

GENERIC PARTNERS (INTERNATIONAL) PTE. LTD.
(Incorporated in the Republic of Singapore)
(Reg No: 201618052Z)

AUDITED FINANCIAL STATEMENTS – 31 MARCH 2020

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GENERIC PARTNERS (INTERNATIONAL) PTE. LTD.
(Incorporated in the Republic of Singapore)

**DIRECTOR'S STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

The director is pleased to present his statement to the member together with the audited financial statements of Generic Partners (International) Pte. Ltd. (the "Company") for the financial year ended 31 March 2020.

Opinion of the director

In my opinion,

- a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- b) at the date of this statement, subject to the matters referred to in note 2.1 to the financial statements there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Director

The director of the Company in office at the date of this statement is:

Chia Loo Wai (Xie Ruwei) (appointed on 10 June 2020)
Sanjiv Puri (Resigned on 10 July 2019)
Dennis Bastas (Resigned on 10 July 2019)
Mohana Kumar Pillai (Resigned on 10 June 2020)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of director's shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

| Name of the directors | Direct interest | |
|--|------------------------------------|------------------------------|
| | Number of shares | |
| | At the beginning of financial year | At the end of financial year |
| Ordinary shares of the Company | | |
| Sanjiv Puri (Resigned on 10 July 2019) | 90 | - |
| Ordinary shares of Generic Partners (R & D) Pte. Ltd. | | |
| Sanjiv Puri (Resigned on 10 July 2019) | 100 | - |

GENERIC PARTNERS (INTERNATIONAL) PTE. LTD.
(Incorporated in the Republic of Singapore)

DIRECTOR'S STATEMENT (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Auditor

MGI N Rajan Associates has expressed its willingness to accept re-appointment as auditor.

The Board of Directors



Chia Loo Wai (Xie Ruwei)
Sole Director

Date: 26 AUG 2020



MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

**INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GENERIC PARTNERS
(INTERNATIONAL) PTE. LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Generic Partners International Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Material uncertainty related to going concern

As at 31.03.2020 the Company incurred a net loss of US\$ 3,073 (2019: US\$ 56,322) and, as of that date, the Company's current liabilities exceeded its current assets and total liabilities exceeded its total assets by US\$ 60,314 (2019: US\$ 58,090) and US\$ 59,542 (2019: US\$ 56,469) respectively. In addition, the Company had net cash outflows from operating activities of US\$ 4,914 (2019: US\$ 8,190) for the financial year ended 31 March 2020.

These factors indicate that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern. Nevertheless, for the reasons disclosed in Note 2.1 to the financial statements, the Director is of the view that it is appropriate for the financial statements of the Company to be prepared on a going concern basis. Our opinion is not qualified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Director's Statement [set out on pages 2 to 3].

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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GENERIC PATNERS (INTERNATIONAL) PTE. LTD.

INDEPENDENT AUDITOR'S REPORT (continued) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Director's for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements.

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional 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.

GENERIC PARTNERS (INTERNATIONAL) PTE. LTD.

**INDEPENDENT AUDITOR'S REPORT (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

Auditor's Responsibilities for the Audit of the Financial Statements. (Continued.)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as 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 the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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



**MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE**

Date: 26 AUG 2020

GENERIC PARTNERS (INTERNATIONAL) PTE LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

| | Note | 2020 US\$ | 2019 US\$ |
|-----------------------------------|------|---------------------|-----------------------|
| ASSETS | | | |
| Non - Current Assets | | | |
| Investment in subsidiaries | 5 | 772 | 1,621 |
| | | <u>772</u> | <u>1,621</u> |
| Current Assets | | | |
| Cash and cash equivalents | 6 | - | 99,006 |
| Other receivables | 7 | 868 | - |
| Total current assets | | <u>868</u> | <u>99,006</u> |
| Total Assets | | <u><u>1,640</u></u> | <u><u>100,627</u></u> |
| LIABILITIES AND EQUITY | | | |
| Current Liabilities | | | |
| Other payables | 8 | 3,166 | 4,987 |
| Amount due to holding company | 9 | 58,016 | 152,109 |
| | | <u>61,182</u> | <u>157,096</u> |
| Equity | | | |
| Share capital | 11 | 154 | 154 |
| Retained earnings | | (59,696) | (56,623) |
| Shareholders' Equity | | <u>(59,542)</u> | <u>(56,469)</u> |
| Total Liability and Equity | | <u><u>1,640</u></u> | <u><u>100,627</u></u> |

