

ALIDAC HEALTHCARE (MYANMAR) LIMITED
Incorporated in the Republic of the Union of Myanmar,
Registration Number 148900353

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

Currency – Myanmar Kyat (MMK)

ALIDAC HEALTHCARE (MYANMAR) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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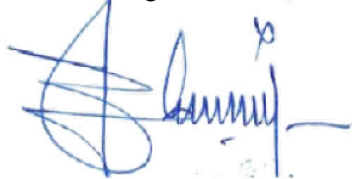
STATEMENT OF MANAGEMENT’S RESPONSIBILITY
ALIDAC HEALTHCARE (MYANMAR) LIMITED

It is the responsibility of the management to prepare the financial statements which give a true and fair view of the state of affairs of **Alidac Healthcare (Myanmar) Limited** (the “Company”) as of March 31, 2025 and of its financial performance and its cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes. In preparing these financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently; and
- Make judgments and estimates that are reasonable and prudent.

The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We, the management committee, have general responsibility for taking such steps as are reasonably open to us to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of Management



Kailash Badoni
Director

Alidac Healthcare (Myanmar) Limited.
May 27, 2025



Gulshan Arora
Director
Alidac Healthcare (Myanmar) Limited
May 27, 2025





LOYAL AUDIT & ASSURANCE

Certified Public Accountants

No. 08, Ground Floor, Thayettaw 1st Street,
Kyimyindaing Township, Yangon, Myanmar
Email: loyalauditassurance@gmail.com
Tel: (95-09) 266066765

INDEPENDENT AUDITOR'S REPORT

To the members of Alidac Healthcare (Myanmar) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Alidac Healthcare (Myanmar) Limited** ("the Company"), which comprise the statement of financial position as at March 31, 2025, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Myanmar Financial Reporting Standards ("MFRSs") and the provisions of the Myanmar Companies law ("the Law").

Basic for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 ethical requirements that are relevant to our audit of the financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 **Alidac Healthcare (Myanmar) Limited** for the year ended March 31, 2024 were audited by another auditor who expressed unmodified opinion on those statements on May 17, 2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with MFRSs and the provisions of the Law, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for 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 ISAs 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 ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 accordance with the provisions of the Law, we also report that:

- (i) we have obtained all the information and explanations we have required; and
- (ii) financial records have been maintained by the Company as required by Section 258 of the Law.



Thawdar Kyaw (PAPP - 1328)
Engagement Partner
LOYAL AUDIT & ASSURANCE
CERTIFIED PUBLIC ACCOUNTANTS

May 27, 2025

ALIDAC HEALTHCARE (MYANMAR) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

	Notes	2025 MMK	2024 MMK
ASSETS			
Non-current assets			
Property, plant and equipment	4	18,594,462,751	19,450,107,828
Intangible assets	5	19,099,372	4,602,711
		18,613,562,123	19,454,710,539
Current assets			
Inventories	6	31,525,642,155	10,193,531,213
Trade and other receivables	7	11,259,233,623	10,042,095,955
Cash and cash equivalents	8	52,665,570,748	38,063,766,539
		95,450,446,526	58,299,393,707
Total assets		114,064,008,649	77,754,104,246
EQUITY AND LIABILITIES			
Equity			
Paid-up capital	9	43,780,641,000	43,780,641,000
Retained earnings		(7,671,651,812)	(18,419,439,607)
		36,108,989,188	25,361,201,393
Non-current liabilities			
Borrowing	10	30,104,883,804	20,839,986,822
		30,104,883,804	20,839,986,822
Current liabilities			
Borrowing	10	—	—
Trade and other payables	11	47,850,135,657	31,552,916,031
		47,850,135,657	31,552,916,031
Total equity and liabilities		114,064,008,649	77,754,104,246

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

Authenticated by:

(1)

Kailash Badoni
Director

Alidac Healthcare (Myanmar) Limited.

