

ARROW LIFE SCIENCES (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2019

	Note	2019	2018 RM
CURRENT ASSETS			
Cash and Cash Equivalents	5	<u>64,131</u>	<u>42,262</u>
EQUITY			
Share Capital		5,000	5,000
Share Application Monies	6	50,000	50,000
Retained Earnings		<u>(62,982)</u>	<u>(29,647)</u>
		<u>(7,982)</u>	<u>25,353</u>
CURRENT LIABILITIES			
Payables and Accruals	7	5,382	2,012
Amount due to Holding Company	8	<u>66,731</u>	<u>14,897</u>
		<u>72,113</u>	<u>16,909</u>
TOTAL EQUITY AND LIABILITIES		<u><u>64,131</u></u>	<u><u>42,262</u></u>

The notes set out form an integral part of and should be read in conjunction with these financial statements.

ARROW LIFE SCIENCES (MALAYSIA) SDN. BHD.
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STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 RM	11/05/2017 to 31/03/2018 RM
GROSS OPERATING REVENUE		-	-
OTHER INCOME	9	19	-
ADMINISTRATIVE EXPENSES		<u>(33,354)</u>	<u>(29,647)</u>
LOSS FOR THE FINANCIAL YEAR / PERIOD BEFORE TAXATION		(33,335)	(29,647)
TAXATION	10	-	-
LOSS FOR THE FINANCIAL YEAR / PERIOD AFTER TAXATION		<u><u>(33,335)</u></u>	<u><u>(29,647)</u></u>

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ARROW LIFE SCIENCES (MALAYSIA) SDN. BHD.
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	SHARE CAPITAL	SHARE APPLICATION MONIES	RETAINED EARNINGS	TOTAL
	RM	RM	RM	RM
2019				
At 1 April 2018	5,000	50,000	(29,647)	25,353
Share Application Monies	-	-	-	-
Loss for the Financial Year after Taxation	-	-	(33,335)	(33,335)
At 31 March 2019	<u>5,000</u>	<u>50,000</u>	<u>(62,982)</u>	<u>(7,982)</u>
2018				
At 11 May 2017 <i>(Date of Incorporation)</i>	5,000	-	-	5,000
Share Application Monies	-	50,000	-	50,000
Loss for the Financial Period after Taxation	-	-	(29,647)	(29,647)
At 31 March 2018	<u>5,000</u>	<u>50,000</u>	<u>(29,647)</u>	<u>25,353</u>

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ARROW LIFE SCIENCES (MALAYSIA) SDN. BHD.
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019	11/05/2017 to 31/03/2018
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the Financial Year / Period before Taxation and Working Capital Changes	(33,335)	(29,647)
Changes in Working Capital :		
Payables and Accruals	3,370	2,012
	<u>(29,965)</u>	<u>(27,635)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount due to Holding Company	51,834	14,897
Issuance of Shares	-	5,000
Share Application Monies	-	50,000
	<u>51,834</u>	<u>69,897</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,869	42,262
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR / PERIOD	<u>42,262</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR / PERIOD	<u><u>64,131</u></u>	<u><u>42,262</u></u>

The notes set out form an integral part of and should be read in conjunction with these financial statements.

ARROW LIFE SCIENCES (MALAYSIA) SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS: 31 MARCH 2019

1. PRINCIPAL ACTIVITIES

The Company is a private limited company incorporated and domiciled in Malaysia.

The principal activities of the Company are intended to be the manufacturing, developing, marketing, trading and licensing of pharmaceutical products.

The address of the registered office of the Company is as follows:

E-33A-05 Dataran 32,
No.2 Jalan 19/1
46300 Petaling Jaya,
Selangor Darul Ehsan.

The number of employees of the Company as at 31 March 2019:Nil.

The financial statements of the Company are reported in Ringgit Malaysia (RM).

2. BASIS OF PREPARATION

The financial statements of the Company have been properly prepared on a going concern basis under the historical cost convention and comply with the provisions of the Companies Act, 2016 and in accordance with Malaysian Private Entities Reporting Standard issued by the Malaysian Accounting Standards Board.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and Cash Equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. They are held to meet short-term cash commitments instead of for investment or other purposes. If bank overdrafts are repayable on demand and form an integral part of cash management, bank overdrafts are a component of cash and cash equivalents.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Liabilities and Provisions

Trade, other payables and accruals are stated at cost.

A provision is recognised only when (i) the entity has an obligation at the reporting date as a result of a past event; (ii) it is probable that the entity will be required to transfer economic benefits in settlement; and (iii) the amount of the obligation can be estimated reliably.

A provision is initially measured at the best estimate of the amount required to settle the obligation at the reporting date. When the effect of the time value of money is material, the amount of a provision shall be the present value of the amount expected to be required to settle the obligation.