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

GENERIC PARTNERS (INTERNATIONAL) PTE LTD.
(Incorporated in the Republic of Singapore)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

| | Note | 2020 US\$ | 2019 US\$ |
|--|------|----------------|-----------------|
| Revenue | | - | - |
| Expenses | | | |
| Admin and other operating expenses | | (2,225) | (11,277) |
| Investment in subsidiary amount written off | | (772) | |
| Disposal of investment in subsidiary | | (76) | (45,045) |
| (Loss) before tax | 4 | (3,073) | (56,322) |
| Income tax | 10 | - | - |
| (Loss) for the year, representing total comprehensive income for the year | | (3,073) | (56,322) |

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

GENERIC PARTNERS (INTERNATIONAL) PTE LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

| | Share capital | Retained earnings | Total |
|---|---------------|-------------------|----------|
| | US\$ | US\$ | US\$ |
| At 1 April 2018 | 154 | (301) | (147) |
| (Loss) for the year, representing total comprehensive income for the year | - | (56,322) | (56,322) |
| At 31 March 2019 and 1 April 2019 | 154 | (56,623) | (56,469) |
| (Loss) for the year, representing total comprehensive income for the year | - | (3,073) | (3,073) |
| At 31 March 2020 | 154 | (59,696) | (59,542) |

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

GENERIC PARTNERS (INTERNATIONAL) PTE LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

| | Note | 2020 US\$ | 2019 US\$ |
|---|----------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| (Loss) before tax | | (3,073) | (56,322) |
| Adjustments for: | | | |
| Investment in subsidiary amount written off | | 772 | - |
| Loss on disposal of subsidiary | | 76 | 45,045 |
| Operating (loss) before working capital changes | | (2,225) | (11,277) |
| Other receivables | | (868) | - |
| Other payables | | (1,821) | 3,087 |
| Net cash flows (used in) from operating activities | | (4,914) | (8,190) |
| Cash flows from investing activities | | | |
| Proceeds from disposal of subsidiary | | - | 186,481 |
| Net cash flows from investing activities | | - | 186,481 |
| Cash flows from financing activities | | | |
| Due to the holding Company. | | (94,092) | 33,079 |
| Due to the related parties | | - | (115,632) |
| Net cash flows (used in) financing activities | | (94,092) | (82,553) |
| Net (decrease)/increase in cash and cash equivalents | | (99,006) | 95,738 |
| Cash and cash equivalents at the beginning of the year. | | 99,006 | 3,268 |
| Cash and cash equivalents at the end of the year | 6 | - | 99,006 |

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

1. GENERAL INFORMATION

Generic Partners (International) Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at 3 Tuas South Avenue 4, Singapore 637610.

The principal activity of the Company is to carry on the business of acquiring and holding entities engaged in pharmaceutical business and leasing of non-financial intangible assets. The Company remained dormant during the financial year.

The Company's immediate holding company is Strides Pharma Global Pte. Limited a company incorporated in Republic of Singapore and ultimate holding company is Strides Pharma Science Limited a company incorporated in India.

The financial statements of the Company for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the director on the date of the Director's Statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (US\$), which is the Company's functional currency.

Going concern

The Company incurred a net loss of US\$ 3,073 (2019: US\$ 56,322) for the financial year ended 31 March 2020 and, as of that date, the Company's current liabilities exceeded its current assets and total liabilities exceeded its total assets by US\$ 60,314 (2019: US\$ 58,090) and US\$ 59,542 (2019: US\$ 56,469) respectively. In addition, the Company had net cash outflows from operating activities of US\$ 4,913 (2019: US\$ 8,190) for the financial year ended 31 March 2020.

