

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

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

Currency – Myanmar Kyat (MMK)

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

<b>CONTENTS</b>	<b>PAGE</b>
Statement of Management's Responsibility	1
Independent Auditor's Report	2 - 3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 22

**Regd. Office :**

Lot No B19, Zone A,  
Thilawa special economic zone,  
Thanlyin Township, Yangon,  
Myanmar.

**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 at March 31, 2023 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

16<sup>th</sup> May, 2023

Ref: ---/A-148/March 2023

## 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 financial statements of **Alidac Healthcare (Myanmar) Limited** (“the Company”), which comprise the statement of financial position as at March 31, 2023, 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, 2023, 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”).

#### Basis 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 International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code), together 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the 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 judgment 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.

Kyaw Tun Aung (PAPP - 479)  
Partner  
WIN THIN & ASSOCIATES LTD  
CERTIFIED PUBLIC ACCOUNTANTS  
Firm Registration No. ACC 008

16<sup>th</sup> May, 2023

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

	Notes	2023 MMK	2022 MMK
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	20,156,945,449	20,142,933,228
Intangible assets	5	5,957,337	21,630,404
		<u>20,162,902,786</u>	<u>20,164,563,632</u>
<b>Current assets</b>			
Inventories	6	7,522,514,154	6,023,700,871
Trade and other receivables	7	5,365,146,486	3,788,472,328
Cash and cash equivalents	8	13,519,392,600	3,250,323,915
		<u>26,407,053,240</u>	<u>13,062,497,114</u>
<b>Total assets</b>		<u>46,569,956,026</u>	<u>33,227,060,746</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid-up capital	9	43,780,641,000	43,780,641,000
Retained earnings		(10,570,871,728)	(15,996,966,900)
		<u>33,209,769,272</u>	<u>27,783,674,100</u>
<b>Non-current liabilities</b>			
Borrowing	10	6,621,313,922	4,170,100,000
		<u>6,621,313,922</u>	<u>4,170,100,000</u>
<b>Current liabilities</b>			
Borrowing	10	—	—
Trade and other payables	11	6,738,872,832	1,273,286,646
		<u>6,738,872,832</u>	<u>1,273,286,646</u>
<b>Total equity and liabilities</b>		<u>46,569,956,026</u>	<u>33,227,060,746</u>

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

**Authenticated by:**

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2023**

	Note	Twelve-month period ended March 31, 2023	Six-month period ended March 31, 2022
		MMK	MMK
<b>INCOME</b>			
Revenue from operations	12	22,861,298,326	6,979,827,317
Other income	13	549,305,008	235,131,067
<b>Total income</b>		<b>23,410,603,334</b>	<b>7,214,958,384</b>
<b>EXPENSES</b>			
Cost of materials consumed	14	5,464,852,792	2,043,563,649
Change in inventories of finished goods and work in progress	15	(628,536,480)	(975,643,464)
Employee benefits expense	16	1,793,595,954	819,606,263
Finance costs	17	462,543,090	270,067,941
Depreciation and amortization expense	4/5	1,297,120,397	630,650,035
Other expenses	18	9,594,932,409	2,926,929,998
<b>Total expenses</b>		<b>17,984,508,162</b>	<b>5,715,174,422</b>
<b>Profit before tax</b>		<b>5,426,095,172</b>	<b>1,499,783,962</b>
Income tax expense		—	—
<b>Profit for the year/period</b>		<b>5,426,095,172</b>	<b>1,499,783,962</b>
<b>Other comprehensive income for the year/period</b>		<b>—</b>	<b>—</b>
<b>Total comprehensive income for the year/period</b>		<b>5,426,095,172</b>	<b>1,499,783,962</b>

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

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2023**

	Paid-up capital	Retained earnings	Total
	MMK	MMK	MMK
Balance at April 1, 2022	43,780,641,000	(15,996,966,900)	27,783,674,100
Issue of shares	–	–	–
Profit for the year	–	5,426,095,172	5,426,095,172
Other comprehensive income for the year	–	–	–
<b>Balance at March 31, 2023</b>	<b>43,780,641,000</b>	<b>(10,570,871,728)</b>	<b>33,209,769,272</b>
Balance at October 1, 2021	43,780,641,000	(17,496,750,862)	26,283,890,138
Issue of shares	–	–	–
Profit for the period	–	1,499,783,962	1,499,783,962
Other comprehensive income for the period	–	–	–
<b>Balance at March 31, 2022</b>	<b>43,780,641,000</b>	<b>(15,996,966,900)</b>	<b>27,783,674,100</b>

