

**ION EXCHANGE ASIA PACIFIC (THAILAND) LTD**

**REPORT AND FINANCE STATEMENT**

**AS OF 31MARCH 2016 AND 2015**

## **Report of Independent Auditor**

**To The Board of Directors and Shareholders of  
ION EXCHANGE ASIA PACIFIC (THAILAND) LTD.**

I have audited the accompanying financial statements of ION EXCHANGE ASIA PACIFIC (THAILAND) LTD. , which comprise the statements of financial position as at 31 March 2016, and the related statements of earnings and statements of changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


I believe that the audit evidence I has obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **ION EXCHANGE ASIA PACIFIC (THAILAND) LTD.** as at 31 March 2016, and the results of its operations for the year then ended in accordance with Thai Reporting Standards for Non-Publicly Accountable Entities.

## **Emphasis of matter paragraph**

As at 31 March 2016, the company incurred the capital deficiency of THB 19.84 Million and the working capital deficiency at the same date. Accordingly, the company's ability to continue in existence depends upon its ability to get additional financing, and achieve profitable operations. However, 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.



Mr. Kitsanaphol Perimkul

Certified Public Accountant (Thailand) No. 9176

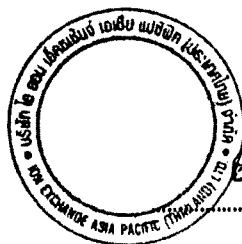
16 May 2016

ION EXCHANGE ASIA PACIFIC (THAILAND) LTD

STATEMENT OF FINANCIAL POSITION

|                                |       | Baht                 |                      |
|--------------------------------|-------|----------------------|----------------------|
|                                |       | AS AT MARCH 31       |                      |
|                                | NOTES | 2015 - 16            | 2014 - 15            |
| <b>ASSETS</b>                  |       |                      |                      |
| <b>CURRENT ASSETS</b>          |       |                      |                      |
| Cash and cash equivalents      | 3     | 537,276.06           | 4,529,715.31         |
| Trade and other receivables    |       | 26,849,141.56        | 17,894,413.07        |
| Inventories - Net              |       | 9,896,260.91         | 9,674,274.41         |
| Short - term loan from parties |       | 5,420,592.89         | -                    |
| Other current assets           | 4     | 4,797,450.87         | 2,913,704.96         |
| <b>TOTAL CURRENT ASSETS</b>    |       | <b>47,500,722.29</b> | <b>35,012,107.75</b> |
| <b>NON-CURRENT ASSETS</b>      |       |                      |                      |
| Tangible assets - Net          | 2, 5  | 876,668.36           | 1,098,184.34         |
| Other non-current assets       | 6     | 957,069.39           | 629,687.28           |
| <b>TOTAL CURRENT ASSETS</b>    |       | <b>1,833,737.75</b>  | <b>1,727,871.62</b>  |
| <b>TOTAL ASSETS</b>            |       | <b>49,334,460.04</b> | <b>36,739,979.37</b> |

Certified true and correct



*Santosh Kumar Chanani*

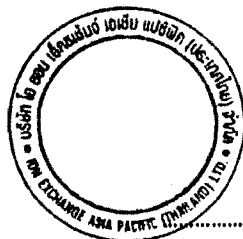
Director

(Mr. Santosh kumar chanani)

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

|   | NOTES | Baht                   |                       |
|---|-------|------------------------|-----------------------|
|   |       | AS AT MARCH 31         |                       |
|   |       | 2015 - 16              | 2014 - 15             |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |       |                        |                       |
| <b>CURRENT LIABILITIES</b>                        |       |                        |                       |
| Trade and Other payable                           |       | 63,920,103.28          | 36,542,894.09         |
| Short - term loan from parties                    |       | 2,924,739.02           | -                     |
| Other current liabilities                         | 7     | 2,326,751.39           | 2,911,325.36          |
| <b>TOTAL CURRENT LIABILITIES</b>                  |       | <b>69,171,593.69</b>   | <b>39,454,219.45</b>  |
| <b>TOTAL LIABILITIES</b>                          |       | <b>69,171,593.69</b>   | <b>39,454,219.45</b>  |
| <b>SHAREHOLDERS' EQUITY</b>                       |       |                        |                       |
| Share capital                                     |       |                        |                       |
| 30,000 ordinary shares of Baht 100 each           |       | 3,000,000.00           | 3,000,000.00          |
| Issued and fully paid up                          |       |                        |                       |
| 30,000 ordinary shares of Baht 100 each           |       | 3,000,000.00           | 3,000,000.00          |
| Retained earning (deficit)                        |       |                        |                       |
| Unappropriated                                    |       | (22,837,133.65)        | (5,714,240.08)        |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                 |       | <b>(19,837,133.65)</b> | <b>(2,714,240.08)</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |       | <b>49,334,460.04</b>   | <b>36,739,979.37</b>  |

