accordance with a resolution of the directors:

KARTHIK KUMAR DORAISAMY

VISWANATHAN SETHURAMAN

Kuala Lumpur
6 May 2025

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the directors of **RANBAXY (MALAYSIA) SDN. BHD. (Registration no. 198201009462 (89186-K))** do hereby state that, in the opinion of the directors, the financial statements set out on pages 10 to 33 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 31 March 2025 and of the financial results and the cash flows of the Company for the financial year ended on that date.

Signed by the Board of Directors in accordance with a resolution of the directors:

KARTHIC KUMAR DORAISAMY

VISWANATHAN SETHURAMAN

Kuala Lumpur
6 May 2025

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **KARTHIC KUMAR DORAISAMY**, being the director primarily responsible for the financial management of **RANBAXY (MALAYSIA) SDN. BHD. (Registration no. 198201009462 (89186-K))** do solemnly and sincerely declare that the financial statements set out on pages 10 to 33 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

KARTHIC KUMAR DORAISAMY

Subscribed and solemnly declared
by the abovenamed at Kuala Lumpur
in the Federal Territory on 6 May 2025

Before me

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RANBAXY (MALAYSIA) SDN. BHD.
(Registration No. 198201009462 (89186-K))**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ranbaxy (Malaysia) Sdn. Bhd., which comprise the statement of financial position as at 31 March 2025 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended and notes to the financial statements, including material accounting policies information, as set out on pages 10 to 33.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2025 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Grant Thornton Malaysia PLT

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RANBAXY (MALAYSIA) SDN. BHD. (continued)
(Registration No. 198201009462 (89186-K))**

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RANBAXY (MALAYSIA) SDN. BHD. (continued)
(Registration No. 198201009462 (89186-K))**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, 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 of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 of the Company, 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RANBAXY (MALAYSIA) SDN. BHD. (continued)
(Registration No. 198201009462 (89186-K))**

Other Matters

1. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of the Company as at 31 March 2024 were audited by another firm of Chartered Accountants whose report dated 6 May 2024, expressed an unmodified opinion on the financial statements.

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants (AF0737)

Kuala Lumpur
6 May 2025

Kho Kim Eng
03137/10/2026 J
Chartered Accountant

RANBAXY (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	2025 RM'000	2024 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	31,291	31,865
Right-of-use assets	7	1,419	1,043
		32,710	32,908
CURRENT ASSETS			
Inventories	8	55,759	42,185
Trade and other receivables	9	54,102	47,884
Cash and bank balances	10	109,802	58,774
		219,663	148,843
TOTAL ASSETS		252,373	181,751
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	8,300	8,300
Retained earnings		196,445	151,199
TOTAL EQUITY		204,745	159,499
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities	12	2,161	2,615
Lease liabilities	13	540	459
		2,701	3,074
CURRENT LIABILITIES			
Trade and other payables	14	38,972	15,664
Provisions	15	1,027	777
Lease liabilities	13	1,021	616
Tax payable		3,907	2,121
		44,927	19,178
TOTAL LIABILITIES		47,628	22,252
TOTAL EQUITY AND LIABILITIES		252,373	181,751

The annexed notes form an integral part of the financial statements.

RANBAXY (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

	Note	2025 RM'000	2024 RM'000
REVENUE	16	217,927	209,280
COST OF SALES		<u>(128,685)</u>	<u>(134,164)</u>
GROSS PROFIT		89,242	75,116
FINANCE INCOME		1,798	553
OTHER INCOME		526	782
DISTRIBUTION COSTS		(24,167)	(21,239)
ADMINISTRATIVE EXPENSES		(7,658)	(7,169)
OTHER EXPENSES		-	(1,965)
FINANCE COSTS	17	<u>(109)</u>	<u>(146)</u>
PROFIT BEFORE TAX	18	59,632	45,932
TAX EXPENSES	19	<u>(14,386)</u>	<u>(10,224)</u>
NET PROFIT/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u><u>45,246</u></u>	<u><u>35,708</u></u>

The annexed notes form an integral part of the financial statements.

RANBAXY (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	<i>Non distributable Share capital RM'000</i>	<i>Distributable Retained earnings RM'000</i>	<i>Total RM'000</i>
Balance as at 1.4.2023	8,300	115,491	123,791
Total comprehensive income for the financial year	-	35,708	35,708
Balance as at 31.3.2024	8,300	151,199	159,499
Total comprehensive income for the financial year	-	45,246	45,246
Balance as at 31.3.2025	8,300	196,445	204,745

The annexed notes form an integral part of the financial statements.

