

CHEMBOND WATER TECHNOLOGIES (THAILAND) COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Chembond Water Technologies (Thailand) Company Limited

Opinion

We have audited the financial statements of Chembond Water Technologies (Thailand) Company Limited (“the Company”), which comprise the statement of financial position as at 31 December 2021, and the statement of income, and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non - Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. 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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non - Publicly Accountable Entities, 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

We 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 we identify during our audit.

A handwritten signature in black ink, appearing to read 'Wannida Suvaratananon'.

(Miss Wannida Suvaratananon)

Certified Public Accountant Registration no. 10765

Bangkok

Date 5 January 2022

CHEMBOND WATER TECHNOLOGIES (THAILAND) COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		Unit : Baht	
	Notes	2021	2020
<u>Assets</u>			
<i>Current assets</i>			
Cash and cash equivalents	(4)	3,427,912.42	-
Trade and other receivables	(5)	442,624.02	-
Total current assets		3,870,536.44	-
Total assets		3,870,536.44	-
<u>Liabilities and shareholders' equity</u>			
<i>Current liabilities</i>			
Trade and other payables	(6)	42,506.43	25,170.00
Total current liabilities		42,506.43	25,170.00
Total liabilities		42,506.43	25,170.00

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



(Ms. Prachi Nitin Mahadik)

Authorized director



(Mr. Nirmal Vinod Shah)

Authorized director

CHEMBOND WATER TECHNOLOGIES (THAILAND) COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		Unit : Baht	
	Notes	2021	2020
<u>Liabilities and shareholders' equity</u>			
<i>Shareholders' equity</i>			
Share capital			
Authorized share capital			
40,000 ordinary shares of Baht 100.00 each	(7)	4,000,000.00	2,000,000.00
(2020 : 20,000 ordinary shares of Baht 100.00 each)			
Paid-up share capital			
40,000 ordinary shares of Baht 100.00 each	(7)	4,000,000.00	2,000,000.00
(2020 : 20,000 ordinary shares of Baht 100.00 each)			
Share subscription receivable		-	(2,000,000.00)
Retained earnings (deficits)			
Unappropriated		(171,969.99)	(25,170.00)
Total shareholders' equity		3,828,030.01	(25,170.00)
Total liabilities and shareholders' equity		3,870,536.44	-

These financial statements have been approved by the Annual General Meeting of Shareholders No. 1/2022 on 17 January 2022.

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



(Ms. Prachi Nitin Mahadik)

Authorized director



(Mr. Nirmal Vinod Shah)

Authorized director

CHEMBOND WATER TECHNOLOGIES (THAILAND) COMPANY LIMITED

STATEMENTS OF INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Unit : Baht	
	2021	2020
		6 Feb - 31 Dec
<i>Revenues</i>		
Other income	560.00	-
Total revenues	560.00	-
<i>Expenses</i>		
Administrative expenses	147,359.99	25,170.00
Total expenses	147,359.99	25,170.00
Net profit (loss)	(146,799.99)	(25,170.00)

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



(Ms. Prachi Nitin Mahadik)

Authorized director



(Mr. Nirmal Vinod Shah)

Authorized director

CHEMBOND WATER TECHNOLOGIES (THAILAND) COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

Unit : Baht

Notes	Paid-up share capital	Share subscription receivable	Retained earnings (deficits)	Total shareholders' equity
Balance as at 6 February 2020	2,000,000.00	(2,000,000.00)	-	-
Net profit (loss)	-	-	(25,170.00)	(25,170.00)
Balance as at 31 December 2020	2,000,000.00	(2,000,000.00)	(25,170.00)	(25,170.00)
Balance as at 1 January 2021	2,000,000.00	(2,000,000.00)	(25,170.00)	(25,170.00)
Capital increase	2,000,000.00	2,000,000.00	-	4,000,000.00
Net profit (loss)	-	-	(146,799.99)	(146,799.99)
Balance as at 31 December 2021	4,000,000.00	-	(171,969.99)	3,828,030.01

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


(Ms. Prachi Nitin Mahadik)

Authorized director


(Mr. Nirmal Vinod Shah)

Authorized director

CHEMBOND WATER TECHNOLOGIES (THAILAND) COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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CHEMBOND WATER TECHNOLOGIES (THAILAND) COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 General information

Chembond Water Technologies (Thailand) Company Limited is incorporated in Thailand and registered on 6 February 2020 with the registration no. 0105563022055 and has its registered office at 33/4 The Ninth Tower A, 35th Floor, Rama 9 Road, Huaykwang, Huaykwang, Bangkok.

The principal activity of the Company is engaged in a wholesale of industrial chemicals. However, it has no business activity during the year.

2 Basis of preparation of the financial statements

The financial statements are prepared in compliance with TFRS for non-publicly accountable entities and the accounting practices announced by FAP and disclose the information as specified in the notification of Department of Business Development by Ministry of Commerce dated 28 September 2011 "The specification of items required in the financial statements".

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements are prepared and presented in Thai Baht which is the Company's functional currency.

3 Significant accounting policies

3.1 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.2 Trade and other accounts receivables

Trade and other accounts receivables are stated at their invoice value less allowance for doubtful accounts and the allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

CHEMBOND WATER TECHNOLOGIES (THAILAND) COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Significant accounting policies (continued)

3.3 Trade and other payables

Trade and other payables are stated at cost.

3.4 Revenues

Other income shall be recognized on an accrual basis.

3.5 Expenses

Administrative expenses shall be recognized on an accrual basis.

3.6 Corporate income tax

The Company records the amount of income tax anticipated to be paid to the tax collection agency by calculating taxable profits in accordance with the criteria prescribed in the tax law.

4 Cash and cash equivalents

	Unit : Baht	
	2021	2020
Current account	3,427,912.42	-

5 Trade and other receivables

	Unit : Baht	
	2021	2020
Other receivables		
Prepaid expenses	33,440.00	-
Other receivables	409,184.02	-
Total other receivables	442,624.02	-
Total trade and other receivables	442,624.02	-

CHEMBOND WATER TECHNOLOGIES (THAILAND) COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Trade and other payables

	Unit : Baht	
	2021	2020
Other payables		
Accrued expenses	1,099.00	18,560.00
Other payables	41,407.43	6,610.00
Total other payables	42,506.43	25,170.00
Total trade and other payables	42,506.43	25,170.00

7 Share capital

Capital increase and calls on share

In accordance with the resolution of the Extraordinary General Meeting of shareholders no. 1/2021 held on 10 June 2021, the Company increased its authorized share capital from Baht 2.00 million to Baht 4.00 million by issuing 20,000 ordinary shares of Baht 100.00 each and made calls upon its shareholders to pay on the newly issued shares totalling Baht 2.00 million (20,000 shares with calls on share at Baht 100.00 each) which results in the total paid-up capital of Baht 4.00 million. And the Company had registered the capital increase with the Ministry of Commerce on 18 June 2021.

8 Approval of the financial statements

These financial statements are approved by Board of Directors on 5 January 2022.


(Ms. Prachi Nitin Mahadik)

Authorized Director


(Mr. Nirmal Vinod Shah)

Authorized Director