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



*Santosh Kumar Chanani*

Director

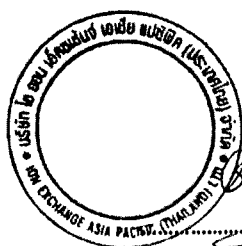
(Mr. Santosh kumar chanani)

ION EXCHANGE ASIA PACIFIC (THAILAND) LTD

STATEMENTS OF INCOME

|  | NOTES | Baht                        |                      |
|--|-------|-----------------------------|----------------------|
|  |       | FOR THE YEAR ENDED 31 MARCH |                      |
|  |       | 2015 - 16                   | 2014 - 15            |
| Revenues   |       |                             |                      |
| Revenue from services                                    |       | 67,364,139.75               | 29,109,871.00        |
| Other incomes  |       | 1,056,834.73                | 26,135.61            |
| <b>TOTAL REVENUES</b>                                    |       | <b>68,420,974.48</b>        | <b>29,136,006.61</b> |
| <b>EXPENSES</b>  |       |                             |                      |
| Cost of services   |       | 75,482,220.11               | 18,260,520.51        |
| Selling expenses   |       | 1,592,122.23                | 899,291.49           |
| Administrative expense                                   |       | 8,222,701.51                | 7,999,070.59         |
| <b>TOTAL EXPENSES</b>                                    |       | <b>85,297,043.85</b>        | <b>27,158,882.59</b> |
| EARININGS (LOSS) BEFORE FINANCE COSTS AND CORPORATE INCC |       | (16,876,069.37)             | 1,977,124.02         |
| FINANCE COSTS  |       | (246,824.20)                | (140,944.04)         |
| PROFIT (LOSS) BEFORE CORPORATE INCOME TAX                |       | (17,122,893.57)             | 1,836,179.98         |
| CORPORATE INCOME TAX                                     | 2.8   | -                           | -                    |
| <b>NET PROFIT (LOSS)</b>                                 |       | <b>(17,122,893.57)</b>      | <b>1,836,179.98</b>  |

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



(Mr. Santosh kumar chanani)

Director

**ION EXCHANGE ASIA PACIFIC (THAILAND) LTD**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2016 AND 2015**

|                                       |                                     |                                       | Baht            |
|---------------------------------------|-------------------------------------|---------------------------------------|-----------------|
|                                       | Issued and paid-up<br>share capital | Retained earnings<br>- unappropriated | Total           |
| Beginning balance as at 31 March 2014 | 3,000,000.00                        | (7,550,420.06)                        | (4,550,420.06)  |
| Net profit for the year               | -                                   | 1,836,179.98                          | 1,836,179.98    |
| Beginning balance as at 31 March 2015 | 3,000,000.00                        | (5,714,240.08)                        | (2,714,240.08)  |
| Net profit for the year               | -                                   | (17,122,893.57)                       | (17,122,893.57) |
| Beginning balance as at 31 March 2016 | 3,000,000.00                        | (22,837,133.65)                       | (19,837,133.65) |

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



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.....Director

( Mr. Hrishikesh Mahendra Bhanushali )

ION EXCHANGE ASIA PACIFIC (THAILAND) LTD  
NOTES TO FINANCIAL STATEMENTS  
AS OF 31 MARCH 2016 AND 2015

**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 3,000,000.00 Baht capital 30,000 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: 267/264 Sukhumvit Road, Tambol Map Ta Phut, Ampur Muang, Rayong 21150.

1.4 The Company has sustained significant losses from operations as from the commencement of operations and has retained loss as of 31 March 2016 of Baht 22.84 millions which exceeds its registered share capital by Baht 19.84 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 : 'IFRS 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.

**2.3 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.

**2.4 Inventories**

Inventories of raw materials are stated at average cost.

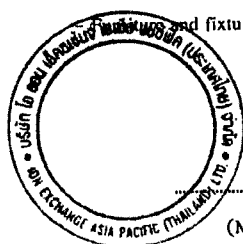
**2.5 Tangible assets and depreciation**

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
- and fixtures

5 years

5 years



Certified true and correct

*Santosh Kumar Chanani*

Director

(Mr. Santosh Kumar Chanani)



ION EXCHANGE ASIA PACIFIC (THAILAND) LTD  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 AS OF 31 MARCH 2016 AND 2015

2.6 Foreign currency transactions

Foreign currency transactions during the year are not converted into Baht at the rates ruling at the transaction dates. Assets and liabilities in foreign currency outstanding at the balance sheet date are not converted into Baht at the rates ruling on the balance sheet date.