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



**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

	Note	Twelve-month period ended March 31, 2023 MMK	Six-month period ended March 31, 2022 MMK
<b>Cash flows from operating activities:</b>			
Profit for the year/period		5,426,095,172	1,499,783,962
Adjustments for:			
Depreciation and amortization expense	4/5	1,297,120,397	630,650,035
(Profit) on disposal: property, plant and equipment	13/18	(53,481)	(258,084)
Foreign exchange loss/(gain) on borrowing	10	309,337,389	258,500,000
Interest expenses		139,708,381	2,056,845
Interest Income	13	(432,782,595)	(59,951,113)
Operating profit before working capital changes		6,739,425,263	2,330,781,645
Changes in working capital:			
(Increase) in inventories		(1,498,813,283)	(1,242,444,364)
(Increase)/ Decrease in trade and other receivables		(1,576,674,158)	379,886,238
Increase/(Decrease) in trade and other payables		5,465,586,186	(3,507,308,254)
Cash generated from/(used in) operations		9,129,524,008	(2,039,084,735)
Income taxes paid		—	—
Net cash inflow/(outflow) from operating activities		9,129,524,008	(2,039,084,735)
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	4	(1,289,964,529)	(162,529,229)
Purchase of intangible assets	5	(5,775,000)	—
Proceeds from disposal of property, plant and equipment		333,459	370,616
Interest Income		432,782,595	59,951,113
Net cash (outflow) from investing activities		(862,623,475)	(102,207,500)
<b>Cash flows from financing activities:</b>			
Additions to borrowing	10	2,141,876,533	3,911,600,000
Interest expenses		(139,708,381)	(2,056,845)
Net cash provided by financing activities		2,002,168,152	3,909,543,155
<b>Net increase in cash and cash equivalents</b>		<b>10,269,068,685</b>	<b>1,768,250,920</b>
<b>Cash and cash equivalents</b>			
Beginning of year/period		3,250,323,915	1,482,072,995
<b>End of year/period</b>	8	<b>13,519,392,600</b>	<b>3,250,323,915</b>

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

**ALIDAC HEALTHCARE (MYANMAR) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023**

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 the 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 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 classifications used in current year.

**2.2 Change in statutory reporting period**

During the period ended March 31, 2022, the Company changed its financial year-end from September (i.e. former financial year-end) to March (i.e. current financial year-end) due to change of financial year enacted by the government. Accordingly, the financial statements presented are as at and for the twelve-month period ended March 31, 2023 and six-month period ended March 31, 2022. As a result, the comparative figures presented in the statements of comprehensive income, changes in equity and cash flows and the related notes are not comparable.

The change in financial year was due to change of financial year enacted by the government vide letter from Ministry of Planning & Finance notification letter SB Finance-2/1/295-2 (3155/2021).

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

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

**2.3 Foreign currency translation**

**2.3.1 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.

**2.3.2 Transactions and balances**

Foreign currency transactions are translated into the functional currency (MMK) using prevailing exchange rate at the time of transactions as per the Central Bank of Myanmar. 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

**2.4 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 gains/(losses) - net” in the statement of comprehensive income.

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

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

**2.5 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%).

**2.6 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, and works-in-progress are valued at lower of cost and net realizable value.
- b) Cost of raw materials, 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.

**2.7 Trade receivables**

Trade receivables are initially recognized at fair value and subsequently 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.

**2.8 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, 2023**

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

**2.9 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.

**2.10 Cash and cash equivalents**

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

**2.11 Paid-up capital**

Ordinary shares are classified as equity.

**2.12 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.

**2.13 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.

**2.14 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 amortized cost using the effective interest method.

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

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

**2.15 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.

**2.16 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 recognised 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.

