

Biocon Sdn. Bhd.

Registration Number: 201101002193 (930330-U)
(Incorporated in Malaysia)

**Financial statements for the
year ended 31 March 2025**

Biocon Sdn. Bhd.

Registration Number: 201101002193 (930330-U)
(Incorporated in Malaysia)

Directors' report for the year ended 31 March 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2025.

Principal activities

The Company is engaged in the manufacture of various insulin products and in research and development activities of biopharmaceutical products. The Company has set up state of the art integrated manufacturing facility for insulin active pharmaceutical ingredients and insulin drug formulation at the Southern Industrial and Logistics Clusters ("SiLC"), Johor, Malaysia. There were no significant change to the nature of business activities during the current financial year.

Holding companies

During the financial year and until the date of this report, the immediate holding and intermediate holding companies are Biocon Biologics UK Limited, a company incorporated in the United Kingdom and Biocon Biologics Limited, a company incorporated in India, respectively. The ultimate holding company is Biocon Limited, a company incorporated in India and is listed on the Bombay Stock Exchange and National Stock Exchange of India.

Results

	RM'000
Profit for the year	<u>19,439</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the statement of changes in equity.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Kiran Mazumdar Shaw
Shreehas Pradeep Tambe
Dr. Arun Suresh Chandavarkar
Declan Pearse MacFadden
Bobby Kanubhai Parikh
Jaleeludeen bin Abu Baker

Directors' interests in shares

The direct and deemed interests in the ordinary shares of the Company and of its related corporations of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

Name of Director	Interest	Number of ordinary shares			At 31 March 2025
		At 1 April 2024	Bought	Sold	
Ultimate holding company - <i>Biocon Limited</i>					
Kiran Mazumdar Shaw	Direct	484,581,970	--	--	484,581,970
	Indirect	235,455,801	--	--	235,455,801
Dr. Arun Suresh Chandavarkar	Direct	13,200,500	--	(500)	13,200,000
Shreehas Pradeep Tambe	Direct	341,190	--	--	341,190
Declan Pearse MacFadden	Direct	293,832	--	--	293,832
Intermediate holding company - <i>Biocon Biologics Limited</i>					
Dr. Arun Suresh Chandavarkar	Direct	600,000	--	--	600,000
Bobby Kanubhai Parikh	Direct	50,000	--	--	50,000
Related companies - <i>Syngene International Limited</i>					
Kiran Mazumdar Shaw	Direct	21,964	--	--	21,964
Dr. Arun Suresh Chandavarkar	Direct	154,198	--	--	154,198
Shreehas Pradeep Tambe	Direct	26,580	--	--	26,580

By virtue of her interest in the shares of the ultimate holding company, Kiran Mazumdar Shaw is also deemed interested in the shares of all the subsidiaries of the ultimate holding company to the extent the ultimate holding company has an interest.

The other Director holding office at 31 March 2025 does not have any interest in the ordinary shares of the Company and of its related corporations during the year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 March 2025 are as follows:

	RM'000
Directors of the Company:	
Fee	495
Fees paid to a company in which certain Directors are members	9

There were no arrangements during and at the end of the financial year which had the object of enabling 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.

Issue of shares

There were no changes in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

There were no indemnity given to or insurance effected for any Director, officer or auditor of the Company during the financial year.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) there are no bad debts to be written off and no provision needs to be made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render it necessary to write off any bad debts or provide for any doubtful debts, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 March 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Registration Number: 201101002193 (930330-U)
--

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The details of remuneration paid by the Company to auditors of the Company during the financial year are as follows:

	RM'000
Auditors' remuneration	
- Statutory audit	287
- Non-audit fee	30
	<u>317</u>

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



.....
Kiran Mazumdar Shaw
 Director



.....
Shreehas Pradeep Tambe
 Director

Date: 05 MAY 2025

Biocon Sdn. Bhd.

Registration Number: 201101002193 (930330-U)
(Incorporated in Malaysia)

Statement of financial position

As at 31 March 2025

	Note	2025 RM'000	2024 RM'000
Assets			
Property, plant and equipment	2	1,521,350	1,381,711
Intangible assets	3	123,969	142,537
Prepayments and other assets	4	56,712	88,212
Total non-current assets		<u>1,702,031</u>	<u>1,612,460</u>
Inventories	5	306,742	237,201
Trade and other receivables	6	149,449	206,696
Prepayments and other assets	4	17,414	16,703
Current tax assets		1,542	--
Cash and cash equivalents	7	20,303	26,810
Total current assets		<u>495,450</u>	<u>487,410</u>
Total assets		<u><u>2,197,481</u></u>	<u><u>2,099,870</u></u>
Equity			
Share capital	8	312,349	312,349
Reserves	8	(443,272)	(472,196)
Total equity		<u>(130,923)</u>	<u>(159,847)</u>
Liabilities			
Loans and borrowings	9	1,625,561	1,664,928
Contract liabilities	10	5,515	6,242
Deferred income		76,485	86,910
Deferred tax liabilities	11	3,220	1,967
Total non-current liabilities		<u>1,710,781</u>	<u>1,760,047</u>
Trade and other payables	12	461,993	321,584
Loans and borrowings	9	155,630	178,086
Total current liabilities		<u>617,623</u>	<u>499,670</u>
Total liabilities		<u>2,328,404</u>	<u>2,259,717</u>
Total equity and liabilities		<u><u>2,197,481</u></u>	<u><u>2,099,870</u></u>

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

Biocon Sdn. Bhd.