RANBAXY (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	59,632	45,932
Adjustments for:		
Depreciation of property, plant and equipment	3,397	3,700
Depreciation on right-of-use assets	862	739
Impairment/(reversal of impairment) for slow moving inventories	2,300	(4,463)
Property, plant and equipment written off	8	1
Gain on disposal of property, plant and equipment	-	(37)
Interest expense	62	66
Interest income	(1,798)	(553)
Gain on derecognition of right-of-use assets	-	(8)
Unrealised (gain)/loss on foreign exchange	(162)	85
Operating profit before working capital changes	64,301	45,462
Inventories	(15,874)	8,407
Trade and other receivables	(6,218)	11,195
Trade and other payables	23,470	(15,007)
Provisions	250	(74)
Cash generated from operating activities	65,929	49,983
Tax paid	(13,054)	(8,856)
Interest received	1,798	553
Interest paid	(62)	(66)
Net cash from operating activities	54,611	41,614
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,831)	(680)
Proceeds from disposal of property, plant and equipment	-	37
Net cash used in investing activities	(2,831)	(643)

RANBAXY (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONTINUED)

	2025 RM'000	2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITY		
Payment of lease liabilities	<u>(752)</u>	<u>(724)</u>
Net cash used in financing activity	<u>(752)</u>	<u>(724)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	51,028	40,247
EFFECTS ON EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-	14
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<u>58,774</u>	<u>18,513</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u><u>109,802</u></u>	<u><u>58,774</u></u>

The annexed notes form an integral part of the financial statements.

RANBAXY (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025

1. PRINCIPAL ACTIVITIES

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 12th Floor, Menara Symphony No.5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. The principal place of business is located at Unit 21-13, Level 21, Q Sentral 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The Company is principally engaged in the manufacturing and distributing of pharmaceutical products.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors passed on 6 May 2025.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with applicable approved Malaysian Financial Reporting Standards (“MFRSs”) issued by the Malaysian Accounting Standards Board (“MASB”), IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia.

3. MATERIAL ACCOUNTING POLICIES

3.1 Basis of accounting

The financial statements of the Company have been prepared under the historical cost convention unless otherwise stated in the financial statements.

The preparation of financial statements requires the directors to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosures of contingent assets and liabilities. In addition, the directors are also required to exercise their judgements in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5. Although these estimates and assumptions are based on the directors’ best knowledge of events and actions, actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency and all values are rounded to the nearest RM’000, unless otherwise stated.

3.2 Property, plant and equipment

All property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Property, plant and equipment (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The depreciation rates used are as follows:

Leasehold land	Amortised over the lease term of 99 years
Leasehold factory building	Amortised over the lease term of 50 years
Office equipment and renovations	3-10 years
Furniture and fittings	10 years
Motor vehicles	6.7 years
Plant and machinery	10 years

Capital work-in-progress are not depreciated until the assets are ready for their intended use.

3.3 Leases

(i) Right-of-use assets

Right-of-use assets are measured at cost less accumulated depreciation and any impairment losses and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets, as follows:-

Office spaces	2-3 years
Residences	2 years
Motor vehicles	3-4 years

(ii) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

3.4 Inventories

Inventories are carried in the statement of financial position at the lower of cost and net realisable value ("NRV"). Cost is determined on a weighted average cost formula.

Obsolete and slow-moving items are written down based on their expected future use and NRV.

NRV is the estimated sales price in the ordinary course of business after allowing for all further costs of completion and disposal.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments

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

(i) Financial assets at amortised cost

The Company carries only financial assets at amortised cost which include trade and other receivables and cash and cash equivalents.

(ii) Financial liabilities at amortised cost

The Company carries only financial liabilities at amortised cost which include trade and other payables and provisions.

4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS

4.1 Amendments to MFRSs adopted

At the beginning of the current financial year, the Company adopted amendments to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2024.

Initial application for the above amendments to standards did not have any material financial impacts to the financial statements of the Company.

4.2 Amendments to MFRSs not yet effective

The following are amendments to the MFRSs that have been issued by MASB up to the date of the issuance of the Company's financial statements but have not been adopted by the Company:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7 *Financial Instruments and Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments to MFRS 9 and MFRS 7 *Financial Instruments and Financial Instruments: Disclosures on Contracts Referencing Nature-dependent Electricity*
- Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107 *Annual improvements to MFRS Accounting Standards volume-11*

4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (CONTINUED)

4.2 Amendments to MFRSs not yet effective (continued)

MFRSs effective for annual periods beginning on or after 1 January 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It carries forward many requirements from MFRS 101 unchanged.

