NATCO PHARMA ASIA PTE. LTD.
Reg. No: 201230076Z
(Incorporated in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

AJM PRACTICE

PUBLIC ACCOUNTANTS &
CHARTERED ACCOUNTANTS
of SINGAPORE

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

Directors:

Mente Subba Rao
Virkar Girish Suresh
Prabhakaran Mangayarkarasi

Registered office:

111 North Bridge Road
#23-05 Peninsula Plaza
Singapore 179098

Auditors:

AJM PRACTICE
Public Accountants and
Chartered Accountants
5 Coleman Street #02-17,
Peninsula Excelsior Hotel,
Singapore 179805.

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DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The directors present their statement to the members together with the audited financial statements of Natco Pharma Asia Pte. Ltd. (the "Company") for the financial year ended 31 March 2024.

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 2024 and 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:

Mente Subba Rao
Virkar Girish Suresh
Prabhakaran Mangayarkarasi

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 object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

	Direct interest	
Name of directors	At beginning of the financial year	At end of the financial year
Ordinary shares of the Holding Company		
Mente Subba Rao	52,060	52,060
Ordinary shares of the Company		
Virkar Girish Suresh	5,000	5,000

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 as at the end of the financial year.

6. AUDITORS

AJM Practice has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

....
Virkar Girish Suresh
Director

P. Mangayarkarasi

....
Prabhakaran Mangayarkarasi
Director

Singapore,
24 April 2024

AJM
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NATCO PHARMA ASIA PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Natco Pharma Asia Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies 1967 (theAct) 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 2024and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Matter

The financial statements of the Company for the year ended 31 March 2023 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 27 April 2023.

Other Information

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

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NATCO PHARMA ASIA PTE. LTD.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NATCO PHARMA ASIA PTE. LTD.

Auditor's Responsibilities for the Audit of the Financial Statements – continued

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

AJM Practice

AJM Practice
Public Accountants and
Chartered Accountants

Singapore,
24 April 2024

AJ/MS

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024	2023
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	4	12,550	49,353
Current assets			
Inventories	5	334,406	741,175
Cash and short-term deposits	6	2,875,639	1,813,078
Trade and other receivables	7	613,782	882,511
Total current assets		3,823,827	3,436,764
Total assets		3,836,377	3,486,117
LIABILITIES			
Non-current liability			
Lease liability	9	-	12,661
Current liabilities			
Trade and other payables	8	546,940	663,102
Lease liabilities	9	12,661	36,684
Income tax payable	16	76,537	8,486
		636,138	708,272
Total current liabilities		636,138	720,933
Net assets		**3,200,239**	**2,765,184**
EQUITY			
Share capital	10	2,100,000	2,100,000
Accumulated losses		1,100,239	665,184
Total equity		**3,200,239**	**2,765,184**

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

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		$	$
REVENUE			
Sale of goods	11	2,535,127	3,097,127
Other income	12	91,605	29,735
		2,626,732	3,126,862
COSTS AND EXPENSES			
Change in inventories		406,769	91,341
Purchase		1,050,912	1,557,852
Depreciation	4	36,803	35,706
Finance cost	13	1,716	2,489
Staff cost	14	381,635	308,904
Other operating expenses		245,791	142,414
Total costs and expenses		2,123,626	2,138,706
PROFIT BEFORE TAX	15	503,106	988,156
INCOME TAX EXPENSE	16	(68,051)	(8,486)
PROFIT REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		435,055	979,670

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

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Share capital $	Accumulated losses $	Total equity $
2024			
Balance at beginning of financial year	2,100,000	665,184	2,765,184
Total comprehensive income for the financial year	-	435,055	435,055
Balance at end of financial year	2,100,000	1,100,239	3,200,239
2023			
Balance at beginning of financial year	2,100,000	(314,486)	1,785,514
Total comprehensive income for the financial year	-	979,670	979,670
Balance at end of financial year	2,100,000	665,184	2,765,184