Registration Number: 201101002193 (930330-U)
(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2025

	Note	2025 RM'000	2024 RM'000
Revenue	13	815,500	815,438
Other income		12,778	13,162
Raw materials and packing materials consumed		(327,150)	(317,286)
Change in inventories of finished goods, traded goods and work-in-progress		(27,968)	(10,490)
Employee benefits expense		(98,207)	(92,870)
Research and development expense		(17,077)	(14,229)
Depreciation and amortisation		(98,224)	(101,712)
Other expenses		(174,740)	(162,949)
Total expenses		(743,366)	(699,536)
Results from operating activities		84,912	129,064
Finance (costs)/income	14	(64,079)	9,783
Profit before tax and exceptional item		20,833	138,847
Exceptional item	3	--	(237,861)
Profit/(Loss) before tax		20,833	(99,014)
Tax expense	15	(1,394)	(18)
Profit/(Loss) for the year	16	19,439	(99,032)
Other comprehensive income/(expense), net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences/ Total other comprehensive income/(expense) for the year, net of tax		9,485	(26,759)
Total comprehensive income/(expense) for the year		28,924	(125,791)

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

Biocon Sdn. Bhd.

Registration Number: 201101002193 (930330-U)
(Incorporated in Malaysia)

Statement of changes in equity For the year ended 31 March 2025

	Non-distributable			Non-cumulative redeemable convertible		
	Share capital RM'000	Translation reserve RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000	
At 1 April 2023	66,528	26,859	52,366	(425,630)	8,953	
Foreign currency translation differences/ Total other comprehensive expense for the year	--	(26,759)	--	--	(26,759)	
Loss for the year	--	--	--	(99,032)	(99,032)	
Total comprehensive expense for the year	--	(26,759)	--	(99,032)	(125,791)	
Distributions to owners of the Company						
Redemption of non-cumulative redeemable convertible preference shares	--	--	--	--	(72,380)	
Gain on redemption of non-cumulative redeemable convertible preference shares	--	--	--	--	29,371	
Total transactions with owners of the Company	--	--	--	--	(43,009)	
At 31 March 2024/ At 1 April 2024	66,528	100	52,366	(524,662)	(159,847)	
Foreign currency translation differences/ Total other comprehensive income for the year	--	9,485	--	--	9,485	
Profit for the year	--	--	--	19,439	19,439	
Total comprehensive income for the year	--	9,485	--	19,439	28,924	
At 31 March 2025	66,528	9,585	52,366	(505,223)	(130,923)	

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

Biocon Sdn. Bhd.

Registration Number: 201101002193 (930330-U)
(Incorporated in Malaysia)

Statement of cash flows

For the year ended 31 March 2025

	Note	2025 RM'000	2024 RM'000
Cash flows from operating activities			
Profit/(Loss) before tax		20,833	(99,014)
Adjustments for:			
Depreciation and amortisation		98,224	101,712
Impairment loss on intangible assets		--	237,861
Interest expenses on borrowings	14	648	5,116
Unwinding of discount on NCRCPs	14	63,431	83,520
Property, plant and equipment written off		1,387	135
Gain on redemption of preference share		--	(98,419)
Operating profit before changes in working capital		184,523	230,911
Change in inventories		(85,337)	41,086
Change in trade and other receivables		70,029	160,106
Change in trade and other payables		162,531	165,299
Change in deferred income		(5,187)	(26,456)
Change in contract liabilities		(354)	226
Cash generated from operations		326,205	571,172
Tax paid		(1,565)	(18)
Net cash from operating activities		324,640	571,154
Cash flows from investing activities			
Acquisition of:			
- property, plant and equipment	17	(309,083)	(249,198)
- intangible assets		--	(6,526)
Net cash used in investing activities		(309,083)	(255,724)
Cash flows from financing activities			
Drawdown of short term loan		52,691	93,389
(Repayment)/Drawdown of working capital loan		(15,984)	31,761
Interest paid		(8,757)	(5,116)
Redemption of non-cumulative redeemable convertible preference shares		--	(464,620)
Net cash from/(used in) financing activities		27,950	(344,586)
Net increase/(decrease) in cash and cash equivalents		43,507	(29,156)
Effect of foreign exchange rate changes		810	(118)
Cash and cash equivalents at 1 April		(24,014)	5,260
Cash and cash equivalents at 31 March	7	20,303	(24,014)

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

Statement of cash flows

For the year ended 31 March 2025

(continued)

Cash outflows for leases as a lessee

	Note	2025 RM'000	2024 RM'000
Included in net cash from operating activities			
Payment relating to short-term leases	16	179	199
Payment relating to leases of low-value assets	16	246	152
Total cash outflows for leases		<u>425</u>	<u>351</u>

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 April 2023 RM'000	Net changes from financing cash flows RM'000	Effect of foreign exchange rate changes RM'000	At 31 March 2024/ 1 April 2024 RM'000	Net changes from financing cash flows RM'000	Effect of foreign exchange rate changes RM'000	At 31 March 2025 RM'000
Working capital loan	--	31,761	537	32,298	(15,984)	(1,736)	14,578
Short term loan	--	93,389	1,575	94,964	52,691	(6,603)	141,052
Total liabilities from financing activities	<u>--</u>	<u>125,150</u>	<u>2,112</u>	<u>127,262</u>	<u>36,707</u>	<u>(8,339)</u>	<u>155,630</u>

Biocon Sdn. Bhd.