**2.17 Leases**

**As a lessee**

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, 2023**

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

**2.18 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, 2023**

**4. Property, plant and equipment**

	Leasehold land MMK	Factory building MMK	Plant and Equipment MMK	Furniture and fitting MMK	Office equipment MMK	Total MMK
<i>Cost</i>						
At April 1, 2022	3,698,967,495	6,915,165,566	11,566,534,595	20,843,420	323,211,299	22,524,722,375
Additions	–	37,968,510	1,131,137,840	89,428,151	32,875,450	1,291,409,951
Transfer	–	(36,574,650)	–	36,574,650	–	–
Disposal	–	–	–	–	(1,725,400)	(1,725,400)
At March 31, 2023	<b>3,698,967,495</b>	<b>6,916,559,426</b>	<b>12,697,672,435</b>	<b>146,846,221</b>	<b>354,361,349</b>	<b>23,814,406,926</b>
<i>Accumulated depreciation and impairment losses</i>						
At April 1, 2022	(443,105,480)	(328,641,957)	(1,343,287,484)	(5,778,061)	(260,976,165)	(2,381,789,147)
Depreciation charge	(77,061,823)	(217,921,702)	(936,107,391)	(21,206,539)	(24,578,709)	(1,276,876,164)
Transfer	–	2,605,971	–	(2,605,971)	–	–
Disposal	–	–	–	–	1,203,834	1,203,834
At March 31, 2023	<b>(520,167,303)</b>	<b>(543,957,688)</b>	<b>(2,279,394,875)</b>	<b>(29,590,571)</b>	<b>(284,351,040)</b>	<b>(3,657,461,477)</b>
<b>Net book value</b>						
<b>At March 31, 2023</b>	<b>3,178,800,192</b>	<b>6,372,601,738</b>	<b>10,418,277,560</b>	<b>117,255,650</b>	<b>70,010,309</b>	<b>20,156,945,449</b>
<i>Cost</i>						
At October 1, 2021	3,698,967,495	6,915,165,566	11,421,891,366	20,093,420	308,325,920	22,364,443,767
Additions	–	–	144,643,229	750,000	17,136,000	162,529,229
Disposal	–	–	–	–	(2,250,621)	(2,250,621)
At March 31, 2022	3,698,967,495	6,915,165,566	11,566,534,595	20,843,420	323,211,299	22,524,722,375
<i>Accumulated depreciation and impairment losses</i>						
At October 1, 2021	(404,574,569)	(218,130,164)	(891,074,772)	(4,787,998)	(250,903,829)	(1,769,471,332)
Depreciation charge	(38,530,911)	(110,511,793)	(452,212,712)	(990,063)	(12,210,425)	(614,455,904)
Disposal	–	–	–	–	2,138,089	2,138,089
At March 31, 2022	<b>(443,105,480)</b>	<b>(328,641,957)</b>	<b>(1,343,287,484)</b>	<b>(5,778,061)</b>	<b>(260,976,165)</b>	<b>(2,381,789,147)</b>
<b>Net book value</b>						
<b>At March 31, 2022</b>	<b>3,255,862,015</b>	<b>6,586,523,609</b>	<b>10,223,247,111</b>	<b>15,065,359</b>	<b>62,235,134</b>	<b>20,142,933,228</b>



**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

**5. Intangible assets**

Computer software license

	2023 MMK	2022 MMK
<i>Cost</i>		
At beginning of year/period	133,612,078	133,612,078
Additions	5,775,000	-
At end of year/period	<u>139,387,078</u>	<u>133,612,078</u>
<i>Accumulated amortization</i>		
At beginning of year/period	(981,674)	(95,787,543)
Amortization	(448,067)	(16,194,131)
At end of year/period	<u>(1,429,741)</u>	<u>(111,981,674)</u>
<i>Net book value</i>		
<b>At end of year/period</b>	<b><u>137,957,337</u></b>	<b><u>21,630,404</u></b>

**6. Inventories**

	2023 MMK	2022 MMK
Finished goods	3,068,694,661	2,226,145,938
Work-in-progress	-	214,012,243
Raw materials	3,744,116,068	2,967,749,931
Packing materials	709,703,425	615,792,759
	<u>7,522,514,154</u>	<u>6,023,700,871</u>

**7. Trade and other receivables**

	2023 MMK	2022 MMK
Trade receivables	3,962,180,866	2,473,015,368
Amount due from related party	-	133,237,197
Advance payments to suppliers	395,304,906	359,980,474
Advances to employees	89,685,818	107,691,626
Advance payments for house rental	98,579,800	20,663,800
Advance commercial tax	578,693,868	557,472,104
Prepayments	124,097,358	96,523,541
Deposits	14,065,500	23,535,260
Accrued interest income	72,516,438	
Other	30,021,932	16,352,958
	<u>5,365,146,486</u>	<u>3,788,472,328</u>