(2)

Gulshan Arora
Director
Alidac Healthcare (Myanmar) Limited

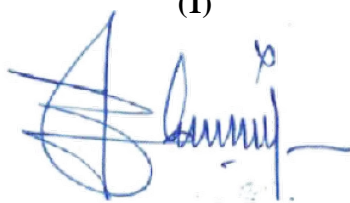
ALIDAC HEALTHCARE (MYANMAR) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2025

	Notes	2025 MMK	2024 MMK
INCOME			
Revenue from operations	12	64,966,549,862	38,553,359,871
Other income	13	4,555,931,404	2,164,965,461
Total income		69,522,481,266	40,718,325,332
EXPENSES			
Cost of materials consumed	14	18,378,096,348	8,265,472,411
Change in inventories of finished goods and work in progress	15	(8,305,584,966)	(420,057,350)
Employee benefits expense	16	4,663,178,785	2,326,567,494
Finance costs	17	9,517,248,317	9,846,581,545
Depreciation and amortization expense	4/5	1,157,967,022	1,229,505,692
Other expenses	18	33,363,787,965	27,318,823,419
Total expenses		58,774,693,471	48,566,893,211
Profit/(Loss) before income tax		10,747,787,795	(7,848,567,879)
Income tax expense	19	—	—
Profit/(Loss) for the year		10,747,787,795	(7,848,567,879)
Other comprehensive income for the year		—	—
Total comprehensive income for the year		10,747,787,795	(7,848,567,879)

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


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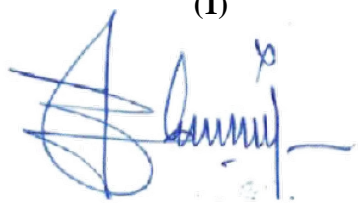
ALIDAC HEALTHCARE (MYANMAR) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2025

	Paid-up capital MMK	Retained earnings MMK	Total MMK
Balance at April 1, 2024	43,780,641,000	(18,419,439,607)	25,361,201,393
Profit for the year	–	10,747,787,795	10,747,787,795
Other comprehensive income for the year	–	–	–
Balance at March 31, 2025	43,780,641,000	(7,671,651,812)	36,108,989,188
Balance at April 1, 2023	43,780,641,000	(10,570,871,728)	33,209,769,272
(Loss) for the year	–	(7,848,567,879)	(7,848,567,879)
Other comprehensive income for the year	–	–	–
Balance at March 31, 2024	43,780,641,000	(18,419,439,607)	25,361,201,393

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


Authenticated by:

(1)



Kailash Badoni
Director
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(2)



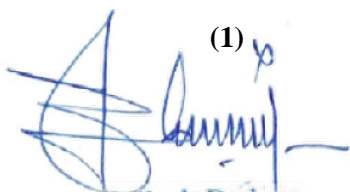
Gulshan Arora
Director
Alidac Healthcare (Myanmar) Limited

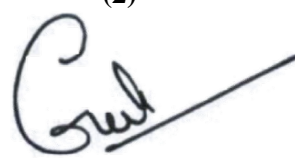
ALIDAC HEALTHCARE (MYANMAR) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

	Notes	2025 MMK	2024 MMK
Cash flows from operating activities:			
Profit/(Loss) for the year		10,747,787,795	(7,848,567,879)
Adjustments for:			
Depreciation and amortization expense	4/5	1,159,499,182	1,229,505,692
Loss on disposal of property, plant and equipment	4	80,640	—
Foreign exchange loss on borrowing	10	7,890,826,782	9,276,848,376
Interest expenses	17	1,590,138,473	559,301,989
Interest income	13	(4,215,247,814)	(2,003,590,608)
Operating profit before working capital changes		17,173,085,058	1,213,497,570
Changes in working capital:			
(Increase) in inventories		(21,332,110,942)	(2,671,017,059)
(Increase) in trade and other receivables		(1,628,110,483)	(3,875,764,880)
Increase in trade and other payables		14,707,081,153	24,254,741,210
Cash generated from operations		8,919,944,786	18,921,456,841
Income tax paid		—	—
Net cash inflow from operating activities		8,919,944,786	18,921,456,841
Cash flows from investing activities:			
Additions to property, plant and equipment	4	(297,343,906)	(520,378,445)
Additions to intangible assets	5	(21,087,500)	(935,000)
Interest income received		4,626,220,629	1,202,406,019
Net cash inflow from investing activities		4,307,789,223	681,092,574
Cash flows from financing activities:			
Proceeds from borrowing	10	1,374,070,200	4,941,824,524
Net cash provided by financing activities		1,374,070,200	4,941,824,524
Net increase in cash and cash equivalents		14,601,804,209	24,544,373,939
Cash and cash equivalents			
Beginning of year		38,063,766,539	13,519,392,600
End of year	8	52,665,570,748	38,063,766,539

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

Authenticated by:

(1)

Kailash Badoni
Director
Alidac Healthcare (Myanmar) Limited.