Thereafter, the provision is reviewed at each reporting date and adjust it to reflect the current best estimate of the amount that would be required to settle the obligation at that reporting date. Any adjustments to the amounts previously recognised is recognised in statement of profit or loss. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in statement of profit or loss in the period it arises.

3.3 Income Tax

Current tax liability is recognised for tax payable on taxable profit for the current and past periods. If the amount paid for the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset. Current tax liability or asset is measured at the amount it expects to pay or recover using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (i) the initial recognition of goodwill; or (ii) the initial recognition of an asset or a liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

Deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or a liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

A deferred tax liability or asset is measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which, at the reporting date, the carrying amount of the related assets and liabilities is expected to be recovered or settled.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Income Tax (Cont'd)

Deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates and interests in joint ventures, only to the extent that it is probable that: (a) the temporary difference will reverse in the foreseeable future; and (b) taxable profit will be available against which the temporary difference can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that (a) the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and (b) it is probable that the temporary difference will not reverse in the foreseeable future.

Current or deferred tax assets and liabilities are not discounted.

3.4 Financial Instruments

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

(a) Initial recognition and measurement

On initial recognition, a financial asset or a financial liability is measured at the transaction price, including transaction costs. For a financial asset or a financial liability that is subsequently measured at fair value through profit or loss, transaction costs are expensed to statement of profit or loss when incurred.

A financial asset or a financial liability (including derivative instruments) is recognised only when the entity becomes a party to the contractual provisions of the instrument.

An arrangement constitutes a financing transaction, if payment is deferred beyond normal business terms. Under a financing transaction, a financial asset or a financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition.

(b) Subsequent measurement

Derivative financial instruments (other than derivatives designated as a hedging instrument) are measured at fair value and changes in fair value recognised in statement of profit or loss.

Debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, unless the arrangement constitutes, in effect, a financing transaction.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial Instruments (Cont'd)

(b) Subsequent measurement (cont'd)

Investments in non-convertible preference shares and non-puttable ordinary or preference shares, that are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort, are measured at fair value with changes in fair value recognised in statement of profit or loss. All other such investments are measured at cost less impairment.

All financial assets are subject to review for impairment, except for financial assets measured at fair value through profit or loss.

(c) Impairment

At the end of each reporting period, financial assets that are measured at cost or amortised cost are assessed as to whether there is objective evidence of impairment. If there is objective evidence of impairment, an impairment loss is recognized in statement of profit or loss immediately.

For a financial asset measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For a financial asset measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed in statement of profit or loss.

(d) Derecognition

A financial asset is derecognised only when (i) the contractual rights to receive the cash flows from the financial asset expire or are settled; or (ii) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, including circumstances when the entity acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised only when it is extinguished, i.e. when the obligation specified in the contract is discharged, is cancelled or expired. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

4. JUDGEMENTS AND ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Measurement of provision

Management evaluates the estimates based on the historical experience and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. A probability-weighted estimate of the outflows required to settle the obligation is used. The actual outcome may differ from the estimates made and this may have a significant effect on the Company's financial position and financial performance.

5. CASH AND CASH EQUIVALENTS

	2019	2018
	RM	RM
Cash at Bank	<u>64,131</u>	<u>42,262</u>

6. SHARE APPLICATION MONIES

These relate to advance previously made to the Company and which are to be capitalised as shares subsequent to the financial year end.

7. PAYABLES AND ACCRUALS

	2019	2018
	RM	RM
Other Payables	3,082	212
Accruals	<u>2,300</u>	<u>1,800</u>
	<u>5,382</u>	<u>2,012</u>

8. AMOUNT DUE TO HOLDING COMPANY

The Holding Company is **Strides Pharma Global Pte. Ltd.**, a company incorporated in Singapore.

This amount is unsecured, interest free and repayable on demand.

9. OTHER INCOME

	2019 RM	2018 RM
Bank Interest	<u>19</u>	<u>-</u>

10. TAXATION

A reconciliation of the income tax expense on the loss for the financial period before taxation with the applicable statutory income tax rate is as follows:

	2019 RM	2018 RM
Loss for the Financial Period before Taxation	<u>(33,335)</u>	<u>(29,647)</u>
Tax calculated at Malaysian tax rate of 18%	(6,000)	(5,336)
Expenses not deductible for tax purposes	<u>6,000</u>	<u>5,336</u>
Total Tax Expense	<u>-</u>	<u>-</u>

11. FINANCIAL INSTRUMENTS

	2019 RM	2018 RM
Financial Assets at amortised cost	64,131	42,262
Financial Liabilities at amortised cost	<u>72,113</u>	<u>16,909</u>