The initial application of new MFRSs and amendments to MFRSs is not expected to have any significant financial impact on the financial statements of the Company.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing its financial statements, the Company has made significant estimates and assumptions that impact on the carrying values of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Company periodically monitors such estimates and assumptions and makes sure it incorporates all relevant information available at the date when the financial statements are prepared. However, this does not prevent actual figures differing from estimates.

There was no critical judgement that the directors have made in the process of applying the Company's policies which have the most significant effect on the amounts recognised in the financial statements.

There were no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. PROPERTY, PLANT AND EQUIPMENT

At 31.3.2025

Cost	Leasehold land RM'000	Leasehold factory building RM'000	Office equipment and renovations RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Capital work- in-progress RM'000	Total RM'000
At 1.4.2024	226	24,393	4,007	1,321	134	51,872	910	82,863
Addition	-	-	-	-	-	-	2,831	2,831
Disposals	-	-	(68)	-	-	(3)	-	(71)
Written off	-	-	(55)	-	-	(397)	-	(452)
Transfers	-	259	980	41	-	960	(2,240)	-
At 31.3.2025	226	24,652	4,864	1,362	134	52,432	1,501	85,171

Accumulated depreciation

At 1.4.2024	139	7,657	3,391	1,110	97	38,604	-	50,998
Charged for the financial year	4	465	426	65	11	2,426	-	3,397
Disposals	-	-	(68)	-	-	(3)	-	(71)
Written off	-	-	(55)	-	-	(389)	-	(444)
At 31.3.2025	143	8,122	3,694	1,175	108	40,638	-	53,880

Net carrying amount

At 31.3.2025	83	16,530	1,170	187	26	11,794	1,501	31,291
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The leasehold land and leasehold factory building are right-of-use assets that included in property, plant and equipment as where the corresponding underlying assets would be presented if they were owned.

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

At 31.3.2024

Cost	Leasehold land RM'000	Leasehold factory building RM'000	Office equipment and renovations RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Capital work- in-progress RM'000	Total RM'000
At 1.4.2023	226	24,393	3,750	1,326	134	51,869	608	82,306
Addition	-	-	-	-	-	-	680	680
Disposal	-	-	-	-	-	(107)	-	(107)
Written off	-	-	(4)	(8)	-	(4)	-	(16)
Transfers	-	-	261	3	-	114	(378)	-
At 31.3.2024	226	24,393	4,007	1,321	134	51,872	910	82,863

Accumulated depreciation

At 1.4.2023	137	7,193	3,026	1,047	87	35,930	-	47,420
Charged for the financial year	2	464	368	71	10	2,785	-	3,700
Disposal	-	-	-	-	-	(107)	-	(107)
Written off	-	-	(3)	(8)	-	(4)	-	(15)
At 31.3.2024	139	7,657	3,391	1,110	97	38,604	-	50,998

Net carrying amount

At 31.3.2024	87	16,736	616	211	37	13,268	910	31,865
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7. RIGHT-OF-USE ASSETS

	Office spaces RM'000	Residences RM'000	Motor vehicles RM'000	Total RM'000
At 31.3.2025				
<u>Cost</u>				
At 1.4.2024	1,027	293	538	1,858
Additions	911	296	133	1,340
Derecognition	(287)	(285)	(119)	(691)
At 31.3.2025	1,651	304	552	2,507
<u>Accumulated depreciation</u>				
At 1.4.2024	344	231	240	815
Charged for the financial year	556	146	160	862
Derecognition	(287)	(285)	(17)	(589)
At 31.3.2025	613	92	383	1,088
<u>Net carrying amount</u>				
At 31.3.2025	1,038	212	169	1,419
At 31.3.2024				
<u>Cost</u>				
At 1.4.2023	964	369	720	2,053
Additions	286	-	323	609
Derecognition	(223)	(76)	(505)	(804)
At 31.3.2024	1,027	293	538	1,858
<u>Accumulated depreciation</u>				
At 1.4.2023	186	120	402	708
Charged for the financial year	381	187	171	739
Derecognition	(223)	(76)	(333)	(632)
At 31.3.2024	344	231	240	815
<u>Net carrying amount</u>				
At 31.3.2024	683	62	298	1,043