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

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		$	$
Cash flows from operating activities			
Profit before tax		503,106	988,156
Adjustment for:			
Depreciation of property, plant and equipment	4	425	1,577
Depreciation of right use of asset	4	36,378	34,129
Interest expense		1,716	2,489
Interest income		-	(17,021)
Gain on lease liabilities written off		-	(7,800)
Operating profit before working capital changes		541,625	1,001,530
Changes in working capital:			
Inventories		406,769	91,341
Trade and other receivables		268,729	(112,499)
Trade and other payables		(116,162)	(274,553)
Cash generated from operations		1,100,961	705,819
Interest income		-	63
Net cash flows generate from operating activities		1,100,961	705,882
Cash flows from investing activities			
Purchase of property, plant and equipment	4	-	(1,275)
Increase in fixed deposits pledged		(880,770)	(1,500,000)
Net cash flows used in investing activities		(880,770)	(1,501,275)
Cash flows from financing activities			
Repayment of principal portion of lease liability		(38,400)	(36,000)
Net cash flows used in financing activities		(38,400)	(36,000)
Net change in cash and cash equivalents		181,791	(831,393)
Cash and cash equivalents at beginning of financial year		313,078	1,144,471
Cash and cash equivalents at end of financial year	6	494,869	313,078

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

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

1. CORPORATE INFORMATION

Natco Pharma Asia Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore.

The registered office of the Company is located at

111 North Bridge Road
#23-05 Peninsula Plaza
Singapore 179098

The principal place of business of Company is at

62 Ubi Road 1,
#03-21, Oxley Bizhub 2,
Singapore 408734

The principal activities of the Company are those relating to wholesale of medical and pharmaceutical products (western) and research and development of pharmaceutical products.

The holding company during the financial year is Natco Pharma Limited, incorporated in India.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS). 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 Singapore dollar ($),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 year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2023. 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 these new and amended standards will have no material impact on the financial statements in the year of initial application.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Foreign currency transactions 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 end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in statement of comprehensive income.

2.5 Property, property, plant and equipment

All items of property, property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, property, plant and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property,property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of comprehensive income as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

• Office equipment	3 years
• Furniture and fittings	3 years
• Renovations	3 years
• Leasehold building	Over lease period

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Property, property, plant and equipment (Continued)

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in statement of comprehensive income in the year the asset is derecognised.

Fully depreciated assets which are still in use will continued to be recognised in the financial statements.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and bank deposits which are subject to an insignificant risk of change in value.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realised value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.8 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Impairment of non-financial assets (continued)

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 have been recognised previously. Such reversal is recognised in profit or loss.

2.9 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 FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

Subsequent measurement

Investments in debts instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the contractual cash flow characteristics of the assets. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL.

The Company only had 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 derecognized or impaired, and through amortised process.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement (continued)

De-recognition

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

(b) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 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.

2.11 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant

2.13 Employee benefits

Defined contribution plans

The Branch participates in the national pension schemes as defined by the laws of the country in which it has operations. In particular, the Branch makes contributions to the Central Provident Fundscheme in Singapore, a defined contribution pension scheme. Contributions todefined contribution pension schemes are recognised as an expense in theperiod in which the related service is performed.

2.14 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.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Leases (continued)

Right-of-use assets(continued)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10

The Company's right-of-use assets are presented within property, property, plant and equipment (Note 4).

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Note 9.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.14 Leases (continued)

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (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). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.15 Revenue

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

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

Sales of goods

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The Company performance obligation on the sale of goods is recognised at a point in time when the customer obtain control of the goods.

Interest income

Interest income is recognised using the effective interest method.