Registration Number: 201101002193 (930330-U)
(Incorporated in Malaysia)

Notes to the financial statements

Biocon Sdn. Bhd. is a private company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

No. 1, Jalan Bioteknologi 1
Kawasan Perindustrian SiLC
79200 Iskandar Puteri
Johor

Registered office

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

The Company is engaged in the manufacture of various insulin products and in research and development activities of biopharmaceutical products. The Company has set up state of the art integrated manufacturing facility for insulin active pharmaceutical ingredients and insulin drug formulation at the Southern Industrial and Logistics Clusters ("SiLC"), Johor, Malaysia.

The immediate holding and intermediate holding companies are Biocon Biologics UK Limited, a company incorporated in the United Kingdom and Biocon Biologics Limited, a company incorporated in India, respectively. The ultimate holding company is Biocon Limited., a company incorporated in India and is listed on the Bombay Stock Exchange and National Stock Exchange of India.

These financial statements were authorised for issue by the Board of Directors on 05 MAY 2025.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

(a) Statement of compliance (continued)***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026 (continued)***

- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures* – *Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures* – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above accounting standards, interpretations and amendments become effective, if applicable.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Company upon their first adoption.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis and on a going concern basis. As at the year end, the Company's total current liabilities exceeded its total current assets by RM122,173,000 and the Company has accumulated losses of RM505,223,000. During the year, the Company has generated profit for the year of RM19,439,000 (2024: Loss for the year: RM99,032,000), and continued to generate positive operating cashflows of RM324,640,000 (2024: RM571,154,000). At 31 March 2025, the Company held short-term borrowings of RM141,052,000 which can be rolled over at their maturity. Considering the existing financing facilities and the ability of the Company's history of generating sufficient operating cash flows, the Directors are of the opinion that the Company will be able to meet their liabilities as and when they fall due.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is different from the Company's functional currency U.S. Dollar ("USD") and has been rounded to nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following note:

- Note 15 - Global minimum top-up tax

2. Property, plant and equipment

	Freehold land RM'000	Buildings RM'000	Furniture and fixtures RM'000	Motor vehicles RM'000	Plant and machineries RM'000	Construction -in progress RM'000	Total RM'000
At cost							
At 1 April 2023	79,585	402,769	4,571	485	941,542	190,509	1,619,461
Additions	--	--	--	--	--	249,198	249,198
Transfer	--	49,241	1,231	--	60,326	(110,798)	--
Written off	--	--	(5)	--	(265)	(65)	(335)
Effect of movement in exchange rates	5,604	29,200	345	33	67,338	15,759	118,279
At 31 March 2024/1 April 2024	85,189	481,210	6,142	518	1,068,941	344,603	1,986,603
Additions	--	--	--	--	--	317,192	317,192
Transfer	--	4,630	1,356	216	30,592	(36,794)	--
Written off	--	--	--	--	(4,224)	--	(4,224)
Reclassification	--	(36)	--	--	36	--	--
Effect of movement in exchange rates	(5,211)	(29,576)	(397)	(35)	(65,714)	(25,307)	(126,240)
At 31 March 2025	79,978	456,228	7,101	699	1,029,631	599,694	2,173,331
Accumulated depreciation							
At 1 April 2023	--	95,450	3,758	323	378,921	--	478,452
Depreciation charge	--	18,970	660	37	71,728	--	91,395
Written off	--	--	(5)	--	(195)	--	(200)
Effect of movement in exchange rates	--	7,041	275	27	27,902	--	35,245
At 31 March 2024/1 April 2024	--	121,461	4,688	387	478,356	--	604,892
Depreciation charge	--	17,460	612	68	70,083	--	88,223
Written off	--	--	--	--	(2,837)	--	(2,837)
Reclassification	--	(36)	--	--	36	--	--
Effect of movement in exchange rates	--	(7,693)	(295)	(25)	(30,284)	--	(38,297)
At 31 March 2025	--	131,192	5,005	430	515,354	--	651,981
Carrying amounts							
At 1 April 2023	79,585	307,319	813	162	562,621	190,509	1,141,009
At 31 March 2024/1 April 2024	85,189	359,749	1,454	131	590,585	344,603	1,381,711
At 31 March 2025	79,978	325,036	2,096	269	514,277	599,694	1,521,350

2. Property, plant and equipment (continued)

2.1 Security

The property, plant and equipment with carrying amount of NIL (2024: RM899,704,000) are charged to a bank for banking facilities granted to the related companies as disclosed in Note 21.

2.2 Others

- a) Included in the additions of construction-in-progress is an interest expense capitalised of RM8,108,993 (2024: NIL) at rate range of 2.86% - 5.47% (2024: NIL) per annum.

