

ION EXCHANGE ASIA PACIFIC (THAILAND) LTD

REPORT AND FINANCE STATEMENT

AS AT 31st MARCH 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ION EXCHANGE ASIA PACIFIC (THAILAND) LTD.

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of ION EXCHANGE ASIA PACIFIC (THAILAND) LTD., which comprise the statement of financial position as at March 31, 2023, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

I conducted our audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter paragraph

I draw attention to Note 1 to the financial statements, which states that the company has a retained loss of THB 31.47 Million for the year ended March 31, 2023, and on the same day the company's total liabilities exceeded its assets by THB 27.06 Million. Such events or situations as well as other matters discussed in Note 1 show that these financial statements have been prepared on a going concern basis which contemplates continuity of operations and realization assets and liquidation of liabilities in the ordinary course of business. My opinion is not qualified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 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, 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 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 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 those charged with governance 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.



Mr. Kitsanaphol Perimkul

Certified Public Accountant (Thailand) No. 9176

BANGKOK: April 24, 2023

ION EXCHANGE ASIA PACIFIC (THAILAND) LTD
STATEMENT OF FINANCIAL POSITION

| | | Baht | |
|--------------------------------------|-------------|----------------------|----------------------|
| | | AS AT 31 MARCH | |
| | NOTES | 2022- 23 | 2021- 22 |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2.4, 3 | 5,066,142.53 | 2,798,950.97 |
| Trade and other receivables | 2.5, 2.8, 4 | 9,874,333.09 | 18,860,671.71 |
| Short - term loan to related parties | 2.8, 6 | 6,881,591.20 | 5,409,472.94 |
| Inventories | 2.6 | 7,443,263.15 | 6,383,315.39 |
| Other current assets | 5 | 394,571.41 | 18,839.66 |
| TOTAL CURRENT ASSETS | | 29,659,901.38 | 33,471,250.67 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipments - Net | 2.7, 7 | 31,203.82 | 40,735.88 |
| Other non-current assets | 8 | 4,557,314.45 | 4,555,154.45 |
| TOTAL CURRENT ASSETS | | 4,588,518.27 | 4,595,890.33 |
| TOTAL ASSETS | | 34,248,419.65 | 38,067,141.00 |

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

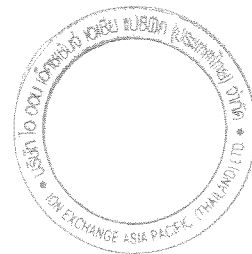
These financial statements were approved by the annual general meeting of shareholders 1/2023, 16 May 2023

Certified true and correct

Santosh Kumar Chanani

Director

(Mr. Santosh Kumar Chanani)



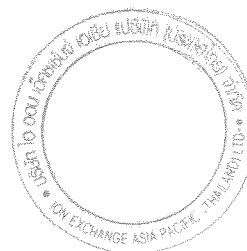
ION EXCHANGE ASIA PACIFIC (THAILAND) LTD
STATEMENT OF FINANCIAL POSITION (CONTINUED)

| | | Baht | |
|--|---------|-----------------|-----------------|
| | | AS AT 31 MARCH | |
| | NOTES | 2022- 23 | 2021- 22 |
| LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT OVER EQUITY) | | | |
| CURRENT LIABILITIES | | | |
| Trade and Other payables | 2.8, 9 | 59,927,292.22 | 63,702,654.15 |
| Short - term loan from related parties | 2.8, 10 | 1,261,806.74 | 1,253,324.84 |
| Other current liabilities | 11 | 115,791.87 | 433,264.10 |
| TOTAL CURRENT LIABILITIES | | 61,304,890.83 | 65,389,243.09 |
| NON-CURRENT LIABILITIES | | | |
| Employee Benefit Obligations | 2.9, 13 | 410,599.08 | 343,739.00 |
| TOTAL NON-CURRENT LIABILITIES | | 410,599.08 | 343,739.00 |
| TOTAL LIABILITIES | | 61,715,489.91 | 65,732,982.09 |
| SHAREHOLDERS' EQUITY (DEFICIT OVER EQUITY) | | | |
| Share capital | | | |
| 40,000 ordinary shares of Baht 100 each | | 4,000,000.00 | 4,000,000.00 |
| Issued and fully paid up | | | |
| 40,000 ordinary shares of Baht 100 each | | 4,000,000.00 | 4,000,000.00 |
| Retained earning (Deficit) | | | |
| Unappropriated | | (31,467,070.26) | (31,665,841.09) |
| TOTAL SHAREHOLDERS' EQUITY (DEFICIT OVER EQUITY) | | (27,467,070.26) | (27,665,841.09) |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 34,248,419.65 | 38,067,141.00 |

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



..... Director
(Mr. Santosh Kumar Chanani)