(2)

Gulshan Arora
Director
Alidac Healthcare (Myanmar) Limited

ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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

1. General information

Alidac Healthcare (Myanmar) Limited (the “Company”) was incorporated in the Republic of the Union of Myanmar as per renewed Certificate of Incorporation Number 148900353 {Former Registration No. 7FC of 2016-2017 (TSEZ)} on June 17, 2016 as 100% foreign company under the Myanmar Special Economic Zone Law of 2014 and The Myanmar Companies Law upon obtaining Investment Permit No. TSEZ-IP-058-R-1 dated May 20, 2016 issued by Thilawa Special Economic Zone Management Committee under Section 11 (c) of the Myanmar Special Economic Zone Law of 2014.

The principal activities of the Company are the manufacturing and selling of pharmaceutical products.

The address of its registered office is Lot No. B19, Zone A, Thilawa SEZ, Thanlyin Township, Yangon Region, Republic of the Union of Myanmar.

The Company started its commercial operation on October 1, 2020.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with Myanmar Financial Reporting Standards (“MFRSs”) and are based on historical cost convention. In preparation of these financial statements, certain reclassifications and rearrangements have been made in previous year to conform to the classification used in current year.

2.2 Foreign currency translation

2.2.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Myanmar Kyat (MMK), which is the presentation currency as well as functional currency of the Company.

ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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

2.2.2 Transactions and balances

Foreign currency transactions are translated into functional currency (MMK) using monthly market exchange rates prevailing at the time of transactions.

Monetary assets and liabilities denominated in USD at the end of the reporting period are translated into MMK at actual foreign currency transaction done by the Company (i.e., USD 1 = MMK 5,180) at the end of the reporting period.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

2.3 Property, plant and equipment

Property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

The cost of maintenance and minor repairs are charged to income as incurred. Significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the income statement.

Depreciation on all tangible assets is calculated using the straight-line method to allocate their 95% of total cost over their estimated useful lives as follows:

<u>Description</u>	<u>Useful lives</u>
Furniture and fitting	10 years
Office equipment	3 years
Motor vehicles	8 years
Leasehold land	48 years
Factory buildings	30 years
Plant and equipment single shift	15 years
Plant and equipment two shift	10 years

The assets' useful lives are reviewed, and adjusted prospectively if appropriate, if there is any indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any gain or loss of disposal of an item of property, plant and equipment is recognized within "other gain/(losses) – net" in the statement of comprehensive income.

ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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

2.4 Intangible assets

Acquired computer software licenses are initially capitalized at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licenses are subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortized to profit or loss using the straight-line method over their estimated useful lives of 4 years (25%).

2.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- a) Raw materials, packing materials, finished goods, stock-in-trade and works-in-progress are valued at lower of cost and net realizable value.
- b) Cost of raw materials, stores & spare parts, packing materials, finished goods and stock-in-trade is determined on moving average method.
- c) Costs of finished goods and work-in-progress are determined by taking material cost, labour and relevant appropriate overheads based on the normal operating capacity but excluding borrowing costs.

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

Write down of inventories to net realizable value is recognized as an expense and included in "Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade" and Cost of Materials Consumed" in the relevant note in the statement of comprehensive income.

2.6 Trade receivables

Trade receivables are initially recognized at fair value and subsequent measured at amortized cost using the effective interest method, less provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired.

2.7 Other receivables

If collection of other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end.

ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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

2.8 Impairment of assets

The Company assess whether there is an indication that any asset may be impaired. If any such indication exists, the Company makes an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of comprehensive income. An asset recoverable amount is the higher of fair value less costs to sell and value in use.

2.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, balance with banks and short-term deposits with banks.

2.10 Paid-up capital

Ordinary shares are classified as equity.

2.11 Loans

Loans are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Loans are initially recognized at fair value (net of transaction costs) and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of loan using the effective interest method.

2.12 Borrowing costs

Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognized as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are directly attributable to the acquisition/construction of a qualifying asset are capitalized as part of the cost of such assets, up to the date the assets are ready for their intended use.

2.13 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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

2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Contingent assets are not recognized but are disclosed separately in the financial statements.

Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognized but are disclosed separately in financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate the risks specific to the liability.

2.15 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Revenue from sale of goods

Revenue from sale of goods is recognized upon the transfer of significant risk and rewards of ownership of the goods to the customers. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Other income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

2.16 Leases

As a lessee

Finance leases

Leases are classified as finance leases whenever the terms of leases transfers substantially all the risks & rewards of the ownership to the lessee. All other leases are classified as operating leases.

Operating leases

Operating leases payments are recognized as expenses on straight-line basis over the lease terms, except if another systematic basis is more representative of the time pattern in which economic benefits will flow to the company.

ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

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

2.17 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including leave encashment that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting and are measured by the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

3. Significant accounting judgments and estimates

The preparation of the Company's financial statements in conformity with MFRS 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 end of each reporting period. 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 periods.

ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

4. Property, plant and equipment

	Leasehold land MMK	Factory building MMK	Plant and Equipment MMK	Furniture & fitting MMK	Office equipment MMK	Total MMK
<i>Cost</i>						
At April 1, 2024	3,698,967,495	6,916,559,426	13,144,260,871	153,699,250	421,298,329	24,334,785,371
Additions	—	—	174,038,662	29,123,020	94,182,224	297,343,906
Disposal	—	—	—	—	(1,612,800)	(1,612,800)
At March 31, 2025	3,698,967,495	6,916,559,426	13,318,299,533	182,822,270	513,867,753	24,630,516,477
<i>Accumulated depreciation and impairment losses</i>						
At April 1, 2024	(597,229,126)	(762,988,729)	(3,168,204,050)	(30,672,184)	(325,583,454)	(4,884,677,543)
Depreciation charge	(77,061,823)	(219,026,687)	(788,845,656)	(18,660,098)	(49,314,079)	(1,152,908,343)
Disposal	—	—	—	—	1,532,160	1,532,160
At March 31, 2025	(674,290,949)	(982,015,416)	(3,957,049,706)	(49,332,282)	(373,365,373)	(6,036,053,726)
<i>Net book value</i>						
At March 31, 2025	3,024,676,546	5,934,544,010	9,361,249,827	133,489,988	140,502,380	18,594,462,751
<i>Cost</i>						
At April 1, 2023	3,698,967,495	6,916,559,426	12,697,672,435	146,846,221	354,361,349	23,814,406,926
Additions	—	—	446,588,436	6,853,029	66,936,980	520,378,445
At March 31, 2024	3,698,967,495	6,916,559,426	13,144,260,871	153,699,250	421,298,329	24,334,785,371
<i>Accumulated depreciation and impairment losses</i>						
At April 1, 2023	(520,167,303)	(543,957,688)	(2,279,394,875)	(29,590,571)	(284,351,040)	(3,657,461,477)
Depreciation charge	(77,061,823)	(219,031,041)	(888,809,175)	(1,081,613)	(41,232,414)	(1,227,216,066)
At March 31, 2024	(597,229,126)	(762,988,729)	(3,168,204,050)	(30,672,184)	(325,583,454)	(4,884,677,543)
<i>Net book value</i>						
At March 31, 2024	3,101,738,369	6,153,570,697	9,976,056,821	123,027,066	95,714,875	19,450,107,828

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5. Intangible assets

	2025 MMK	2024 MMK
<i>Cost</i>		
At beginning of year	140,322,078	139,387,078
Additions	21,087,500	935,000
At end of year	161,409,578	140,322,078
<i>Accumulated amortization and impairment losses</i>		
At beginning of year	(135,719,367)	(133,429,741)
Amortization charge	(6,590,839)	(2,289,626)
At end of year	(142,310,206)	(135,719,367)
<i>Net book value</i>		
At end of year	19,099,372	4,602,711

6. Inventories

	2025 MMK	2024 MMK
Finished goods	11,597,944,593	3,426,870,754
Work-in-progress	196,392,384	61,881,257
Raw materials	17,488,769,068	6,189,460,835
Packing materials	2,242,536,110	515,318,367
	31,525,642,155	10,193,531,213

7. Trade and other receivables

	2025 MMK	2024 MMK
Trade receivables	6,970,392,183	7,282,668,874
Advance payments to suppliers	2,961,750,383	407,660,784
Advance payments for marketing expenses	237,505,475	292,326,857
Advance to employees	90,443,377	49,692,090
Advance for house rental against employees' HRA	101,802,399	88,750,000
Advance commercial tax	—	585,341,901
Prepayments	384,028,605	395,963,583
Deposits	32,525,500	31,575,500
Accrued interest income	462,728,212	873,701,027
Advance income tax on export	4,372,615	4,639,282
Custom duty receivables on re-export	13,684,874	29,776,057
	11,259,233,623	10,042,095,955

ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

8. Cash and cash equivalents

	2025 MMK	2024 MMK
Short-term fixed deposits	39,300,000,000	36,350,000,000
Balance with banks	13,307,174,878	1,693,060,939
Cash on hand	58,395,870	20,705,600
	<u>52,665,570,748</u>	<u>38,063,766,539</u>