8. INVENTORIES

	2025 RM'000	2024 RM'000
<u>At NRV</u>		
Raw materials	17,179	19,371
Work-in-progress	2,300	1,679
Finished goods	11,278	5,074
Trading goods	11,915	10,323
Packaging materials	2,441	2,723
Goods in transit	10,646	3,015
	<u>55,759</u>	<u>42,185</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	<u>128,685</u>	<u>134,164</u>

9. TRADE AND OTHER RECEIVABLES

	2025 RM'000	2024 RM'000
Trade receivables		
- Third parties	51,341	46,681
- Amount due from a related company	27	-
	<u>51,368</u>	<u>46,681</u>
Less: accumulated impairment loss	(9)	(9)
	<u>51,359</u>	<u>46,672</u>
Other receivables		
- Third parties	2,109	786
- Deposits	597	292
- Prepayments	37	134
	<u>2,743</u>	<u>1,212</u>
Total trade and other receivables	<u>54,102</u>	<u>47,884</u>

(a) The Company's normal credit terms are 90 days (2024: 90 days) from the date of invoice. Other credit terms are assessed and approved on case by case basis.

(b) The movement in accumulated impairment loss is as follow:

	2025 RM'000	2024 RM'000
At 1 April/31 March	<u>(9)</u>	<u>(9)</u>

10. CASH AND BANK BALANCES

	2025 RM'000	2024 RM'000
Cash at bank	9,801	8,773
Cash in hand	1	1
Fixed deposits with licensed banks	100,000	50,000
	<u>109,802</u>	<u>58,774</u>

The weighted average effective interest rates of fixed deposits with licensed banks of the Company range from 2.1% to 3.04% (2024: 2.10% to 3.00%) per annum. The average maturity days range from 14 days to 33 days (2024: 14 days to 33 days) per annum.

11. SHARE CAPITAL

	2025 RM'000	2024 RM'000
Issued and fully paid with no par value		
8,000,000 ordinary shares at beginning/end of the year	<u>8,300</u>	<u>8,300</u>

The owner of the Company is entitled to receive dividends as and when declared by the Company and entitled to one vote per ordinary share at the meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

12. DEFERRED TAX LIABILITIES

	2025 RM'000	2024 RM'000
At beginning of the year	2,615	1,522
Recognised in profit or loss (Note 19)	<u>(454)</u>	<u>1,093</u>
At end of the year	<u>2,161</u>	<u>2,615</u>

Presented after appropriate offsetting as follows:

Deferred tax assets	(1,859)	(856)
Deferred tax liabilities	<u>4,020</u>	<u>3,471</u>
	<u>2,161</u>	<u>2,615</u>

12. DEFERRED TAX LIABILITIES (CONTINUED)

Deferred tax liabilities are made up of the tax effects of temporary differences arising from:

	Statement of financial position		Statement of profit or loss	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Excess of net carrying amount over tax written down value of property, plant and equipment	4,020	3,471	549	(582)
Impairment for slow moving inventories	(1,322)	(770)	(552)	1,071
Unabsorbed capital allowances	(504)	-	(504)	-
Others	(33)	(86)	53	604
	<u>2,161</u>	<u>2,615</u>	<u>(454)</u>	<u>1,093</u>

13. LEASE LIABILITIES

	2025	2024
	RM'000	RM'000
Future lease payment payable:		
- Not later than one year	1,063	658
- Later than one year and not later than five years	<u>554</u>	<u>473</u>
	1,617	1,131
Less: future interest charges	<u>(56)</u>	<u>(56)</u>
Present value of lease liabilities	<u>1,561</u>	<u>1,075</u>
Repayable as follows:		
Current		
- Not later than one year	1,021	616
Non-current		
- Later than one year and not later than five years	<u>540</u>	<u>459</u>
	<u>1,561</u>	<u>1,075</u>

(a) Cash outflows for leases as a lessee

	2025	2024
	RM'000	RM'000
Included in net cash from operating activities:		
- Interest paid for lease liabilities	60	65
Included in net cash from financing activities:		
- Payment of lease liabilities	<u>752</u>	<u>724</u>
Total cash outflows for leases	<u>812</u>	<u>789</u>

13. LEASE LIABILITIES (CONTINUED)

(b) Reconciliation of liability arising from financing activities:

	2025 RM'000	2024 RM'000
At 1 April	1,075	1,370
Cash flows:		
Payment of lease liabilities (gross)	(812)	(789)
Non-cash flows:		
Addition of lease liabilities	1,340	609
Derecognition	(102)	(180)
Unwinding of interest	60	65
At 31 March	<u>1,561</u>	<u>1,075</u>

(c) The Company's weighted average incremental borrowing rates range from 4.95% to 5.45% (2024: 5.45%) per annum.