These factors indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as going concerns. Nevertheless, the Director is of the view that it is appropriate for the financial statements of the Company to be prepared on a going concern basis as the Director is satisfied that the continuing financial support from the immediate holding company will be available for the period of not less than twelve months from the end of the reporting date.

If the going concern assumption is no longer appropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. Such adjustments have not been made to these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to its operations and effective for annual periods beginning on or after April 1, 2019. The adoption of these new/revised FRS and INT FRS, include the adoption of FRS 116 Leases described below, does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

FRS 116 Leases

As the Company does not have any leases and therefore the adoption of FRS 116 Leases do not have any material effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

| Description | Effective for annual periods beginning on or after |
|---|---|
| Amendments to References to the Conceptual Framework in FRS Standards | 1 January 2020 |
| Amendments to FRS 1 and FRS 8 <i>Definition of Material</i> | 1 January 2020 |

The director expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

These financial statements are the separate financial statements of the Company. The Company is exempted from the requirement to prepare consolidated financial statements as the Company is a subsidiary of Strides Pharma Science Limited, a company incorporated in India which produces consolidated financial statements available for public use that comply with FRSs. Website of ultimate holding company "www.stridesarco.com" where those consolidated financial statements can be obtained.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognized in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.6 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.8 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

Deferred tax

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

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

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

2.10 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and were subject to an insignificant risk of changes in value.

2.12 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Related party

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

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of parent of the Company

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

- (i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

4 (LOSS) BEFORE TAX

(Loss) before tax has been arrived at after charging/(crediting):

| | 2020 US\$ | 2019 US\$ |
|---|--------------|--------------|
| Forex (gain) | (1,858) | (8,343) |
| Loss on disposal of subsidiary | 76 | - |
| Investment in subsidiary amount written off | 772 | - |
| Consulting fees | 1,532 | 7,413 |
| Amount due from a related company (written off) | - | 8,011 |
| | <hr/> | <hr/> |

5 INVESTMENT IN SUBSIDIARIES

| | 2020 US\$ | 2019 US\$ |
|-------------------------|--------------|--------------|
| Unquoted shares at cost | 772 | 1,621 |
| | <hr/> | <hr/> |

Particulars of the subsidiaries are as follows:

| Subsidiary | Principal activities | Country of incorporation | Effective % of equity held 2020 & 2019 % | Cost of investment 2020 & 2019 US\$ |
|---------------------------------|---|--------------------------|--|---|
| Generic Partners Canada Inc | Trading in generic pharmaceutical products. | Canada | 100% (2019: 100%) | 772 (2019: 772) |
| Generic Partners (M) Sdn. Bhd.* | | Malaysia | - (2019: 100%) | - (2019: 772) |
| Generic Partners (NZ) Limited+ | | New Zealand | - (2019: 100%) | - (2019: 77) |

* The subsidiary was struck off during the financial year.

+ The subsidiary is sold to Generic Partners Holdings Co Pty Ltd.

6. CASH AND CASH EQUIVALENTS

| | 2020 US\$ | 2019 US\$ |
|--------------|--------------|--------------|
| Cash on hand | - | 74 |
| Cash at bank | - | 98,932 |
| | <hr/> | <hr/> |
| | - | 99,006 |

Cash and cash equivalents are denominated in the following currencies

| | 2020 US\$ | 2019 US\$ |
|--------------------|--------------|--------------|
| Singapore dollars | - | 74 |
| Australian dollars | - | 98,932 |
| | <hr/> | <hr/> |
| | - | 99,006 |

7. OTHER RECEIVABLES

| | 2020 US\$ | 2019 US\$ |
|-------------|--------------|--------------|
| Prepayments | 868 | - |
| | <hr/> | <hr/> |
| | 868 | - |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

8. OTHER PAYABLES

| | 2020 | 2019 |
|-----------------|--------------|--------------|
| | US\$ | US\$ |
| Accruals | 3,166 | 3,676 |
| Other creditors | - | 1,311 |
| | <u>3,166</u> | <u>4,987</u> |

9. AMOUNT DUE TO HOLDING COMPANY

Amount due to the immediate to holding Company is non-trade in nature, unsecured, interest free and is repayable on demand.