2.3 Material accounting policy information

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Freehold land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	12 - 30 years
Furniture and fixtures	6 years
Motor vehicles	6 years
Plant and machineries	3 - 15 years

3. Intangible assets

	Intangible assets Develop- ment cost RM'000	Intellectual property rights RM'000	Intangible assets under development RM'000	Total RM'000
At cost				
At 1 April 2023	135,316	98,807	219,758	453,881
Additions	--	--	6,526	6,526
Effect of movement in exchange rate	9,531	6,959	15,588	32,078
At 31 March 2024/1 April 2024	144,847	105,766	241,872	492,485
Effect of movement in exchange rate	(8,859)	(6,469)	(14,793)	(30,121)
At 31 March 2025	135,988	99,297	227,079	462,364

3. Intangible assets (continued)

	Intangible assets Develop-ment cost RM'000	Intellectual property rights RM'000	Intangible assets under development RM'000	Total RM'000
Accumulated amortisation				
At 1 April 2023	51,609	39,555	--	91,164
Amortisation charge	6,041	4,276	--	10,317
Effect of movement in exchange rate	3,737	2,858	--	6,595
At 31 March 2024/1 April 2024	61,387	46,689	--	108,076
Amortisation charge	5,856	4,145	--	10,001
Effect of movement in exchange rate	(3,843)	(2,918)	--	(6,761)
At 31 March 2025	63,400	47,916	--	111,316
Accumulated impairment loss				
At 1 April 2023	--	--	--	--
Impairment loss	--	--	237,861	237,861
Effect of movement in exchange rate	--	--	4,011	4,011
At 31 March 2024/1 April 2024	--	--	241,872	241,872
Effect of movement in exchange rate	--	--	(14,793)	(14,793)
At 31 March 2025	--	--	227,079	227,079
Carrying amounts				
At 1 April 2023	83,707	59,252	219,758	362,717
At 31 March 2024/1 April 2024	83,460	59,077	--	142,537
At 31 March 2025	72,588	51,381	--	123,969

In February 2013, a related company, Biocon SA ("BSA") entered into an agreement with Mylan GmbH, granting a right to become exclusive co-development partner and manufacturer for bio similar insulin analogs in the territory stipulated. During the year ended 31 March 2017, BSA has transferred the commercialisation and development rights for insulin and insulin analogs to the Company.

Pursuant to the above transaction during the year ended March 2017, an amount of RM52,366,087, being the difference between the fair value of USD22.3 million (equivalent to RM94.6 million) and the consideration of USD10 million (equivalent to RM42.3 million) was recorded in capital reserve (Note 8).

In prior year, the Company has recorded an impairment loss for the intangible assets under development amounting to RM238 million as an exceptional item in the Statement of profit or loss pursuant to the uncertainty of ability to commercialise a product for development and commercialisation in certain territories.

3.1 Material accounting policy information

(i) Amortisation

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

3. Intangible assets (continued)

3.1 Material accounting policy information (continued)

(i) Amortisation (continued)

Intangible assets with definite useful life is subject to amortisation as and when the product is commercialised in the developed nation.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

- Intangible assets 15 years

Amortisation methods and useful lives are reviewed at the end of the reporting period and adjusted as appropriate.

4. Prepayments and other assets

	2025 RM'000	2024 RM'000
Non-current		
Deposits	562	637
Capital advances	55,281	86,421
Prepayments	869	1,154
	<u>56,712</u>	<u>88,212</u>
Current		
Advances recoverable	12,251	9,579
Prepayments	5,163	7,124
	<u>17,414</u>	<u>16,703</u>
	<u>74,126</u>	<u>104,915</u>

5. Inventories

	2025 RM'000	2024 RM'000
Raw materials	179,298	72,114
Semi-finished/Finished goods	127,444	165,087
	<u>306,742</u>	<u>237,201</u>
Recognised in profit or loss:		
- Inventories recognised as cost of goods sold	<u>726,284</u>	<u>685,305</u>

5.1 Security

The entire inventories are pledged with banks for credit facilities granted to the Company as disclosed in Note 9.

5.2 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in first-out method.

6. Trade and other receivables

	2025 RM'000	2024 RM'000
Trade receivables	115,219	110,364
Other receivables	821	717
Due from intermediate holding company - trade	9,568	--
Due from immediate holding company - trade	22	19
Due from related companies		
- trade	--	81,339
- non-trade	23,819	14,257
	23,819	95,596
	149,449	206,696

The trade amounts due from intermediate holding company, immediate holding company and related companies are subject to normal trade terms.

The non-trade amounts due from related companies are interest free, unsecured and repayable on demand.

Security

The trade receivables are pledged with banks for credit facilities granted to the Company as disclosed in Note 9.

7. Cash and cash equivalents

	2025 RM'000	2024 RM'000
Cash and bank balances/ Cash and cash equivalents in the statement of financial position	20,303	26,810
Less: Bank overdraft	--	(50,824)
Cash and cash equivalents in the statement of cash flows	20,303	(24,014)

8. Capital and reserves

Share capital

	2025 RM'000	2024 RM'000	Number of shares	
			2025 '000	2024 '000
Issued and fully paid				
Ordinary shares				
At 1 April/31 March	66,528	66,528	6,653	6,653
Non-cumulative redeemable convertible preference shares ("NCRCPs")				
At 1 April	1,704,026	2,001,842	149,753	185,472
Redemption of shares	--	(357,194)	--	(35,719)
Gain on redemption of shares	--	29,371	--	--
Effect of movement in exchange rates	(89,197)	30,007	--	--
At 31 March	1,614,829	1,704,026	149,753	149,753
	1,681,357	1,770,554	156,406	156,406

8. Capital and reserves (continued)

Share capital (continued)

	2025 RM'000	2024 RM'000
Classified as follows:		
Equity		
- Ordinary shares	66,528	66,528
- NCRCPs	245,821	245,821
	312,349	312,349
Liability - NCRCPs	1,369,008	1,458,205
	<u>1,681,357</u>	<u>1,770,554</u>

Reserves

	2025 RM'000	2024 RM'000
Non-distributable		
Translation reserve	9,585	100
Capital reserve	52,366	52,366
Accumulated losses	(505,223)	(524,662)
	<u>(443,272)</u>	<u>(472,196)</u>