2.16 Taxes

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 authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Taxes (continued)

Deferred tax

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.17 Share capital and share issuance expenses

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. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.18 Related parties

A related party is defined as follows:

(a) *A person or a close member of that person's family is related to the Company if that person:*

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) *An entity is related to the Company if any of the following conditions applies:*

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.1 Judgments made in applying accounting policies

In the process of applying the accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effects on the amounts recognised in the financial statements:

Determination of functional currency

The Company measures foreign currency transactions in the functional currency of the Company. In determining the functional currency of the Company, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determine the sales prices of the goods and services. The functional currency of the Company is determined based on management's assessment of the economic environment in which it operates and its process of determining sales prices.

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.

Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Company's inventories as at 31 March 2024 was $334,406 (2023: $741,175).

Useful lives of plant and equipment

The cost of plant and equipment is depreciated on straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 3 years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.
The carrying amount of the Company's plant and equipment at the statement of financial position date is disclosed in Note 4 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (continued)

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 ECLsof the Company's trade receivables is disclosed in Note 19.

The carrying amount of the Company's trade receivables as at 31 March 2024 was $568,612 (2023: $847,334).

Income taxes

The Company has exposure to income taxes. A degree of judgement is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes would be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Leases – estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold building $	Office equipment $	Furniture and fittings $	Renovation $	Total $
Cost					
As at 1 April 2022	100,809	16,546	7,003	64,685	189,043
Additions	72,755	1,250	-	-	74,005
Write off	(100,809)	-	-	-	(100,809)
As at 31 March 2023	72,755	17,796	7,003	64,685	162,239
Additions	-	-	-	-	-
As at 31 March 2024	72,755	17,796	7,003	64,685	162,239
Accumulated depreciation					
As at1 April 2022	90,932	16,946	7,003	64,685	179,566
Depreciation for the financial year	34,129	-	-	-	34,129
Written off	(100,809)	-	-	-	
As at 1 April 2023	24,252	16,946	7,003	64,685	213,695
Depreciation for the financial year	36,378	425	-	-	36,803
As at 31 March 2024	60,630	17,371	7,003	64,685	250,498
Net carrying amount					
As at 31 March 2023	48,503	850	-	-	49,353
As at 31 March 2024	12,125	425	-	-	12,550

5. INVENTORIES

	2024 $	2023 $
Finished goods	334,406	741,175

Finished goods comprised of medical and pharmaceutical products. The cost of inventories recognised as an expense and included cost of sale amount to $1,050,912 (2023:$1,557,852).

6. CASH AND SHORT-TERM DEPOSITS

	2024	2023
	$	$
Cash in hand	1,178	1,178
Cash on bank	493,691	311,900
Fixed deposit	2,380,770	1,500,000
	2,875,639	1,813,078

The maturity period of the fixed deposits is 365 days. (2023: 360 days).

The average effective interest rates relating to fixed deposits at the statement of financial position date was 5.37% (2023: 5.2%) per annum.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	2024	2023
	$	$
Cash and cash equivalents	2,875,639	1,813,078
Less: fixed deposits	(2,380,770)	(1,500,000)
Cash and cash equivalents per statement of cash flows	494,869	313,078

Cash and short-term deposits are denominated in foreign currencies are as follows:

	2024	2023
	$	$
United States Dollar	2,380,770	1,500,000

7. TRADE AND OTHER RECEIVABLES

	2024 $	2023 $
Trade receivables	568,612	847,334
Deposits	14,250	12,620
Interest receivable	26,321	16,958
Other receivables	4,599	5,599
	613,782	882,511

Trade receivables
Trade receivables are non-interest bearing and are generally on 30 to 90 (2023: 30 to 90) days terms.

There is no other class of financial assets that is past due and/ or impaired except for trade receivables.

Expected credit losses ("ECL")
There is no allowance for expected credit loss of trade receivables computed based on lifetime ECL.

