

GROWEL CHEMICALS CO., LTD.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

Report of Independent Auditor

To the Shareholders of **GROWEL CHEMICALS CO.,LTD.**

Opinion

I have audited the financial statements of **GROWEL CHEMICALS CO.,LTD.** (“the Company”), which comprise the statement of financial position as at **31 December 2019**, 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 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 my audit in accordance with Thai Standards on Auditing. My responsibilities is stated in the paragraph of responsibility of the Audit of the Financial Statements in my report. I am independent of the Company in accordance with the Federation of Accounting Professions’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 my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Responsibility 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to notice 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 data disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation or not.

I communicate with management on main various matters including the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control if I identify during my audit.



Pintip Linakanit

Certified Public Accountant (Thailand) No. 5937

Bangkok

10 April 2020

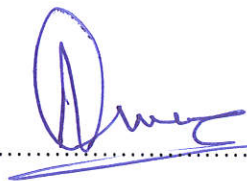
GROWEL CHEMICALS CO.,LTD.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

ASSETS

(Unit:Baht)

CURRENT ASSETS	Note	2019	2018
Cash and cash equivalents	4	352,097.23	345,844.66
Trade accounts and other receivable		12,109,348.10	11,790,602.92
Inventories		5,304,041.97	5,263,499.51
Shareholder receivable		1,225,000.00	1,225,000.00
Other current assets		62,479.76	2,391.85
TOTAL CURRENT ASSETS		19,052,967.06	18,627,338.94
NON CURRENT ASSETS			
Equipment	5	1,056,069.79	414,803.06
Other non current assets		225,000.00	233,000.00
TOTAL NON CURRENT ASSETS		1,281,069.79	647,803.06
TOTAL ASSETS		20,334,036.85	19,275,142.00

The accompanying notes are an integral part of the financial statements



.....Director



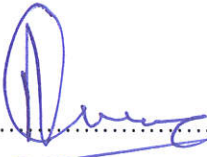
GROWEL CHEMICALS CO.,LTD.
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

(Unit:Baht)

CURRENT LIABILITIES	Note	2019	2018
Trade accounts and other payable		10,559,927.17	10,192,039.30
Current portion of hire-purchase payable	6	94,758.12	-
Other current liabilities		46,157.66	58,506.18
TOTAL CURRENT LIABILITIES		<u>10,700,842.95</u>	<u>10,250,545.48</u>
NON CURRENT LIABILITIES			
Hire-purchase payable-net of current portion	6	238,340.56	-
TOTAL NON - CURRENT LIABILITIES		<u>238,340.56</u>	<u>-</u>
TOTAL LIABILITIES		<u>10,939,183.51</u>	<u>10,250,545.48</u>
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital			
100,000 ordinary shares of Baht 100 each		10,000,000.00	10,000,000.00
Issued and paid up share capital			
100,000 ordinary shares of Baht 100 each		10,000,000.00	10,000,000.00
Retained earnings (Deficit)		(605,146.66)	(975,403.48)
TOTAL SHAREHOLDERS' EQUITY		<u>9,394,853.34</u>	<u>9,024,596.52</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>20,334,036.85</u>	<u>19,275,142.00</u>

The accompanying notes are an integral part of the financial statements

..........Director



GROWEL CHEMICALS CO.,LTD.
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	(Unit:Baht)	
REVENUES	2019	2018
Sales	22,885,248.67	24,672,852.75
Other income	851,316.31	150,923.75
TOTAL REVENUES	23,736,564.98	24,823,776.50
EXPENSES		
Cost of sale	16,578,518.89	17,306,995.66
Selling expense	572,349.68	301,357.07
Administrative expenses	6,203,550.64	6,033,558.26
TOTAL EXPENSES	23,354,419.21	23,641,910.99
Profit before financial cost	382,145.77	1,181,865.51
Financial cost	(11,888.95)	(8.39)
NET PROFIT	370,256.82	1,181,857.12

The accompanying notes are an integral part of the financial statements

..........Director

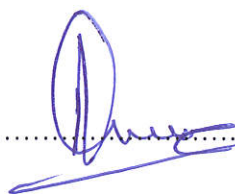


GROWEL CHEMICALS CO.,LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

(Unit:Baht)

	Paid up Share capital	Retained earning (Decifits)	Total
Balance as at 31 December 2017	10,000,000.00	(2,157,260.60)	7,842,739.40
Net profit for the year	-	1,181,857.12	1,181,857.12
Balance as at 31 December 2018	10,000,000.00	(975,403.48)	9,024,596.52
Net profit for the year	-	370,256.82	370,256.82
Balance as at 31 December 2019	10,000,000.00	(605,146.66)	9,394,853.34

The accompanying notes are an integral part of the financial statements



.....Director



GROWEL CHEMICALS CO.,LTD.
NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The company was established under Thai laws on 1 September 2014, registration number 0105557127631. The company engages in distribution chemicals.