8.1 Non-cumulative redeemable convertible preference shares

The salient features of the NCRCPs are as follows:

- (a) Each NCRCPs shall confer on the holder thereof a right to receive a non-cumulative coupon of 2.5% per annum, subject to the availability of the post taxation profits for distribution.
- (b) The NCRCPs shall not confer any further rights of participation in the profits of the Company.
- (c) The NCRCPs shall have no voting right or right to move or second any resolutions at any general meetings of the Company, except:
 - (i) upon any resolution which varies or is deemed to vary the right and privileges attached to the NCRCPs; and
 - (ii) upon any resolution for the winding up of the Company.
- (d) The Company shall have the rights to create or issue further NCRCPs provided always that they are issued on such terms and conditions that agreeable by the existing NCRCPs holders.
- (e) The NCRCPs shall be redeemable at an amount equal to the issue price, in full or in part, and in any number of tranches in RM equivalent to the amounts received in USD at the time of the initial subscription of the NCRCPs at the option of the Company by giving 7 days notice periods or NCRCPs shareholder at any time from the date of issue of the NCRCPs.
- (f) The NCRCPs shall be convertible at par value to ordinary shares of the Company of RM10 each at any time at the option of the NCRCPs shareholder.

8. Capital and reserves (continued)

8.1 Non-cumulative redeemable convertible preference shares (continued)

Based on the above terms, the Company has a potential obligation to deliver cash to the shareholder of the NCRCPs shareholder arising from the non-cumulative coupon of 2.5% per annum and the Company's option by giving not less than seven (7) days' notice in writing to the holders of the NCRCPs. Accordingly, an amount of RM1,369,008,000 (2024: RM1,458,205,000) representing the fair value of the liability component has been classified as non-current liability. The balance of RM245,821,000 (2024: RM245,821,000) has been classified as equity.

In prior year, the Company has redeemed 35,719,365 non-cumulative redeemable convertible preference shares ("NCRCPs") at par value of RM10 each, resulted in a gain of RM98,419,355 to Statement of profit or loss and a gain of RM29,371,323 to Statement of changes in equity.

8.2 Translation reserve

The translation reserve relates to foreign currency differences arising from the translation of the financial statements of the Company from functional currency to presentation currency.

8.3 Capital reserve

The capital reserve is in respect of capital contribution from the preference shareholders and the amount is non-reciprocal.

9. Loans and borrowings

	2025 RM'000	2024 RM'000
Non-current		
Non-cumulative redeemable convertible preference shares - unsecured (see Note 8)	1,625,561	1,664,928
Current		
Bank overdraft - secured	--	50,824
Working capital loan - secured	14,578	32,298
Short term loan - secured	141,052	94,964
	155,630	178,086
	<u>1,781,191</u>	<u>1,843,014</u>

The portion of NCRCPs that are classified as liability is as follows:

	2025 RM'000	2024 RM'000
Issued and fully paid (Note 8)	1,369,008	1,458,205
Accrued interests	256,553	206,723
	<u>1,625,561</u>	<u>1,664,928</u>

The bank overdraft and working capital loan are secured by a charge over the inventories and trade receivables of the Company as disclosed in Notes 5 and 6 respectively.

10. Contract liabilities

The contract liabilities primarily relates to the advance consideration received from customers arising from licensing arrangement, which revenue is recognised over time. The contract liabilities are expected to be recognised as revenue over the period which the customers could benefit from the licensing arrangement.

11. Deferred tax liabilities

11.1 Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	2025 RM'000	2024 RM'000
Property, plant and equipment	3,220	1,967

11.2 Movements in temporary difference during the year

	At 1 April 2024 RM'000	Exchange difference RM'000	Recognised in profit or loss (Note 15) RM'000	At 31 March 2025 RM'000
Property, plant and equipment	1,967	(141)	1,394	3,220

	At 1 April 2023 RM'000	Exchange difference RM'000	Recognised in profit or loss RM'000	At 31 March 2024 RM'000
Property, plant and equipment	1,838	129	--	1,967

11.3 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	2025 RM'000	2024 RM'000
Taxable temporary differences	(570,969)	(518,676)
Unutilised tax losses	245,395	245,638
Unabsorbed capital allowances	445,783	490,446
	120,209	217,408

The Company has been granted 100% income tax exemption under P.U. (A) 112 Income Tax Order (Exemption) (No. 11) 2006 for a period of 10 years and an additional 5 years from the first year statutory income is derived.

The deferred tax assets have not been recognised in the financial statements in respect of above temporary differences as they are expected to be crystallised during the tax incentive period.

The comparative figures have been restated to reflect the revised tax losses, capital allowances carry-forward and taxable temporary differences available to the Company.

11. Deferred tax liabilities (continued)**11.3 Unrecognised deferred tax assets (continued)**

The unutilised tax losses will expire in the following year of assessment:

	2025 RM'000	2024 RM'000
2028	21,366	22,429
2029	33,693	35,853
2030	80,360	85,510
2031	109,976	101,846
	<u>245,395</u>	<u>245,638</u>

The unabsorbed capital allowances do not expire under the current tax legislation.

12. Trade and other payables

	2025 RM'000	2024 RM'000
Trade		
Trade payables	195,336	203,001
Due to ultimate holding company	153	2,584
Due to intermediate holding company	--	41,307
	<u>195,489</u>	<u>246,892</u>
Non-trade		
Other payables	74,819	74,692
Due to related companies	191,685	--
	<u>266,504</u>	<u>74,692</u>
	<u>461,993</u>	<u>321,584</u>

The trade amounts due to ultimate holding company and intermediate holding company are subject to normal trade terms.

