

**Torrent Pharma (Thailand) Co., Ltd.**

Financial statements for the year ended  
31 March 2024  
and  
Independent Auditor's Report



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## Independent Auditor's Report

### To the shareholders of Torrent Pharma (Thailand) Co., Ltd.

#### *Opinion*

I have audited the financial statements of Torrent Pharma (Thailand) Co., Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2024, the statements of income and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024 and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs).

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS for NPAEs, 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 operations, or has no realistic alternative but to do so.



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

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

(Orawan, Chunhakitpaisan)  
Certified Public Accountant  
Registration No. 6105

KPMG Phoomchai Audit Ltd.  
Bangkok  
15 April 2024

# Torrent Pharma (Thailand) Co., Ltd.

## Statement of financial position

Assets	Note	31 March	
		2024	2023
		<i>(in Baht)</i>	
<b><i>Current assets</i></b>			
Cash and cash equivalent		9,690,208	4,791,175
Trade and other receivables		4,181,208	1,213,413
Inventories	4	2,856,862	-
Revenue department receivables		1,208,528	1,025,565
Other current assets		114,795	137,103
<b>Total current assets</b>		<b><u>18,051,601</u></b>	<b><u>7,167,256</u></b>
<b><i>Non-current assets</i></b>			
Equipments		478,412	-
Deposits		260,100	-
<b>Total non-current assets</b>		<b><u>738,512</u></b>	<b><u>-</u></b>
<b>Total assets</b>		<b><u>18,790,113</u></b>	<b><u>7,167,256</u></b>

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

# Torrent Pharma (Thailand) Co., Ltd.

## Statement of financial position

<b>Liabilities and equity</b>	<i>Note</i>	31 March	
		2024	2023
		<i>(in Baht)</i>	
<b><i>Current liabilities</i></b>			
Trade and other payables		5,271,422	1,386,449
Other current liabilities		<u>237,687</u>	<u>22,980</u>
<b>Total current liabilities</b>		<b><u>5,509,109</u></b>	<b><u>1,409,429</u></b>
<b><i>Non-current liability</i></b>			
Provision for retirement benefits		<u>99,489</u>	<u>-</u>
<b>Total non-current liability</b>		<b><u>99,489</u></b>	<b><u>-</u></b>
<b>Total liabilities</b>		<b><u>5,608,598</u></b>	<b><u>1,409,429</u></b>
<b><i>Equity</i></b>			
Share capital	5		
Authorised share capital		<u>36,900,000</u>	<u>11,900,000</u>
Issued and paid-up share capital		36,900,000	11,900,000
Deficit		<u>(23,718,485)</u>	<u>(6,142,173)</u>
<b>Total equity</b>		<b><u>13,181,515</u></b>	<b><u>5,757,827</u></b>
<b>Total liabilities and equity</b>		<b><u>18,790,113</u></b>	<b><u>7,167,256</u></b>

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

# Torrent Pharma (Thailand) Co., Ltd.

## Statement of income

	For the year ended	
	31 March	
	2024	2023
	<i>(in Baht)</i>	
<b><i>Income</i></b>		
Revenue from sale of goods	<u>2,382,630</u>	<u>2,283,188</u>
<b>Total income</b>	<b><u>2,382,630</u></b>	<b><u>2,283,188</u></b>
<b><i>Expenses</i></b>		
Cost of sale of goods	(1,964,795)	(1,329,909)
Administrative expenses	(17,807,956)	(2,602,883)
Net loss on exchange rate	<u>(186,191)</u>	<u>-</u>
<b>Total expenses</b>	<b><u>(19,958,942)</u></b>	<b><u>(3,932,792)</u></b>
<b>Loss for the year</b>	<b><u>(17,576,312)</u></b>	<b><u>(1,649,604)</u></b>

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

## Torrent Pharma (Thailand) Co., Ltd.

### Statement of changes in equity

	<i>Note</i>	Issued and paid-up share capital	Deficit <i>(in Baht)</i>	Total equity
<b><i>Year ended 31 March 2023</i></b>				
Balance at 1 April 2022		11,900,000	(4,492,569)	7,407,431
Loss for the year		-	(1,649,604)	(1,649,604)
Balance at 31 March 2023		<u>11,900,000</u>	<u>(6,142,173)</u>	<u>5,757,827</u>
<b><i>Year ended 31 March 2024</i></b>				
Balance at 1 April 2023		11,900,000	(6,142,173)	5,757,827
Issue of ordinary shares	5	25,000,000	-	25,000,000
Loss for the year		-	(17,576,312)	(17,576,312)
Balance at 31 March 2024		<u>36,900,000</u>	<u>(23,718,485)</u>	<u>13,181,515</u>

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

**Torrent Pharma (Thailand) Co., Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

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**Torrent Pharma (Thailand) Co., Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the directors on 15 April 2024.

**1 General information**

Torrent Pharma (Thailand) Co., Ltd. the “Company”, is incorporated in Thailand and has its registered office at No. 2106 Fantree 4 building, Sukhumvit Road, Kwaeng Phrakhanong-Tai, Khet Phrakhanong, Bangkok. The principal activity of the Company is to engage in import and wholesale of pharmaceuticals products.

**2 Basis of preparation of the financial statements**

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (Revised B.E. 2565), which promulgated by the Federation of Accounting Professions (TFAC) in 2022. The adoption of the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (Revised B.E. 2565) (‘TFRS for NPAEs’) does not impact materially the financial statements.

The financial statements are prepared and presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. Accounting policies disclosed in Note 3 are applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**(a) Foreign currency transactions**

Transactions in foreign currencies are translated to Thai Baht at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, are translated at the exchange rate at the reporting date.

Foreign currency differences are recognised in the statement of income.