10. TAXATION

The major components of income tax expense:

| | 2020 | 2019 |
|---|-------------|-------------|
| | US\$ | US\$ |
| Current year's income tax | - | - |
| Income tax expense recognised in profit or loss | <u>-</u> | <u>-</u> |

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on Company's (loss) as a result of the following:

| | 2020 | 2019 |
|---|----------------|-----------------|
| | US\$ | US\$ |
| (Loss) for the year before tax | <u>(3,073)</u> | <u>(56,322)</u> |
| Tax at statutory rate of 17% (2019: 17%) | (522) | (9,575) |
| Tax effect on non-deductibles | 522 | 9,575 |
| Income tax expense recognised in profit or loss | <u>-</u> | <u>-</u> |

11. SHARE CAPITAL

| | Number of shares | Value | Number of shares | Value |
|--|-----------------------------|--------------|-----------------------------|--------------|
| | 2020 | 2020 | 2019 | 2019 |
| | | US\$ | | US\$ |
| Issued and fully paid ordinary shares | | | | |
| Beginning of the financial year | 204 | 154 | 204 | 154 |
| End of financial year | <u>204</u> | <u>154</u> | <u>204</u> | <u>154</u> |

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

The ordinary shares are denominated in Singapore Dollars and are converted to United States Dollars at historical rates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

12. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximize shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2020 and 31 March 2019.

13. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a) Market risk

(i) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company has no significant foreign currency risk as majority of its transactions are denominated in United States dollars.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest risk as it has no interest bearing financial instruments.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company has no significant concentrations of credit risk.

The Company had no business during the year and remained dormant.

c) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company finances its working capital requirements through funding from its immediate holding company to meet its operational requirements. The Director is satisfied that the continuing financial support from the immediate holding company will be available for the period of not less than twelve months from the end of the reporting date.

All payables are either mature within the next twelve months period and/or are repayable on demand.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

14. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amount of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

| | 2020 US\$ | 2019 US\$ |
|---|--------------|--------------|
| Financial assets at measured at amortised cost | | |
| Cash and cash equivalents (Note 6) | - | 99,006 |
| Other receivables (Note 7) | - | - |
| Total financial assets measured at amortised cost | - | 99,006 |
| Financial liabilities at amortised cost | | |
| Other payables (Note 8) | 3,166 | 4,987 |
| Amount due to holding company (Note 9) | 58,016 | 152,109 |
| Total financial liabilities at measured at amortised cost | 61,182 | 157,096 |

15. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables, due to holding company and other payables

The carrying amounts of these balances (including non-trade balances with related parties) approximate their fair values due to the short-term nature of these balances.

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

| | 2020 US\$ | 2019 US\$ |
|---|--------------|--------------|
| (Repayment made to)/amount received from immediate holding company | (95,830) | 98,750 |
| Payments made on behalf of Company by immediate holding company | 5,329 | - |
| Proceeds from sale of investment in subsidiary from immediate holding company | - | 186,405 |
| Impairment loss – amount due from a related company (written off) | - | 8,011 |
| Offset payables between related parties and immediate holding company | - | (119,197) |

17. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- Subsequent to the year-end, the holding company has acquired the remaining 49% stake in the Company from the erstwhile shareholders. Because of this acquisition, the Company became wholly owned subsidiary of its holding company.
- As the Company remained dormant at the end of the reporting period, the Coronavirus Disease (COVID-19) outbreak has not impacted the Company's operations and its financial performance subsequent to the financial year-end.