The non-trade amounts due to related companies are unsecured, interest free and repayable on demand.

13. Revenue

	2025 RM'000	2024 RM'000
Revenue from contracts with customers	<u>815,500</u>	<u>815,438</u>

13.1 Disaggregation of revenue

	2025 RM'000	2024 RM'000
Primary geographical markets		
United States	457,656	526,836
Mexico	93,275	98,554
India	66,027	47,381
Malaysia	18,251	24,268
Europe	45,856	48,483
The Middle East	83,169	42,588
Others	51,266	27,328
	<u>815,500</u>	<u>815,438</u>

13. Revenue (continued)

13.1 Disaggregation of revenue (continued)

	2025 RM'000	2024 RM'000
Major services and product line		
Sales of insulin	814,690	814,040
Licensing income	810	1,398
	<u>815,500</u>	<u>815,438</u>
Timing and recognition		
Point in time	814,690	814,040
Over time	810	1,398
	<u>815,500</u>	<u>815,438</u>

13.2 Nature of goods and services

The following information reflects the typical transactions of the Company:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Sales of insulin	Revenue is recognised when the goods are delivered and accepted by the customers	Credit period of 90 days from invoice date
Licensing income	Revenue is recognised overtime over the period which the customers are expected to benefit from the licensing arrangement	Based on agreed milestone

The revenue from contracts with customers of the Company is not subject to variable element in the consideration, warranty and obligation for returns or refunds.

13.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	2025 RM'000	Total RM'000
Licensing income	<u>630</u>	<u>630</u>

The Company applies the practical expedient for exemption on disclosure of information for sale of insulin on remaining performance obligation that have original expected durations of one year or less.

14. Finance costs and finance income

	2025 RM'000	2024 RM'000
Gain on redemption of preference shares	--	98,419
Interest expenses on borrowings	(648)	(5,116)
Unwinding of discount on NCRCPs	(63,431)	(83,520)
	<u>(64,079)</u>	<u>9,783</u>

15. Tax expense

15.1 Recognised in profit or loss

Major components of income tax expense include:

	2025 RM'000	2024 RM'000
Current tax expense		
- Current year	--	14
- Under provision in prior years	--	4
Total current tax recognised in profit or loss	--	18
Deferred tax expense		
- Origination of temporary differences/		
Total deferred tax recognised in profit or loss	1,394	--
Total tax expense	<u>1,394</u>	<u>18</u>

The Company is within the scope of the Organization for Economic Co-operation and Development (OECD) Pillar Two model rules. Pillar Two legislation has been enacted in the Malaysia introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax effective for accounting periods starting on or after 1 January 2025. The Company has performed an assessment of the potential exposure to Pillar Two income taxes, and it is not expected to be a material impact on tax charge of the Company.

15.2 Reconciliation of tax expense

	2025 RM'000	2024 RM'000
Profit/(Loss) before tax	<u>20,833</u>	<u>(99,014)</u>
Income tax calculated using Malaysian tax rate of 24%	5,000	(23,763)
Non-deductible expenses	--	18,368
Non-taxable income	(333)	(23,348)
Unrecognised deferred tax assets	<u>(3,273)</u>	<u>28,757</u>
	1,394	14
Under provision in prior years	--	4
Tax expense	<u>1,394</u>	<u>18</u>

16. Profit/(Loss) for the year

	Note	2025 RM'000	2024 RM'000
Profit/(Loss) for the year is arrived at after charging/(crediting)			
Audit remuneration:			
- Audit fee		287	270
- Non-audit fee		30	30
Expenses relating to short-term leases	a	179	199
Expenses relating to leases of low-value assets	b	246	152
Personnel expenses (including key management personnel):			
- Contributions to state plans		7,780	7,809
- Wages, salaries and others		90,427	85,061
Property, plant and equipment written off		1,387	135
Facility charges to a related company/ development partner		--	101
Net foreign exchange loss/(gain)		9,471	(6,192)
Research and development expense:			
- Incurred		26,426	39,894
- Amount received/receivable from a related company/development partner		<u>(9,349)</u>	<u>(25,664)</u>

Note a

The Company leases guest houses with contract terms of 1 year and freezers with a contract terms of 6 months. These leases are short-term leases. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

Note b

The Company leases office equipment with contract terms of 3 years. These leases are low-value assets. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

17. Acquisition of property, plant and equipment

	2025 RM'000	2024 RM'000
Current year additions	317,192	249,198
Less: Finance cost capitalised	<u>(8,109)</u>	<u>--</u>
	<u>309,083</u>	<u>249,198</u>

18. Financial instruments

18.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC")

	Carrying amount RM'000	AC RM'000
2025		
Financial assets		
Trade and other receivables	149,449	149,449
Cash and cash equivalents	20,303	20,303
	<u>169,752</u>	<u>169,752</u>
Financial liabilities		
Loans and borrowings	(1,781,191)	(1,781,191)
Trade and other payables	(461,993)	(461,993)
	<u>(2,243,184)</u>	<u>(2,243,184)</u>
2024		
Financial assets		
Trade and other receivables	206,696	206,696
Cash and cash equivalents	26,810	26,810
	<u>233,506</u>	<u>233,506</u>
Financial liabilities		
Loans and borrowings	(1,843,014)	(1,843,014)
Trade and other payables	(321,584)	(321,584)
	<u>(2,164,598)</u>	<u>(2,164,598)</u>

18.2 Net gains and losses arising from financial instruments

	2025 RM'000	2024 RM'000
Net gains/(losses) on:		
Financial assets recognised as AC	(8,967)	6,192
Financial liabilities recognised as AC	(64,583)	9,783
	<u>(73,550)</u>	<u>15,975</u>

18.3 Financial risk management

The Company has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

18.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its receivables from customers, intermediate holding company, immediate holding company and related companies. There are no significant changes as compared to prior period.