9. Paid-up capital

	Number of shares	2025 Value of shares MMK	Number of shares	2024 Value of shares MMK
Beginning of year	43,780,641	43,780,641,000	43,780,641	43,780,641,000
Issues of shares	—	—	—	—
End of year	<u>43,780,641</u>	<u>43,780,641,000</u>	<u>43,780,641</u>	<u>43,780,641,000</u>

As at March 31, 2025, the share structure of the Company was as follows:

	Number of shares	2025 Value of shares MMK	Number of shares	2024 Value of shares MMK
Zydus Worldwide DMCC (ZWWD)	43,780,641	43,780,641,000	43,780,641	43,780,641,000
End of year	<u>43,780,641</u>	<u>43,780,641,000</u>	<u>43,780,641</u>	<u>43,780,641,000</u>

10. Borrowing

	2025 MMK	2024 MMK
At beginning of year	20,839,986,822	6,621,313,922
Additions	1,374,070,200	4,941,824,524
Unrealized foreign exchange loss	7,890,826,782	9,276,848,376
	<u>30,104,883,804</u>	<u>20,839,986,822</u>
Repayments	—	—
At end of year	<u>30,104,883,804</u>	<u>20,839,986,822</u>

ALIDAC HEALTHCARE (MYANMAR) LIMITED
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FOR THE YEAR ENDED MARCH 31, 2025

10. Borrowing (continued)

In March 2022, The Company has entered a long term offshore unsecured borrowing arrangement with its parent company Zydus World Wide DMCC to repay the Company's overdue of imports as the Company was not able to convert local currency into USD due to regulatory forex restrictions. The loan is still not repaid as the forex restrictions are still continue.

	2025 MMK	2024 MMK
Current portion	—	—
Non-Current portion	30,104,883,804	20,839,986,822
	<u>30,104,883,804</u>	<u>20,839,986,822</u>

11. Trade and other payables

	2025 MMK	2024 MMK
Trade payables		
- ZLL -Trade Payables	40,048,073,757	27,790,707,714
- ZWWD -Interest Payable	3,510,740,649	1,228,766,346
- Others	2,291,108,610	1,130,218,637
Other payables		
- Payable to Government	48,951,728	31,610,806
- Payable to employees	793,725,770	578,754,048
- Provisions	1,157,535,143	792,858,480
	<u>47,850,135,657</u>	<u>31,552,916,031</u>

12. Revenue from operations

The above represent revenue from manufacturing and selling of pharmaceutical products for the year ended March 31, 2025 amounting to **MMK 64,966,549,862** (March 31, 2024: MMK 38,553,359,871).

13. Other income

	2025 MMK	2024 MMK
Sale of scarp	4,284,660	2,646,920
Interest income	4,215,247,814	2,003,590,608
Sales commission	—	46,594,956
Retainership fees	336,398,930	112,132,977
	<u>4,555,931,404</u>	<u>2,164,965,461</u>

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14. Cost of materials consumed

	2025	2024
	MMK	MMK
Opening		
Raw materials	6,189,460,835	3,744,116,068
Packing materials	515,318,367	709,703,425
Add: Purchases		
Raw materials	27,042,718,275	9,402,044,259
Packing materials	4,361,904,049	1,114,387,861
	38,109,401,526	14,970,251,613
Less: Closing		
Raw materials	(17,488,769,068)	(6,189,460,835)
Packing materials	(2,242,536,110)	(515,318,367)
	18,378,096,348	8,265,472,411

15. Change in inventories of finished goods and work in progress

	2025	2024
	MMK	MMK
Opening		
Work in progress	61,881,257	—
Finished goods	3,426,870,754	3,068,694,661
Less: Closing		
Work in progress	(196,392,384)	(61,881,257)
Finished goods	(11,597,944,593)	(3,426,870,754)
	(8,305,584,966)	(420,057,350)

16. Employee benefits expense

	2025	2024
	MMK	MMK
Salaries and wages	4,246,887,390	2,049,041,012
Social security	12,262,650	11,233,650
Other employee expenses	404,028,745	266,292,832
	4,663,178,785	2,326,567,494

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NOTES TO THE FINANCIAL STATEMENTS
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17. Finance costs

	2025 MMK	2024 MMK
Bank commission	36,283,062	10,431,180
Loan interest	1,590,138,473	559,301,989
Unrealized foreign exchange losses: borrowing	7,890,826,782	9,276,848,376
	<u>9,517,248,317</u>	<u>9,846,581,545</u>