The carrying amounts of trade and other receivables denominated in foreign currencies are as follows:

	2024 $	2023 $
United States dollar	26,321	16,958

8. TRADE AND OTHER PAYABLES

	2024	2023
	$	$
Trade payables - Holding company	446,044	558,946
Amount due to director	44,328	44,328
Other payable	15,400	15,400
Accrued audit fee	6,000	5,400
Accrued expenses	17,665	21,461
GST payable	17,503	17,567
	546,940	663,102

Trade payables
Trade payables are non interest bearing and are normally settled on 30 (2023: 30) days' term.

Amount due to director
Amount due to director is non-trade related, unsecured, non-interest bearing and is repayable on demand.

9. LEASE LIABILITIES

	2024	2023
	$	$
Non-current		
Lease liability	-	12,661
Current		
Lease liability	12,661	36,684
Total	12,661	49,345

9. LEASE LIABILITIES (CONTINUED)

	1-Apr-23	Cash flows	Acquisition	Accretion of interests	Other	31-Mar 2024
Liabilities	$	$	$	$	$	$
Lease liabilities						
- Current	12,661	-	-	-	-	12,661
- Non current	36,684	(38,400)	-	1,716	-	-
	49,345	(38,400)	-	1,716	-	12,661

	1-Apr-22	Cash flows	Acquisition	Accretion of interests	Other	31-Mar 2023
Liabilities	$	$	$	$	$	$
Lease liabilities						
- Current	17,901	(36,000)	-	2,489	28,271	12,661
- Non current	-	-	72,755	-	(36,071)	36,684
	17,901	(36,000)	72,755	2,489	(7,800)	49,345

The other column relates to reclassification of non-current portion of lease liabilities due to passage of time of Nil (2023:$28,271) as well as gain on lease liabilities written off of Nil (2023: $7,800) under current portion.

10. SHARE CAPITAL

	2024	2024	2023	2023
Issued and fully paid	No. of shares	$	No. of shares	$
ordinary shares:				
At beginning and end of financial year	2,100,000	2,100,000	2,100,000	2,100,000

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

11. REVENUE

Disaggregation of revenue

Time of transfer of good or services

	At a point in time	Total
	$	$
31 March 2024		
Sale of goods	2,535,127	2,535,127
31 March 2023		
Sale of goods	3,097,127	3,097,127

12. OTHER INCOME

	2024	2023
	$	$
Government grant	1,472	4,914
Interest income	90,133	17,021
Miscellaneous income	-	7,800
	91,605	29,735

13. FINANCE COSTS

	2024	2023
	$	$
Interest on lease liabilities	1,716	2,489

14. STAFF COST

	2024 $	2023 $
Director's salary	206,070	177,550
Staff salaries and other related cost	151,663	115,460
CPF contributions	23,902	15,894
	381,635	308,904

15. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	2024 $	2023 $
Conveyance	30,320	34,203
Delivery charges	15,048	12,733
Depreciation of property,plant and equipment (Note 4)	36,803	35,706
Finance cost	1,716	2,489
Office expense	26,014	28,812
Professional fee	3,000	7,050
Product registration charges (HSA)	47,893	12,536
Staff cost	381,635	308,904

16. INCOME TAX EXPENSE

a) Income tax expense

	2024 $	2023 $
Current year's income tax provision	76,537	8,486

16. INCOME TAX EXPENSE (CONTINUED)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2024 and 2023 were as follows:

	2024 $	2023 $
Profit before tax	503,106	988,156
Income tax expense using the corporate tax rate of 17% (2023: 17%)	85,528	167,987
Non-deductible expenses	6,476	268
Non-taxable income	(6,528)	-
Income tax exemption	(17,425)	(17,425)
Unutilised tax losses	-	(142,344)
	68,051	8,486

Movement in income tax payable

	2024 $	2023 $
Balance at beginning of financial year	8,486	-
Current year's income tax provision	68,051	8,486
Balance at end of financial year	76,537	8,486

17. LEASES

Company as a lessee

The Company has lease contracts for building. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

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

17. LEASES (CONTINUED)

a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	2024	2023
	$	$
At 1 April	48,503	9,877
Addition	-	72,755
Depreciation	(36,378)	(34,129)
At 31 March	12,125	48,503

b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 9 and the maturity analysis of lease liabilities is disclosed in Note 19.

c) Amounts recognised in profit or loss

	2024	2023
	$	$
Depreciation of right-of-use assets	36,378	34,129
Interest expense on lease liabilities (Note 13)	1,716	2,489
Total amount recognised in profit or loss	38,094	36,618

d) Total cash outflow

The Company had total cash outflows for leases of $38,400 (2023: $36,000).