2.7 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              |                     |
|---|-------------------|---------------------|
|   | 2015 - 16         | 2014 - 15           |
| Cash on hand  | 5,723.00          | 6,306.98            |
| Saim Commercial Bank - Current account, Thonglor Branch | 531,168.84        | 33,374.11           |
| UOB Bank - Saving account, Ratchada-Huay Khwang Branch  | 384.22            | 384.22              |
| Fixed Deposit - Bank guarantee                          | -                 | 4,489,650.00        |
| <b>Total</b>  | <b>537,276.06</b> | <b>4,529,715.31</b> |

4. OTHER CURRENT ASSETS

|                                  | BAHT                |                     |
|----------------------------------|---------------------|---------------------|
|                                  | 2015 - 16           | 2014 - 15           |
| Deposit payment                  | 1,100,042.05        | 1,908,076.77        |
| Account receivable - Others      | 107,653.00          | -                   |
| Prepaid expenses                 | 20,344.42           | -                   |
| Input tax / Purchase tax         | 1,905,881.30        | 297,792.85          |
| Pending input tax / Purchase tax | 1,623,309.10        | 569,911.58          |
| Undue input tax - Service fee    | 40,221.00           | -                   |
| Refundable VAT                   | -                   | 137,923.76          |
| <b>Total</b>                     | <b>4,797,450.87</b> | <b>2,913,704.96</b> |



Certified true and correct

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Director

(Mr. Santosh kumar chanani)

ION EXCHANGE ASIA PACIFIC (THAILAND) LTD  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 AS OF 31 MARCH 2016 AND 2015

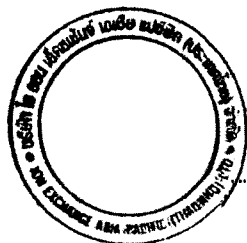
5. TANGIBLE ASSETS - NET

|                                  |                     |                   |          | BAHT                |
|----------------------------------|---------------------|-------------------|----------|---------------------|
|                                  | 31 March 2015       | Add               | Less     | 31 March 2016       |
| <b>Cost</b>                      |                     |                   |          |                     |
| Machine                          | 1,020,000.00        | -                 | -        | 1,020,000.00        |
| Office equipments                | 408,178.32          | 45,400.00         | -        | 453,578.32          |
| Furniture and fixtures           | 17,500.00           | -                 | -        | 17,500.00           |
| <b>Total</b>                     | <b>1,445,678.32</b> | <b>45,400.00</b>  | <b>-</b> | <b>1,491,078.32</b> |
| <b>Accumulated depreciations</b> |                     |                   |          |                     |
| Machine                          | 153,698.74          | 204,000.00        | -        | 357,698.74          |
| Office equipments                | 176,296.24          | 62,915.98         | -        | 239,212.22          |
| Furniture and fixtures           | 17,499.00           | -                 | -        | 17,499.00           |
| <b>Total</b>                     | <b>347,493.98</b>   | <b>266,915.98</b> | <b>-</b> | <b>614,409.96</b>   |
| <b>Tangible assets - Net</b>     | <b>1,098,184.34</b> |                   |          | <b>876,668.36</b>   |
| <br>                             |                     |                   |          |                     |
| Depreciation for the years       | <u>173,058.83</u>   |                   |          | <u>266,915.98</u>   |

6. OTHER NON - CURRENT ASSETS

|   | BAHT              |                   |
|---|-------------------|-------------------|
|   | 2015 - 16         | 2014 - 15         |
| Withholding tax deducted by customer    | 957,069.39        | 387,157.87        |
| Advance expense - Mr. Bhajan            | -                 | 66,000.00         |
| Corporate income tax - Half year of old | -                 | 137,308.41        |
| Deposit for office rental               | -                 | 40,221.00         |
| <b>Total</b>                            | <b>957,069.39</b> | <b>629,687.28</b> |

Certified true and correct



*Santosh Kumar Chanani*

Director

(Mr. Santosh kumar chanani)

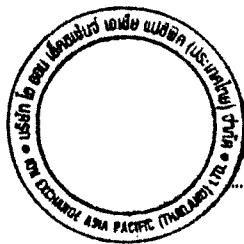
ION EXCHANGE ASIA PACIFIC (THAILAND) LTD  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 AS OF 31 MARCH 2016 AND 2015

7. OTHER CURRENT LIABILITIES

|                                  | BAHT                |                     |
|----------------------------------|---------------------|---------------------|
|                                  | 2015 - 16           | 2014 - 15           |
| Accrued expenses - Other         | -                   | 392,607.24          |
| Accrued salary expenses          | -                   | 282,265.00          |
| Accrued Social Security Payable  | 6,000.00            | 9,100.00            |
| Withholding tax payable (PND.1)  | 10,190.00           | 5,321.00            |
| Withholding tax payable (PND.3)  | 776.10              | 739.10              |
| Withholding tax payable (PND.53) | 381,779.75          | 1,379.37            |
| Undue withholding tax            | -                   | 7,385.46            |
| Advance received -ION Singapore  | 1,928,005.54        | 1,928,005.54        |
| Short Term Loan from others      | -                   | 100,000.00          |
| Revenue department payable       | -                   | 152,422.65          |
| Deposit Received                 | -                   | 32,100.00           |
| <b>Total</b>                     | <b>2,326,751.39</b> | <b>2,911,325.36</b> |

8. APPROVAL OF FINANCIAL STATEMENT

This financial statement is approved by the board of directors as at 16 May 2016

Certified true and correct



Director

(Mr. Santosh kumar chanani)