18. Other expenses

	2025 MMK	2024 MMK
Product registration	43,133,825	7,785,680
Marketing expenses	12,272,623,103	10,607,958,039
Forex losses	11,449,037,456	12,638,030,976
Power	1,036,417,154	476,730,558
Fuel	502,049,574	291,071,644
Repair and maintenance	795,332,961	416,135,951
Consumables	1,875,584,942	575,709,589
Other operating costs	1,481,029,449	972,954,121
Printing and stationery	7,073,650	7,581,200
Legal and professional fees	28,327,674	10,925,000
Audit fees and expenses	22,159,880	18,384,900
Insurance expenses	96,662,188	63,024,017
Conveyance	476,044,619	341,762,450
Canteen expenses	198,823,760	151,886,840
Maintenance and administration charge	110,416,320	111,129,240
Guest house expenses	23,500,269	58,704,380
Internet expenses	19,508,400	17,847,700
Mobile expenses	10,597,190	8,705,707
Security service	31,666,824	25,200,000
Other general and admin expenses	954,968,124	516,312,940
Freight & forwarding on export sales	41,591,802	982,487
Hardship allowance to local employees	14,415,711	—
Remittance facilitation charges	1,872,823,090	—
	<u>33,363,787,965</u>	<u>27,318,823,419</u>

19. Income tax expense

Provision for income tax on profit for the year was not made by the Company as the Company has been granted income tax exemption for a period of 5 consecutive years including the year of commencement on commercial operation; as per Section 32 (b) of the Myanmar Special Economic Zone Law, 2014.

ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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20. Capital management

The primary objective of the Company's capital management is to maintain a sufficient liquidity in order to support its business and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any.

21. Financial risk management

The Company's activities expose it to market risks (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize potential adverse effects from the unpredictability of financial market on the financial performance of the Company. These policies and procedures are formulated, approved and regularly reviewed by the Board of Directors (the "Board").

The Board is responsible for setting the objective and underlying principles of financial risk management and providing an oversight of the entire risk management system of the Company. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits in accordance with the objectives and underlying principles approved by the Board.

(a) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate. As at March 31, 2025, the Company is exposed to changes in market interest rates through borrowings at variable interest rates. The Company's investments in fixed deposits are at fixed interest rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign currency rates. The Company's exposure to the risk of change in foreign currency rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

(b) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of the financial assets as stated in the statement of financial position.

ALIDAC HEALTHCARE (MYANMAR) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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21. Financial risk management *(continued)*

(c) Liquidity risk

The Company's objective is to maintain a level of cash and bank balances deemed sufficient to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	2025			2024		
	<u>1 year or less</u>	<u>1 – 3 years</u>	<u>Total</u>	<u>1 year or less</u>	<u>1 – 3 years</u>	<u>Total</u>
	MMK	MMK	MMK	MMK	MMK	MMK
Financial liabilities:						
Borrowing	–	30,104,883,804	30,104,883,804	–	20,839,986,822	20,839,986,822
Trade and other payables	47,850,135,657	–	47,850,135,657	31,552,916,031	–	31,552,916,031
Total net undiscounted financial liabilities	47,850,135,657	30,104,883,804	77,955,019,461	31,552,916,031	20,839,986,822	52,392,902,853

ALIDAC HEALTHCARE (MYANMAR) LIMITED
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22. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

(a) *Purchase of goods. Service - related company (Zydus Lifesciences Limited), Finance Costs {Zydus Worldwide DMCC (ZWWD)} and Purchase of goods (Cadmach Machinery Co., Pvt Ltd.)*

Significant transactions during the year ended March 31, 2025 and 2024 were as follows:

	2025	2024
	MMK	MMK
For ZLL		
Purchase of materials	11,686,665,503	7,353,956,226
Purchase of services	759,759,746	3,856,325,200
For ZWWD		
Borrowing during the year	1,374,070,200	4,941,824,524
Finance costs (interest expenses)	1,590,138,473	559,301,989
For Cadmach Machinery Co., Pvt Ltd.		
Purchase of equipment	69,124,500	—

Outstanding balances at March 31, 2025 and 2024, arising from purchase of goods and services are unsecured and payable within 12 months from balance sheet date and are disclosed in Note 7 and 11 respectively.

(b) *Key management personnel compensation*

	2025	2024
	MMK	MMK
Salaries and allowances	1,271,376,897	577,113,170

23. Authorization of financial statements

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors of the Company on May 27, 2025.