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, in addition to information disclosed elsewhere in the financial statements, significant related party transactions between the Company and related parties carried out on terms agreed between the parties in the normal course of business are as follows:

Related Party transaction

	2024	2023
	$	$
Purchases from holding company	1,050,912	1,557,852

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including directors of the Company.

During the financial year, the following payments were made to the directors of the Company representing the total remuneration of key management personnel:

	2024	2023
	$	$
Directors' remuneration	206,070	177,550

19. 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 and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, 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 and cash equivalent, 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 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

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:

- 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 changes to the debtor's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the 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 120 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.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

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-monthECL
II	Amount is >30 days past due or there has been a significant increase in credit Risk since initial recognition	Lifetime ECL-not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired fin 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

Below details the credit quality of the Company's financial assets as well a maximum exposure to credit risk.

	Note	Category	12-month or lifetime ECL	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
				$	$	$
31-Mar-24						
Trade receivables	7	Note 1	lifetime ECL (simplified)	568,612	-	568,612
Other receivables	7	Note 2	12-month ECL	45,170	-	45,170
					-	
31-Mar-23						
Trade receivables	7	Note 1	lifetime ECL (simplified)	847,334	-	847,334
Other receivables	7	Note 2	12-month ECL	35,177	-	35,177
					-	

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Trade receivables (Note 1)

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.

	Trade receivable					
		Days past due				
	Not past due	≤30 days	31-60 days	61-90 days	>90 days	Total
	$	$	$	$	$	$
31-Mar-24						
ECL rate	0%	0%	0%	0%	0%	
Estimated *total* gross carrying amount at default	-	220,437	261,452	31,723	55,000	568,612
ECL	-	-	-	-	-	-
						568,612
31-Mar-23						
ECL rate	0%	0%	0%	0%	0%	
Estimated *total* gross carrying amount at default	-	432,634	64,167	166,353	184,180	847,334
ECL	-	-	-	-	-	-
						847,334

Excessive risk concentration

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

Exposure to credit risk

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Other receivable and deposits (Note 2)

The Company assesses on a forward-looking basis the expected credit losses associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company considers that the credit risk of these counter parties have not increased. The amount on the ECL allowance for other receivables was insignificant.

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 a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. 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 assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

2024	Carrying amount	Contractual cashtlow	One year or less	Two to five years
	$	$	$	$
Financial assets				
Cash and cash equivalents	2,875,639	2,875,639	2,875,639	-
Trade and other receivables	613,782	613,782	613,782	-
Total undiscounted financial assets	3,489,421	3,489,421	3,489,421	-
Financial liabilities				
Trade and other payables	505,772	505,772	505,772	-
Lease liabilities	12,661	14,200	14,200	-
Total undiscounted financial liabilities	518,433	519,972	519,972	-
Total net undiscounted financial assets/ (liabilities)	2,970,988	2,969,449	2,969,449	-

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

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

2023	Carrying amount	Contractual cashtlow	One year or less	Two to five years
	$	$	$	$
Financial assets				
Cash and cash equivalents	1,813,078	1,813,078	1,813,078	-
Trade and other receivables	882,511	882,511	882,511	-
Total undiscounted financial assets	2,695,589	2,695,589	2,695,589	-
Financial liabilities				
Trade and other payables	618,674	618,674	618,674	-
Lease liabilities	49,345	52,200	38,000	14,200
Total undiscounted financial liabilities	668,019	670,874	656,674	14,200
Total net undiscounted financial assets/ (liabilities)	2,027,570	2,024,715	2,038,915	(14,200)

Market risk

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

Interest rate risk

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

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

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

Foreign currency risk

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

The Company has transactional currency exposures arising from loans, sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily USD.