ION EXCHANGE ASIA PACIFIC (THAILAND) LTD
STATEMENTS OF INCOME

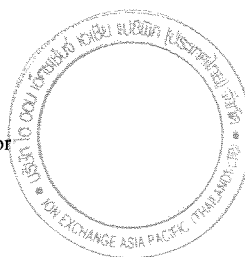
| | Baht | |
|--|-----------------------------|-----------------------|
| | FOR THE YEAR ENDED 31 MARCH | |
| NOTES | 2022- 23 | 2021- 22 |
| Revenues | | |
| Revenue from sales and services | 11,529,040.00 | 21,187,323.47 |
| Other incomes | 1,182,343.68 | 297,287.39 |
| TOTAL REVENUES | 12,711,383.68 | 21,484,610.86 |
| EXPENSES | | |
| Cost of goods and services | 8,728,313.73 | 17,526,696.22 |
| Selling expenses | 30,949.33 | - |
| Administrative expense | 3,716,148.16 | 5,208,391.79 |
| TOTAL EXPENSES | 12,475,411.22 | 22,735,088.01 |
| EARNINGS (LOSS) BEFORE FINANCE COSTS AND CORPORATE INCOME TAX | 235,972.46 | (1,250,477.15) |
| FINANCE COSTS | (37,201.63) | (35,319.76) |
| PROFIT (LOSS) BEFORE CORPORATE INCOME TAX | 198,770.83 | (1,285,796.91) |
| CORPORATE INCOME TAX | - | - |
| NET PROFIT (LOSS) | 198,770.83 | (1,285,796.91) |

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

Chanani

(Mr. Santosh Kumar Chanani)

Director



ION EXCHANGE ASIA PACIFIC (THAILAND) LTD
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

| | Baht | | |
|---------------------------------------|-------------------------------------|---------------------------------------|-----------------|
| <u>Notes</u> | Issued and paid-up share capital | Retained earnings - unappropriated | Total |
| Beginning balance as at 31 March 2021 | 4,000,000.00 | (30,380,044.18) | (26,380,044.18) |
| Net profit/(Loss) for the year | - | (1,285,796.91) | (1,285,796.91) |
| Beginning balance as at 31 March 2022 | 4,000,000.00 | (31,665,841.09) | (27,665,841.09) |
| Net profit/(Loss) for the year | - | 198,770.83 | 198,770.83 |
| Closing balance as at 31 March 2023 | 4,000,000.00 | (31,467,070.26) | (27,467,070.26) |

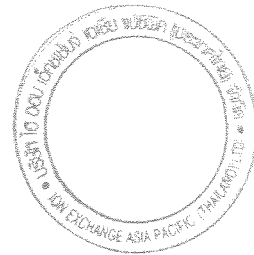
The accompanying notes are an integral part of the financial statements.

Certified true and correct



Director

(Mr. Santosh Kumar Chanani)



ION EXCHANGE ASIA PACIFIC (THAILAND) LTD

NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 2023

1 GENERAL INFORMATION

- 1.1 The company was incorporated as a limited company under Thai laws registered no. 0215550001096 as at April 12, 2007. Share capital 4,000,000.00 Baht capital 40,000 ordinary shares of 100.00 Baht each
- 1.2 The line of business details as follow.
The principal business is water treatment, liquid waste treatment and recycle, solid and hazardous waste management and generation energy from waste.
- 1.3 Name and address of company: ION EXCHANGE ASIA PACIFIC (THAILAND) LTD.
Head office: 731 P M Tower Bldg, 9th Floor, Asoke-Dindaeng Road, Khaewng Dindaeng, Khet Dindaeng, Bangkok, 10400.
- 1.4 The Company has sustained significant losses from operations as from the commencement of operations and has retained loss as of 31 March 2023 of Baht 31.47 millions which exceeds its registered share capital by Baht 27.47 millions.
The Company's ability to continue as an on-going depends on the outcome of the results of its operations in the future and financial supports from its shareholders. However, the financial statements of the Company have been prepared under a going-concern concept which presumes that the realization of assets and settlement of liabilities and obligations will occur in the ordinary course of business, without any compulsory realization being anticipated.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and The Federation of Accounting Professions Announcement no. 20/2554 "Thai Financial Reporting Standards for Non-Publicly Accountable Entities : TFRS for NPAEs". Their presentations have been made in 28th September 2011, compliance with the stipulations of the Notification of the Department of Business Development issued under the Accounting Act B.E. 2543.

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

2.2 Revenue and expenses recognition

The Company recognizes revenue and expenses on the accrual basis.

Revenues from selling

Revenues from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer. Sales revenue represents the invoiced value excluding value added tax for goods delivered after deducting goods returned and discounted.