14. TRADE AND OTHER PAYABLES

	2025 RM'000	2024 RM'000
Trade payables		
-Third parties	9,378	3,834
-Amount due to ultimate holding company	<u>19,186</u>	<u>3,782</u>
	<u>28,564</u>	<u>7,616</u>
Other payables		
-Third parties	2,980	3,801
-Accruals	5,609	3,041
-Amount due to ultimate holding company	<u>1,819</u>	<u>1,206</u>
	<u>10,408</u>	<u>8,048</u>
Total trade and other payables	<u>38,972</u>	<u>15,664</u>

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Company range from 30 to 90 days (2024: 30 to 90 days).

(b) Non-trade amount due to ultimate holding company is unsecured, interest free and repayable on demand.

15. PROVISIONS

	2025 RM'000	2024 RM'000
At 1 April	777	851
Recognised during the year	250	-
Reversal during the year	-	(74)
At 31 March	<u>1,027</u>	<u>777</u>

Provisions relate to estimated returnable obsolete inventories held by the customers as at financial year end. The provisions were estimated based on historical data and past trends of obsolete inventories held by the customers.

16. REVENUE

	2025 RM'000	2024 RM'000
Revenue from contracts with customers:		
Sale of pharmaceutical goods recognised at a point in time	<u>217,927</u>	<u>209,280</u>

17. FINANCE COST

	2025 RM'000	2024 RM'000
Interest on lease liabilities	60	65
Interest charged by bank	2	1
Others	47	80
	<u>109</u>	<u>146</u>

18. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	2025 RM'000	2024 RM'000
Auditors' remuneration		
- statutory	75	65
- others	68	66
Realised foreign exchange (gain)/loss	<u>(258)</u>	<u>1,177</u>

19. TAX EXPENSES

	2025 RM'000	2024 RM'000
Current financial year		
- income tax expense	15,421	10,787
- deferred tax expense (Note 12)	<u>(1,020)</u>	<u>493</u>
	14,401	11,280
(Over)/underprovision in previous financial year		
- income tax	(581)	(1,656)
- deferred tax expense (Note 12)	<u>566</u>	<u>600</u>
	<u>14,386</u>	<u>10,224</u>

A reconciliation of income tax expenses on profit before tax with the applicable statutory income tax rate is as follows:

	2025 RM'000	2024 RM'000
Profit before tax	<u>59,632</u>	<u>45,932</u>
Income tax at tax rate of 24% (2024: 24%)	14,312	11,024
Tax effects in respect of:		
Non-allowable expenses	<u>89</u>	<u>256</u>
Current year tax expense	14,401	11,280
(Over)/underprovision in previous financial year		
- income tax	(581)	(1,656)
- deferred tax expense	<u>566</u>	<u>600</u>
	<u>14,386</u>	<u>10,224</u>

20. EMPLOYEES BENEFITS

The total employees benefits recognised in the profit or loss are as follows:

	2025 RM'000	2024 RM'000
Wages, salaries and others	27,863	28,517
Defined contribution plan	<u>2,147</u>	<u>2,341</u>
	<u>30,010</u>	<u>30,858</u>

21. DIRECTORS' REMUNERATION

	2025 RM'000	2024 RM'000
Salaries and allowances	1,080	1,856
Others	25	108
	<u>1,105</u>	<u>1,964</u>

22. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individual or entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company.

The Company has related party relationship with its ultimate holding company, related companies and Directors of the Company.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Company are as follow:

	2025 RM'000	2024 RM'000
Ultimate holding company		
Sales	9,953	9,631
Royalty and trademark	8,188	7,809
Purchases	82,753	58,872
Related companies		
Sales	79	-
Purchases	<u>-</u>	<u>64</u>

Balances with ultimate holding and related companies at the reporting date are disclosed in Notes 9 and 14 to the financial statements. All the outstanding balances are expected to be settled in cash by the respective company.

23. FINANCIAL RISK MANAGEMENT

The Company has exposures to the following risks from its use of financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its receivables from customers.

(i) Receivables

The Company's sales to customers are normally on credit terms of 90 days. The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Company.

When an account is past due, the credit risk is considered to have increased significantly since the initial recognition. The Company identifies as a default account if it is more than 1 year past due and the customer is having significant financial difficulties (analysed by financial measures of reported losses, negative cash flows and qualitative evaluation of the customer's characteristics). The Company classifies as an impaired receivable when a customer is in default, in liquidation or other financial reorganisation.