The Company's currency exposures to the USD at the reporting date were as follows:

	2024 USD $	2023 USD $
Financial assets		
Cash and cash equivalent	2,380,770	1,500,000
Trade and other receivables	26,231	16,958
Currency exposures	2,407,001	1,516,958

A 10% (2022: 10%) strengthening of Singapore Dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss (after tax) 2024 $	 2023 $
United States Dollar	199,781	125,908

A 10% (2022: 10%) weakening of Singapore Dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

20. FAIR VALUES OF ASSETS AND LIABILITIES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

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

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

Lease liabilities

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

21. 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:

	Financial asset at amortised cost	Financial liabilities at amortised cost	Total
	$	$	$
2024			
Assets			
Cash and cash equivalent	2,875,639	-	2,875,639
Trade and other receivables	613,782	-	613,782
	3,489,421	-	3,489,421
Liabilities			
Trade and other payables	-	505,772	505,772
Lease liabilities	-	12,661	12,661
	-	518,433	518,433

21. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	Financial asset at amortised cost	Financial liabilities at amortised cost	Total
	$	$	$
2023			
Assets			
Cash and cash equivalent	1,813,078	-	1,813,078
Trade and other receivables	882,511	-	882,511
	2,695,589	-	2,695,589
Liabilities			
Trade and other payables	-	618,674	618,674
Lease liabilities	-	49,345	49,345
	-	668,019	668,019

22. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

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 in the objectives, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

The Company's overall strategy remains unchanged from 2023.

23. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 24 April 2024.

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	2024 $	2023 $
Revenue	2,535,127	3,097,127
Less : Purchases		
Purchases	1,050,912	1,557,852
Opening inventory	741,175	832,516
Less: Closing inventory	(334,406)	(741,175)
	1,457,681	1,649,193
Gross profit	1,077,446	1,447,934
Other Income		
Government Grant	1,472	4,914
Interest income	90,133	17,021
Gain on lease liabilities written off	-	7,800
	91,605	29,735
PROFIT BEFORE OPERATING EXPENSES	1,169,051	1,477,669
COSTS AND EXPENSES		
Staff Cost		
Staff salaries	99,670	80,498
Director's salary	206,070	177,550
Staff commission	25,495	23,825
CPF contribution	23,902	15,894
Skill Development Levy	258	223
Staff welfare	26,240	10,914
	381,635	308,904
Depreciation of property, plant and equipment	36,803	35,706
Finance cost		
Interest expense	1,716	2,489
Other operating expenses (Annex A)	245,791	142,414
Profit representing total comprehensive income for the financial year	503,106	988,156

This statement does not form part of the audited financial statements of the Company.

NATCO PHARMA ASIA PTE. LTD.
(Reg. No: 201230076Z)

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 - ANNEX A

	2024 $	2023 $
Other Operating Expenses		
Audit fee	9,600	7,650
Bank charges	741	700
Bad debts	852	-
CDAC Expenses	33	30
Clearing expenses	9,091	8,939
Conveyance	30,320	34,203
Delivery charges	15,049	13,733
Electricity expenses - City Sq.	2,289	2,844
Electricity expenses - Ubi	2,052	2,561
Fee & subscription	400	55
Insurance charges	1,729	1,659
Legal fees	78,411	-
Office expenses	26,014	28,812
Printing and stationary expenses	6,334	4,785
Product registration charges (HSA)	47,893	12,536
Professional fees	3,000	7,050
Repair and maintainance	4,051	9,259
Stamp and duty	422	307
Telephone expenses	7,510	7,291
	245,791	142,414

This statement does not form part of the audited financial statements of the Company.