Revenues from service

Revenue from sales of services is recognized upon the stage of completion of the work. Service income represents the invoice value. This does not include VAT and is shown net of trade discounts.

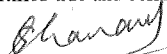
2.3 Interest income and other income

Interest income recognized by the effective yield method. And other income is recognized in the statement of income on an accrual basis.

2.4 Cash and cash equivalent

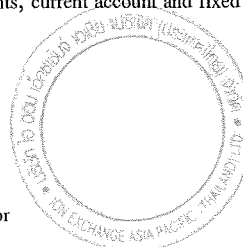
Cash and cash equivalents are included cash at banks in saving accounts, current account and fixed account not over than 3 months and free from any guarantees.

Certified true and correct



Director

(Mr. Santosh Kumar Chanani)



ION EXCHANGE ASIA PACIFIC (THAILAND) LTD
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2023

2.5 Trade accounts receivable

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

2.6 Inventories

Inventories of raw materials are stated at average cost.

2.7 Tangible assets and depreciation

Equipments are stated at cost less accumulated depreciation. Depreciation of equipments are calculated by reference to their costs on the straight-line basis over their estimated useful lives. The estimated useful lives are as follows:

| | |
|--------------------------|---------|
| - Office equipments | 5 years |
| - Furniture and fixtures | 5 years |
| - Machinery & Equipments | 5 years |

2.8 Foreign currency transactions

Foreign currency transactions during the year are converted into Baht at the rates ruling at the transaction dates. Assets and liabilities in foreign currency outstanding at the balance sheet date are converted into Baht at the rates ruling on the balance sheet date.

2.9 Provisions and employee benefits

Provision and employee benefits are recognized 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.

2.10 Corporate income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

3 CASH AND CASH EQUIVALENTS

| | BAHT | |
|---|---------------------|---------------------|
| | 2022 - 23 | 2021 - 22 |
| Indian Overseas Bank - Current account, Ratchawong Branch | 4,646,647.23 | 1,649,538.90 |
| Siam Commercial Bank - Current account, Thonglor Branch | 419,495.30 | 1,149,412.07 |
| Total | 5,066,142.53 | 2,798,950.97 |

4 TRADE AND OTHER RECEIVABLES

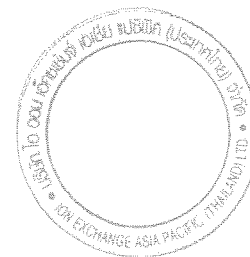
| | BAHT | |
|-------------------------------|---------------------|----------------------|
| | 2022 - 23 | 2021 - 22 |
| Account receivables | 3,652,631.78 | 12,119,119.50 |
| Reserve for Exchange rate | - | 932,730.54 |
| Prepaid expense of membership | - | 3,750.00 |
| Accrued interest | 1,697,762.38 | 1,281,132.74 |
| Deposit payment | 4,523,938.93 | 4,523,938.93 |
| Total | 9,874,333.09 | 18,860,671.71 |

Certified true and correct

Chanani

Director

(Mr. Santosh Kumar Chanani)



ION EXCHANGE ASIA PACIFIC (THAILAND) LTD
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2023

5 OTHER CURRENT ASSETS

| | BAHT | |
|----------------------------|-------------------|------------------|
| | 2022 - 23 | 2021 - 22 |
| Purchase VAT - Pending | - | 14,600.75 |
| Withholding tax for sales | 18,353.67 | 4,238.91 |
| Revenue Department (PP.30) | 376,217.74 | - |
| Total | <u>394,571.41</u> | <u>18,839.66</u> |

6 SHORT - TERM LOAN TO RELATED COMPANIES

The said amounts have agreement, with interest rate @ 7.50% per annum from Ion Exchange PSS Limited.


7 PROPERTY, PLANT AND EQUIPMENTS - NET

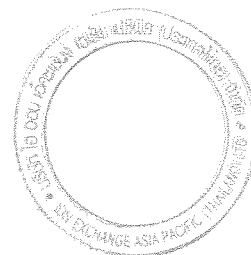
| | BAHT | | |
|--------------------------------------|---------------------|-------------------|------------------|
| | Balances | During the period | Balances |
| Cost: | 31 March 2022 | Add | Less |
| Machine | 1,020,000.00 | - | - |
| Office equipments | 515,234.68 | - | - |
| Furniture and fixtures | 42,980.00 | - | - |
| Total | <u>1,578,214.68</u> | - | - |
| Accumulated depreciations | | | |
| Machine | 1,019,996.99 | - | - |
| Office equipments | 475,291.62 | 8,751.27 | - |
| Furniture and fixtures | 42,190.19 | 780.79 | - |
| Total | <u>1,537,478.80</u> | <u>9,532.06</u> | <u>-</u> |
| Property, plant and equipments - Net | <u>40,735.88</u> | | <u>31,203.82</u> |
| Depreciation for the years | <u>12,291.86</u> | | <u>9,532.06</u> |