Head office located at 140/12 Moo 12, Soi Kingkaew 9/1, Kingkaew Road, Tambol Rachatheva, Amphur Bangphlee, Samutprakarn.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS.

The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in Thai language in conformity with Thai Financial Reportings Standard applicable to Non-Publicly Accountable Entities ("NPAEs") as issued by the Federation of Accounting Profession and their presentation has been made in compliance with the stipulation of the Notification of the Department of Business Development B.E. 2554 (2011) dated 28 September 2011, issued under the Accounting Profession Act B.E. 2543 (2000)

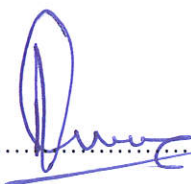
The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash equivalents consist of cash at financial institutions and short-term highly liquid investments with an original maturity of three months or less from the date of acquisition excluding deposit at financial institutions used as collateral.



.....Director



GROWEL CHEMICALS CO.,LTD.
NOTES TO FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Trade accounts receivable

Trade accounts receivable are stated at face value, net of allowance for doubtful accounts.

The allowance for doubtful accounts is provided based on the estimated collection losses that may be incurred in the collection process. The estimated losses are based on historical collection experiences together with a review of the current status of receivables.

3.3 Inventories

Inventories are stated at the lower of cost and net realizable value, cost being determined by first in - first out basis.

3.4 Depreciations

Equipment is stated at cost less accumulated depreciation. Depreciation is calculated by using straight-line method based on the estimated useful lives 5 years at the rate 20%.

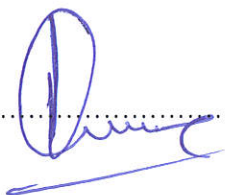
3.5 Revenue recognition

Revenues and expenses were recorded on accrual basis.

3.6 Foreign currency transactions

Transactions denominated in foreign currencies incurred during the year are translated into Baht at the exchange rate on the transactions dates. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Baht at the reference exchange rates established by the Bank of Thailand on that date.

Gain or loss on foreign exchange arising on settlement and transaction are recognized as income or expense in the statement of income.



.....Director



GROWEL CHEMICALS CO.,LTD.
NOTES TO FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

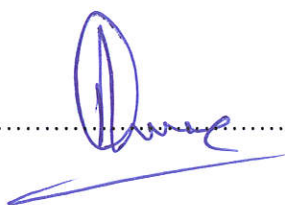
3.7 Use of management's judgment

The preparation of financial statements in conformity with generally accepted accounting principles also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4. CASH AND CASH EQUIVALENTS

(Unit:Baht)

	2019	2018
Cash on hand	35,091.75	32,293.25
Cash at bank	317,005.48	313,551.41
Total	<u>352,097.23</u>	<u>345,844.66</u>



.....Director




GROWEL CHEMICALS CO.,LTD.
NOTES TO FINANCIAL STATEMENTS

5. EQUIPMENT

(Unit:Baht)

	Balance as at 31 December 2018	Increase	Decreased	Balance as at 31 December 2019
<u>COST</u>				
Laboratory Equipments	244,100.00	347,082.34	-	591,182.34
Office Equipments	229,360.00	14,160.00	-	243,520.00
Furniture & Fixtures	83,467.57	-	-	83,467.57
Computer & Accessories	124,718.69	-	-	124,718.69
Vehicles	-	554,532.71	-	554,532.71
Total	681,646.26	915,775.05	-	1,597,421.31
<u>Accumulated depreciation</u>				
Laboratory Equipments	89,372.71	100,481.56	-	189,854.27
Office Equipments	92,104.35	46,717.56	-	138,821.91
Furniture & Fixtures	31,477.34	16,680.72	-	48,158.06
Computer & Accessories	53,888.80	24,941.94	-	78,830.74
Vehicles	-	85,686.54	-	85,686.54
Total	266,843.20	274,508.32	-	541,351.52
Net book value	414,803.06			1,056,069.79