18. Financial instruments (continued)

18.4 Credit risk (continued)

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior period.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Concentration of credit risk

The Company trades extensively with a few established customers which the Company has a long standing business relationship. As at the end of the reporting period, the Company's three largest group of customers constitute approximately 67% (2024: 82%) of the total trade receivables.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days.

As there are only a few customers, the Company assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

18. Financial instruments (continued)

18.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and expected credit losses ("ECLs") for trade receivables as at the end of reporting period which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount/ Net balance	
	2025 RM'000	2024 RM'000
Current (not past due)	56,722	87,157
1 - 30 days past due	37,113	10,852
31 - 60 days past due	310	3,028
61 - 90 days past due	7,798	2,835
> 90 days	13,276	6,492
	<u>115,219</u>	<u>110,364</u>

As at the end of the reporting period, the Company does not recognise any allowance for impairment losses.

Cash and cash equivalents

The cash and cash equivalents are held with banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks have low credit risks. In addition, some of the bank balances is insured by government agencies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

The Company monitors the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position and the Company does not recognise any allowance for impairment losses.

Financial guarantees

During the financial year ended 31 March 2025, Biocon Biologics Global PLC, a fellow subsidiary of the ultimate holding company, has raised RM3,376,400,000 by allotment of U.S. Dollar denominated senior secured notes ("notes") and Biosimilars NewCo Limited, another fellow subsidiary of the ultimate holding company had raised funds through syndicate facility ("loan facility") amounting to RM1,431,497,000. The Company along with intermediate holding Company and other fellow subsidiaries of ultimate holding company has provided corporate guarantee towards the notes and loan facility. As at 31 March 2025, the carrying amounts of the notes and loan facility are amounted to RM3,548,480,000 and RM1,419,392,000 respectively.

18. Financial instruments (continued)

18.4 Credit risk (continued)

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company monitors the ability of the intermediate holding company, immediate holding company and related companies to repay the balances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

The Company considers amounts due from intermediate holding company, immediate holding company and related companies have low credit risk. The Company assumes that there is a significant increase in credit risk when the inter-companies' financial position deteriorates significantly. The Company considers amounts due from intermediate holding company, immediate holding company and related companies to be credit impaired when:

- The intermediate holding company, immediate holding company and related companies are unlikely to repay its amount due to the Company in full; or
- The intermediate holding company, immediate holding company and related companies are continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these inter-companies balances individually using internal information available.

The following table provides information about the exposure to credit risk for inter-companies balances as at the end of the reporting period:

	Gross carrying amount/ Net balance	
	2025	2024
	RM'000	RM'000
Low credit risk	<u>33,409</u>	<u>95,615</u>

As at the end of the reporting period, the Company does not recognise any loss allowance for impairment losses.

18.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from various payables and loans and borrowings.

The Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

18. Financial instruments (continued)

18.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2025							
<i>Non-derivative financial liabilities</i>							
Working capital loan	14,578	2.86 - 4.87	14,578	14,578	--	--	--
Short term loan	141,052	5.42 - 5.47	141,052	141,052	--	--	--
Due to ultimate holding company	153	--	153	153	--	--	--
Due to related companies	191,685	--	191,685	191,685	--	--	--
Non-cumulative redeemable convertible preference shares	1,625,561	2.50	1,856,343	40,295	40,295	332,482	1,433,271
Trade and other payables	270,155	--	270,155	270,155	--	--	--
	<u>2,243,184</u>		<u>2,473,966</u>	<u>657,918</u>	<u>40,295</u>	<u>332,482</u>	<u>1,433,271</u>
2024							
<i>Non-derivative financial liabilities</i>							
Bank overdraft - secured	50,824	7.19	50,824	50,824	--	--	--
Working capital loan	32,298	4.06 - 5.98	32,298	32,298	--	--	--
Short term loan	94,964	6.16 - 6.48	94,964	94,964	--	--	--
Due to ultimate holding company	2,584	--	2,584	2,584	--	--	--
Due to intermediate holding company	41,307	--	41,307	41,307	--	--	--
Non-cumulative redeemable convertible preference shares	1,664,928	2.50	2,007,021	42,865	42,865	357,500	1,563,791
Trade and other payables	277,693	--	277,693	277,693	--	--	--
	<u>2,164,598</u>		<u>2,506,691</u>	<u>542,535</u>	<u>42,865</u>	<u>357,500</u>	<u>1,563,791</u>

18.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's financial position or cash flows.

Currency risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily Ringgit Malaysia ("RM") and Euro ("EUR").

Risk management objectives, policies and processes for managing the risk

The Company does not hedge its financial assets and liabilities in foreign currency.