**(b) Cash and cash equivalent**

Cash and cash equivalents comprise cash balances and demand deposits.

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**(c) Trade and other receivables**

Trade and other receivables measured at invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories. Bad debts are written off when incurred. Bad debts recovered are recognised as other income in the statement of income at the amount received.

**(d) Inventories**

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Costs include direct costs incurred in acquiring inventories. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

**(e) Equipment**

Equipment are measured at cost less accumulated depreciation and loss on decline in value of assets.

Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of equipment are recognised in the statement of income.

*Subsequent costs*

The cost of replacing a part of an item of equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of equipment are recognised in the statement of income as incurred.

*Depreciation*

Depreciation is calculated on a straight-line basis over the estimated useful life of each component of an asset and recognised in the statement of income. No depreciation is provided on assets under installation. The estimated useful lives are as follows:

Office equipment	5 years
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**Torrent Pharma (Thailand) Co., Ltd.**  
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**(f) *Losses on decline in value***

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount of an asset exceed its recoverable amount. The loss on decline in value is recognised in the statement of income.

**(g) *Provisions***

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

*Provision for retirement benefits*

Provision for retired benefits are recognised using the best estimate method at the reporting date. The Company derecognises the provision when actual payment is made.

**(h) *Revenue***

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

*Sale of goods*

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

*Interest income and other income*

Interest income and other income are recognised as they accrue.

**(i) *Operating leases***

Payments made under operating leases are recognised on a straight-line basis over the term of the lease. Contingent rentals are recognised as expense in the accounting period in which they are incurred.

**(j) *Income tax***

Income tax is calculated on the taxable income or loss for the year, using tax rates enacted at the reporting date.

**Torrent Pharma (Thailand) Co., Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

**4 Inventories**

	2024	2023
	<i>(in thousand Baht)</i>	
Finished goods	2,882	-
Less allowance for decline in value	<u>(25)</u>	<u>-</u>
<b>Net</b>	<b><u>2,857</u></b>	<b><u>-</u></b>
Inventories recognised in cost of sales of goods:		
- Cost	1,940	1,330
- Write-down to net realisable value	<u>25</u>	<u>-</u>
<b>Net</b>	<b><u>1,965</u></b>	<b><u>1,330</u></b>

**5 Share capital**

	Par value per share <i>(in Baht)</i>	2024		2023	
		Number	Baht	Number	Baht
		<i>(thousand shares /in thousand Baht)</i>			
<b><i>Authorised issued and paid-up shares</i></b>					
At 1 April					
- ordinary shares	5	2,380	11,900	2,380	11,900
Increase of new shares	5	<u>5,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
<b>At 31 March</b>					
- ordinary shares	5	<b><u>7,380</u></b>	<b><u>36,900</u></b>	<b><u>2,380</u></b>	<b><u>11,900</u></b>

*Increase of share capital*

At the extraordinary general meeting of the shareholders of the Company held on 27 October 2023, the shareholders approved a resolution of authorised share capital increase of Baht 25.00 million, from authorised share capital of Baht 11.90 million (2,380,000 shares with a Baht 5 par value) to Baht 36.90 million (7,380,000 shares with a Baht 5 par value). The Company registered the increase in authorised share capital with the Ministry of Commerce on 27 November 2023.

**6 Commitments**

	2024	2023
	<i>(in thousand Baht)</i>	
<b><i>Non-cancellable operating lease commitments</i></b>		
Within 1 year	225	-
After 1 year but within 5 years	<u>55</u>	<u>-</u>
<b>Total</b>	<b><u>280</u></b>	<b><u>-</u></b>

As at 31 March 2024, the Company had

- a) a sublease agreement for its office premises with a company for period of 2 years which will expire in March 2025.
- b) a lease agreement for its office equipment with a company for period of 4 years which will expire in April 2027.

**Torrent Pharma (Thailand) Co., Ltd.**  
**Notes to the financial statements**  
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**7 Significant agreements**

The Company has entered into an Assignment Agreement with a local company to transfer all rights related to marketing authorization, import license, and the registration number of a product. The company must pay a commission fee according to the conditions specified in the agreement for a period of 5 years, ending in October 2023.

On 9 January 2024, the Company entered into a service agreement with a local company for recruitment and staff outsourcing services. The Company has to pay service fee as specified in the agreement.

On 6 January 2023, the Company entered into a service agreement with a local company for clinical trial study for products as specified in the agreement. The Company has to pay service fee as specified in the agreement which are effective until the services has been completed.

On 1 July 2017, the Company entered into a service agreement with an individual to perform the role of the Company's director with remuneration as specified in the agreement. The agreement is valid until termination through writing.

On 1 September 2015, the Company entered into a service agreement with a local company for drug product registration services. Under this agreement, the Company will receive the drug product registration service with the Food and Drug Administration from such company. The Company has to pay service fee as specified in the agreement which are effective until the services has been completed.

On 1 January 2013, the Company entered into a service agreement with a pharmacist for drug import license application for a period of 1 year. Under this agreement, the Company will receive services in requesting drug import licenses from the Food and Drug Administration. The Company has to pay service fee as specified in the agreement. The agreement is renewable annually. The Company is in a process of extending the agreement.

On 9 May 2011, the Company entered into a service agreement with a local company for accounting service. Under this agreement, the Company has to pay monthly service fee as specified in the agreement. The agreement is renewable annually.

**8 Reclassification of accounts**

Certain accounts in the 2023 financial statements have been reclassified to conform to the presentation in the 2024 financial statements as follows:

	Before reclassification	2023 Reclassification <i>(in thousand Baht)</i>	After reclassification
<b><i>Statement of financial position</i></b>			
Trade and other receivables	1,191	22	1,213
Other current assets	159	<u>(22)</u>	137
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.