8 OTHER NON - CURRENT ASSETS

| | BAHT | |
|--------------------------------------|---------------------|---------------------|
| | 2022 - 23 | 2021 - 22 |
| Deposit for rental | 107,500.00 | 107,500.00 |
| Revenue Department - Refunable | 1,310,785.56 | 1,310,785.56 |
| Withholding tax deducted by customer | 3,139,028.89 | 3,136,868.89 |
| Total | <u>4,557,314.45</u> | <u>4,555,154.45</u> |

Certified true and correct


 Director
 (Mr. Santosh Kumar Chanani)



ION EXCHANGE ASIA PACIFIC (THAILAND) LTD
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2023

9 TRADE AND OTHER PAYABLES

| | BAHT | |
|---------------------------|------------------|------------------|
| | 2022 - 23 | 2021 - 22 |
| Account payable | 59,268,421.04 | 63,702,654.15 |
| Reserve for Exchange rate | 271,434.89 | - |
| Accrued audit fee | 20,000.00 | - |
| Accrued professional fee | 10,000.00 | - |
| Accrued interest expenses | 329,648.46 | - |
| Advance receipt | 15,812.33 | - |
| Accrued expenses - Others | 11,975.50 | - |
| Total | 59,927,292.22 | 63,702,654.15 |


10 LONG - TERM LOAN FROM RELATED COMPANIES

The amounts have agreement, with interest rate at 10% & 10% per annum for the year 2022-23 and 2021-22 to Ion Exchange Bahrain.

11 OTHER CURRENT LIABILITIES

| | BAHT | |
|----------------------------------|------------------|------------------|
| | 2022 - 23 | 2021 - 22 |
| Accrued audit fee | - | 20,000.00 |
| Accrued professional fee | - | 10,000.00 |
| Accrued interest expenses | - | 292,446.83 |
| Accrued expenses - Others | - | 9,975.50 |
| Accrued VAT | - | 88,606.50 |
| Withholding tax payable (PND.1) | 4,900.00 | 4,725.00 |
| Withholding tax payable (PND.53) | 3,563.59 | 310.27 |
| Accrued Social Security Payable | 7,200.00 | 7,200.00 |
| Output VAT pending | 100,128.28 | - |
| Total | 115,791.87 | 433,264.10 |

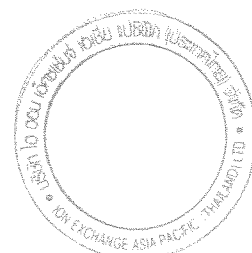
12 BANKING FACILITIES:

- 12.1 **Details of outstanding acceptances (LCs):** There is no any outstanding acceptances (LCs) as on closing date of books of accounts.
- 12.2 **Corporate Guarantees to Bank:** There is no any Corporate Guarantees given to bank directly or on behalf of the group companies.
There is no any loan from the bank
- 12.3 **Interest Risk:** As there is no any loan from the bank, company does not have any risk of floating interest rate. 

Certified true and correct



..... Director
(Mr. Santosh Kumar Chanani)



ION EXCHANGE ASIA PACIFIC (THAILAND) LTD
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS AT 31 MARCH 2023

13 EMPLOYEES BENEFITS & OBLIGATIONS:

- 13.1 **Social Security:** As per the Labour Law, all the staff has been covered under social securities. Employer's contribution to Social Security fund is @5% of salary subject to maximum limit of Thb 750/employee/month. Employees' contribution to social security is same as employer's contribution.
- 13.2 **Gratuity:** As per Labour Law in Thailand, Gratuity is not applicable.
- 13.3 **Leave Encashment:** There is no any Leave Encashment system and under labour law it is not obligatory.
- 13.4 **Employee Benefit Obligation:** The company has made provision for Employee Benefit. The benefits payable to employee upon their retirement for job in accordance with the Labour Law of Thailand. The company will recognize the transaction based on the best estimate of current expenditure at the end of the financial year.

| | BAHT | |
|--------------------------------|------------|-------------|
| | 2022 - 23 | 2021 - 22 |
| Opening balance as at 1 April | 343,739.00 | 390,675.00 |
| Increase (Decrease) for year | 66,860.08 | (46,936.00) |
| Closing balance as at 31 March | 410,599.08 | 343,739.00 |

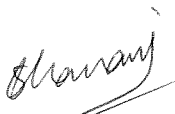
14 RECLASSIFICATION

The financial statements, certain amounts in the financial statements for the year ended 31 March 2022 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholder's equity.

15 APPROVAL OF FINANCIAL STATEMENT

This financial statement is approved by the board of directors.

Certified true and correct


..... Director
(Mr. Santosh Kumar Chanani)