18. Financial instruments (continued)

18.6 Market risk (continued)

Currency risk (continued)

Exposure to foreign currency risk

The Company's exposure to foreign currency (a currency which is other than the functional currency of the Company) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in EUR RM'000	RM RM'000
2025		
Trade and other receivables	6,383	22,586
Cash and cash equivalents	--	2,280
Loans and borrowings	(10,388)	--
Trade and other payables	(15,520)	(49,896)
	<u>(19,525)</u>	<u>(25,030)</u>
2024		
Trade and other receivables	38,368	14,934
Cash and cash equivalents	--	10,871
Loans and borrowings	(23,803)	(50,823)
Trade and other payables	(32,803)	(91,738)
	<u>(18,238)</u>	<u>(116,756)</u>

Currency risk sensitivity analysis

A 10% (2024: 10%) strengthening of the U.S. Dollar against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates and remained constant.

	Profit or loss 2025 RM'000	2024 RM'000
EUR	1,484	1,386
RM	<u>1,902</u>	<u>8,873</u>

A 10% (2024: 10%) weakening of U.S. Dollar against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Company's main interest rate risk arises from loans and borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Risk management objectives, policies and processes for managing the risk

Exposure to interest rate risk is monitored on an ongoing basis and the Company endeavours to keep the exposure to an acceptable level.

18. Financial instruments (continued)

18.6 Market risk (continued)

Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2025 RM'000	2024 RM'000
Floating rate instruments		
Financial liabilities	--	50,824

Interest rate risk sensitivity analysis

- Cash flow sensitivity analysis for variable rate instrument

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) the Company post-tax profit or loss by NIL (2024: RM386,000). This analysis assumes that all other variables remained constant.

18.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amount of the liability portion of the non-cumulative redeemable convertible preference shares approximate its fair value as the interest rate has not changed significantly from the market interest rate since initial recognition.

19. Capital management

The Company's capital is represented by its total equity in the statement of financial position. The Directors monitor the adequacy of capital on an ongoing basis.

There was no change in the Company's approach to capital management during the financial year.

The Company is not subject to any externally imposed capital requirements.

20. Capital commitment

	2025 RM'000	2024 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Contracted but not provided for	248,577	443,648

21. Contingent liability - secured

	2025 RM'000	2024 RM'000
Property, plant and equipment charged for banking facilities of the related companies (Note 2)	--	899,704

22. Related parties**Significant related party transactions**

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Company are shown below. The balances related to the below transactions are shown in Notes 6 and 12.

	2025 RM'000	2024 RM'000
A. Ultimate holding company		
Recharge of expenses	(383)	(913)
B. Intermediate holding company		
Sale of goods	62,690	46,973
Purchase of materials	(21,686)	(35,527)
Recharge of expenses	(26,207)	(33,949)
C. Related companies		
Sales of goods	500,242	568,768
Reimbursement of expenses	50,441	27,689
Corporate guarantee income	6,868	6,969
D. Key management personnel		
<i>Directors</i>		
Fee	(495)	(325)
E. Fees paid to a company in which certain		
Directors are members	(9)	(7)

Biocon Sdn. Bhd.

Registration Number: 201101002193 (930330-U)
(Incorporated in Malaysia)


**Statement by Directors pursuant to
Section 251(2) of the Companies Act 2016**

In the opinion of the Directors, the financial statements set out on pages 5 to 32 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2025 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



.....
Kiran Mazumdar Shaw
Director



.....
Shreehas Pradeep Tambe
Director

Date: 05 MAY 2025


Biocon Sdn. Bhd.

Registration Number: 201101002193 (930330-U)
(Incorporated in Malaysia)

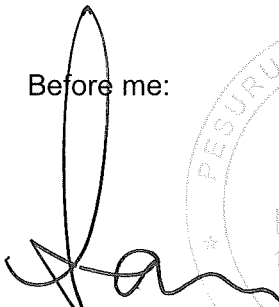
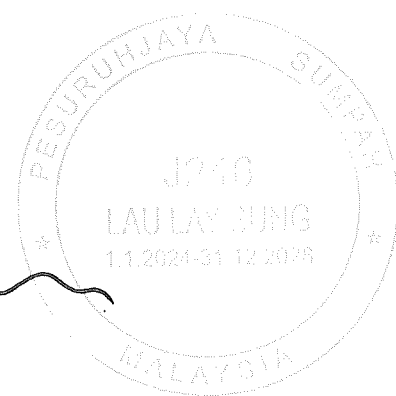
**Statutory declaration pursuant to
Section 251(1)(b) of the Companies Act 2016**

I, **Arindam Chakrabarti**, the officer primarily responsible for the financial management of BIOCON SDN. BHD., do solemnly and sincerely declare that the financial statements set out on pages 5 to 32 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Arindam Chakrabarti, Passport No. Z6629529, at Johor Bahru in the State of Johor on **05 MAY 2025**


.....
Arindam Chakrabarti

Before me:



No. 18-01, Jalan Dastari 5/2,
Taman Nusa Bestari,
81200 Johor Bahru, Johor



KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 3, CIMB Leadership Academy
No. 3, Jalan Medini Utara 1
Medini Iskandar
79200 Iskandar Puteri
Johor Darul Takzim, Malaysia

Telephone +60(7) 266 2213
Fax +60(7) 266 2214
Website www.kpmg.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIOCON SDN. BHD.

Registration Number: 201101002193 (930330-U)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Biocon Sdn. Bhd., which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 5 to 32.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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.



Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors 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.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Ong Huei Lin
Approval Number: 03740/05/2027 J
Chartered Accountant

Johor Bahru

Date: **05 MAY 2025**