For each significant receivable that is credit-impaired, individual lifetime ECL is recognised using the probability of default technique. The inputs used are: (i) the percent chance of default and (ii) the expected cash shortfalls. The lifetime ECL is measured at the probability-weighted expected cash shortfalls by reference to the Company's past experience, current conditions and forecast of future economic benefits.

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(i) Receivables (continued)

Concentration of credit risk

At the end of each reporting period, approximately 91% (2024: 96%) of the trade receivables of the Company were due from 3 (2024: 5) customers.

Past due and impaired financial assets

The aging analysis of trade receivables (third parties) as at the end of the reporting period is:

	Gross amount RM'000	Individual impairment RM'000	Net amount RM'000
2025			
Not past due	50,499	-	50,499
Past due 1-30 days	820	-	820
Past due 31-90 days	10	-	10
Past due more than 90 days	12	(9)	3
	<u>51,341</u>	<u>(9)</u>	<u>51,332</u>
2024			
Not past due	46,669	-	46,669
Past due more than 90 days	12	(9)	3
	<u>46,681</u>	<u>(9)</u>	<u>46,672</u>

Trade receivables that are past due but not impaired

The Company believes that no impairment allowance is necessary in respect of these balances. They are substantially companies with good collection track record and no recent history of default.

(ii) Inter-company balance

The Company does not have a formal policy for managing credit risk arising from intercompany receivables as the exposure is not considered significant.

As at the end of the reporting period, the maximum exposure to credit risk arising from intercompany receivable is represented by the carrying amount in the statement of financial position. There was no indication that the amount due from a related company is not recoverable. The Company does not specifically monitor the ageing of current amount due from a related company.

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company's exposure to liquidity risk arises principally from its payables.

The Company maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under one year RM'000	More than one year RM'000
2025					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	38,972	- 4.95% -	38,972	38,972	-
Lease liabilities	1,561	5.45%	1,617	1,063	554
Provisions	1,027	-	1,027	1,027	-
	<u>41,560</u>		<u>41,616</u>	<u>41,062</u>	<u>554</u>
2024					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	15,664	-	15,664	15,664	-
Lease liabilities	1,075	5.45%	1,131	658	473
Provisions	777	-	777	777	-
	<u>17,516</u>		<u>17,572</u>	<u>17,099</u>	<u>473</u>

(c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and other prices that will affect the Company's financial position or cash flows.

(i) Currency risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Company. The currency giving rise to this risk is primarily Singapore Dollar ("SGD").

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(i) Currency risk (continued)

	Denominated in SGD RM'000
2025	
Trade and other receivables	5,443
Trade and other payables	(28)
Net exposure	<u>5,415</u>
2024	
Trade and other receivables	2,020
Trade and other payables	(66)
Net exposure	<u>1,954</u>

A 1% (2024: 1%) weakening of the RM against the following currency at the end of the reporting period would have increased post-tax profit and equity by the amount shown below. This analysis is based on foreign currency exchange rate variance that the Company considers to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Post-tax profit/equity	
	2025	2024
	RM'000	RM'000
SGD	<u>54</u>	<u>20</u>

A 1% (2024: 1%) strengthening of RM against the above currency at the end of the reporting period would have had equal but opposite effect on the above currency to the amount shown above, on the basis that all other variables remain constant.

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Company would fluctuate because of changes in market interest rates. The exposure of the Company to interest rate risk arises primarily from its fixed deposits with licensed banks.

The directors are of the opinion that the Company is not subject to significant exposure to interest rate risk as the changes in market interest rates were insignificant, no sensitivity analysis is being presented at the end of each financial period.

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities approximate their fair values due to the relatively short term nature or immaterial discounting impact of these financial instruments.

25. CAPITAL MANAGEMENT

The Company's principal goal is to maintain healthy balance ratios for the support and continuity of the operational activities and maximising shareholders value. The Company monitors the capital structure and balance ratios so as to optimise its goals, taking into account the economic circumstances. To achieve those goals, the Company's management determines the dividend policy, share issuance or other financial instruments. No changes were made in the objectives, policies or processes for managing capital during the financial year.

26. COMPARATIVE INFORMATION

The comparative information was audited by another firm of Chartered Accountants other than Grant Thornton Malaysia PLT. Certain comparative figures had been reclassified to comfort with current year's presentation.