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

**8. Cash and cash equivalents**

	<b>2023</b>	2022
	<b>MMK</b>	MMK
Cash at banks	<b>2,732,537,135</b>	3,154,415,396
Fixed Deposit	<b>10,650,000,000</b>	250,000,000
Cash in hand	<b>136,855,465</b>	95,908,519
	<b><u>13,519,392,600</u></b>	<u>3,250,323,915</u>

**9. Paid-up capital**

	<b>2023</b>		2022
	<b>Number of shares</b>	<b>Value of shares MMK</b>	<b>Number of shares</b>
			<b>Value of Shares MMK</b>
Beginning of year/period	<b>43,780,641</b>	<b>43,780,641,000</b>	43,780,641
Issue of shares	-	-	-
Transfer from advance capital	-	-	-
<b>End of year/period</b>	<b><u>43,780,641</u></b>	<b><u>43,780,641,000</u></b>	<u>43,780,641,000</u>

As at March 31, 2023, the share structure of the Company was as follows:

<b>Subscribers</b>	<b>2023</b>		2022
	<b>Number of shares</b>	<b>Value of shares MMK</b>	<b>Number of shares</b>
			<b>Value of Shares MMK</b>
ZyduS Worldwide DMCC, Dubai (UAE)	<b>43,780,641</b>	<b>43,780,641,000</b>	43,780,641
<b>End of year/period</b>	<b><u>43,780,641</u></b>	<b><u>43,780,641,000</u></b>	<u>43,780,641,000</u>

**10. Borrowing**

	<b>2023</b>	2022
	<b>MMK</b>	MMK
At beginning of year/period	<b>4,170,100,000</b>	-
Additions	<b>2,141,876,533</b>	3,911,600,000
Unrealized foreign exchange loss	<b>309,337,389</b>	258,500,000
	<b><u>6,621,313,922</u></b>	<u>4,170,100,000</u>
Repayments	-	-
<b>At end of year/period</b>	<b><u>6,621,313,922</u></b>	<u>4,170,100,000</u>

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.

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

10. **Borrowing** (continued)

	2023 MMK	2022 MMK
Current portion (Over 1 year)	—	—
	<u>6,621,313,922</u>	<u>4,170,100,000</u>
	<u>6,621,313,922</u>	<u>4,170,100,000</u>

11. **Trade and other payables**

	2023 MMK	2022 MMK
Trade payables		
- ZLL-Trade Payable	4,545,466,475	513,264,286
-ZWWD-Interest Payable	142,023,187	2,056,845
- Others	1,146,286,673	357,054,797
Other payables		
- Payable to Government	40,166,700	—
- Payable to employees	187,369,711	240,095,994
- Provisions	677,560,286	162,871,569
	<u>6,738,872,832</u>	<u>1,273,286,646</u>

12. **Revenue from Operations**

The above represent revenue from operations for the twelve-month period ended March 31, 2023 amounting to **MMK 22,861,298,326** (for the six-month period ended March 31, 2022: MMK 6,979,827,317).

	Twelve-month period ended March 31, 2023 MMK	Six-month period ended March 31, 2022 MMK
Domestic Sales	22,861,298,326	6,979,827,317
	<u>22,861,298,326</u>	<u>6,979,827,317</u>

13. **Other income**

	Twelve-month period ended March 31, 2023 MMK	Six-month period ended March 31, 2022 MMK
Sale of scrap	3,525,320	1,694,850
Interest income	432,782,595	59,951,113
Disposal Gain	53,481	258,084
Other(Dossier License Fee income)	14,000,700	
Foreign exchange gains	98,942,912	173,227,020
	<u>549,305,008</u>	<u>235,131,067</u>

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

**14. Cost of materials consumed**

	<b>Twelve-month period ended March 31, 2023 MMK</b>	<b>Six-month period ended March 31, 2022 MMK</b>
Opening		
Raw materials	2,967,749,931	2,862,518,765
Packing materials	615,792,759	454,223,025
Add: Purchases		
Raw materials	5,419,631,623	1,746,738,165
Packing materials	915,497,972	563,626,384
	<u>9,918,672,285</u>	<u>5,627,106,339</u>
Less: Closing		
Raw materials	(3,744,116,068)	(2,967,749,931)
Packing materials	(709,703,425)	(615,792,759)
	<u>5,464,852,792</u>	<u>2,043,563,649</u>

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

	<b>Twelve-month period ended March 31, 2023 MMK</b>	<b>Six-month period ended March 31, 2022 MMK</b>
Opening		
Work in progress	214,012,243	24,134,244
Finished goods	2,226,145,938	1,440,380,473
Less: Closing		
Work in progress	-	(214,012,243)
Finished goods	(3,068,694,661)	(2,226,145,938)
	<u>(628,536,480)</u>	<u>(975,643,464)</u>

**16. Employee benefits expense**

	<b>Twelve-month period ended March 31, 2023 MMK</b>	<b>Six-month period ended March 31, 2022 MMK</b>
Salaries and wages	1,585,878,994	720,048,998
Social security	8,747,700	4,162,524
Other employee expenses	198,969,260	95,394,741
	<u>1,793,595,954</u>	<u>819,606,263</u>

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

**17. Finance costs**

	<b>Twelve-month period ended March 31, 2023 MMK</b>	<b>Six-month period ended March 31, 2022 MMK</b>
Bank commission	13,497,320	9,511,096
Loan interest	139,708,381	2,056,845
Unrealized foreign exchange losses: borrowing	309,337,389	258,500,000
	<b>462,543,090</b>	<b>270,067,941</b>

**18. Other expenses**

	<b>Twelve-month period ended March 31, 2023 MMK</b>	<b>Six-month period ended March 31, 2022 MMK</b>
Product registration	23,610,279	5,204,030
Marketing expenses	6,051,740,089	1,674,629,505
Power	436,543,304	209,044,068
Fuel	558,382,050	131,636,750
Repair and maintenance	164,305,469	103,158,003
Consumables	474,981,651	170,570,173
Other operating costs	755,005,714	206,809,330
Printing and stationery	5,421,893	2,598,600
Legal and professional fees	4,334,253	1,663,800
Audit fees and expenses	15,999,100	4,746,900
Insurance expenses	66,227,043	36,302,268
Conveyance	265,225,232	68,586,400
Canteen expenses	97,809,300	38,137,200
Maintenance and administration charge	99,783,320	44,405,230
Guest house expenses	58,118,800	28,244,170
Internet expenses	16,259,000	8,327,060
Mobile expenses	6,592,000	2,505,500
Security service	23,040,000	11,203,225
Other general and admin expenses	369,931,245	179,157,786
Freight & Forwarding on Sales	101,622,667	-
	<b>9,594,932,409</b>	<b>2,926,929,998</b>

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

**19. 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.

**20. 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. The Company is not exposed to interest rate risk.

**(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).

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

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

(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.

(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.

	<b>2023</b>			<b>2022</b>		
	<b>1 year or less</b> <b>MMK</b>	<b>3 years or less</b> <b>MMK</b>	<b>Total</b> <b>MMK</b>	1 year or less MMK	3 years or less MMK	Total MMK
Financial liabilities:						
Borrowing	–	6,621,313,922	6,621,313,922	–	4,170,100,000	4,170,100,000
Trade and payables	6,738,872,832	–	6,738,872,832	1,273,286,646	–	1,273,286,646
<b>Total net undiscounted financial liabilities</b>	<b>6,738,872,832</b>	<b>6,621,313,922</b>	<b>13,360,186,754</b>	<b>1,273,286,646</b>	<b>4,170,100,000</b>	<b>5,443,386,646</b>

**ALIDAC HEALTHCARE (MYANMAR) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

**21. 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, Assets- related company (Zydus Lifesciences Limited) formerly known as Cadila Healthcare Limited and Finance Costs (Zydus Worldwide DMCC Dubai,UAE)*

Significant transactions during the year/period ended March 31, 2023 and 2022 were as follows:

	<b>Twelve-month period ended March 31, 2023 MMK</b>	<b>Six-month period ended March 31, 2022 MMK</b>
For ZLL		
Purchase of materials	<b>3,854,966,698</b>	98,478,975
Purchase of Assets	<b>209,300,082</b>	
For ZWWD		
- Finance costs(Interest Expenses)	<b>139,708,381</b>	2,056,845

Outstanding balances at March 31, 2023 and 2022, arising from purchase of goods and services are unsecured and payable within 12 months from balance sheet date and are disclosed in Notes 7 and 11 respectively.

- (b) *Key management personnel compensation*

	<b>Twelve-month period ended March 31, 2023 MMK</b>	<b>Six-month period ended March 31, 2022 MMK</b>
Salaries and allowances	<b>433,909,073</b>	56,481,721

**22. Authorization of financial statements**

The financial statements of the Company from April 1, 2022 to March 31, 2023 were authorized for issue on 16<sup>th</sup> May, 2023.