.....Director



GROWEL CHEMICALS CO.,LTD.
NOTES TO FINANCIAL STATEMENTS

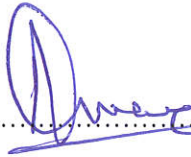
6. HIRE-PURCHASE PAYABLE-NET

(Unit:Baht)

	2019	2018
Hire purchase	333,098.68	-
<u>Less</u> Current portion within 1 year	(94,758.12)	-
Net	<u>238,340.56</u>	<u>-</u>

7. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issue by the Company's authorized director.



.....Director



GROWEL CHEMICALS CO.,LTD.

COST OF SALES

FOR THE YEAR ENDED 31 DECEMBER 2019

	(Unit:Baht)	
	2019	2018
Inventory at beginning of year	5,263,499.51	4,887,738.69
<u>Add</u> Purchase	16,007,463.37	17,175,808.89
Custom Duty - On Inwards	637.00	5,807.00
Custom & Other Clearing Charge - On Inwards	371,458.84	381,439.81
Testing & Laboratory expenses	52,543.13	59,448.98
Packaging Materials & Packing Expense	1,359.67	5,714.00
Damage & Leakage Stock	30,067.78	-
Repairs & Maintenance Expenses-Lab Equipments	55,050.00	5,720.00
Depreciation - On Laboratory Equipments	100,481.56	48,817.80
Total product for sales	21,882,560.86	22,570,495.17
<u>Less</u> Inventory at end of year	(5,304,041.97)	(5,263,499.51)
TOTAL COST OF SALES	16,578,518.89	17,306,995.66

GROWEL CHEMICALS CO.,LTD.

SELLING EXPENSE

FOR THE YEAR ENDED 31 DECEMBER 2019

	(Unit:Baht)	
	2019	2018
Selling Exp. - Commissions on sales to customer	323,421.09	150,466.89
Sales Promotion Expenses	16,078.94	12,380.00
Travelling Expenses - Local (Outskirts to Bangkok)	65,941.00	52,186.00
Consultancy and Visiting Charges Fee	25,600.00	24,000.00
Hired labour Charges	115,201.04	31,779.18
Travelling Expenses - Overseas	26,107.61	30,545.00
TOTAL SELLING EXPENSE	572,349.68	301,357.07

GROWEL CHEMICALS CO.,LTD.
ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2019

	(Unit:Baht)	
	2019	2018
Salaries to Staff	3,618,116.34	3,396,655.43
Overtime to Staff	5,529.00	999.00
Bonus	-	26,600.00
Sales Performance Commissions to Staff	540,088.71	537,684.33
Contribution to Social Security Fund	82,997.00	83,464.00
Social Security Fund - Annual	3,739.00	3,060.00
Uniform for Employee	-	16,742.99
Seminar & Training fees	-	1,401.87
Conveyance Expenses(Within Bangkok Limits)	297,469.58	314,410.50
Staff Welfare Expenses	20,424.87	40,305.67
Publicity & Advertising Expenses	1,270.37	2,260.37
Staff Work Permit and Local visa charges	45,196.08	61,377.04
Printing & Stationary & Computer Expenses	59,002.64	52,636.73
Office Expenses	48,525.51	66,261.55
Cleaning Service Charges	4,800.00	4,200.00
Repairs & Maintenance Expenses-Office Equipment	21,780.14	17,112.00
Repairs & Maintenance Expenses-Furniture	-	20,318.00
Repairs & Maintenance Expenses-Vehicle	11,862.30	-
Office rental	699,000.00	699,000.00
Telephone Expenses-Office Expenses	20,450.30	26,635.82
Telephone Expenses-Staff Phone Expenses	10,480.70	13,047.29
Electricity Expenses	96,487.90	92,894.99
Water Expenses	3,920.43	3,330.83
Postage Expenses & Courier charges	2,493.00	4,205.00
Carried forward	5,593,633.87	5,384,172.59

GROWEL CHEMICALS CO.,LTD.
ADMINISTRATIVE EXPENSES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	(Unit:Baht)	
	2019	2018
Brought forward	5,593,633.87	5,384,172.59
Fuel Expenses & Delivery Van plying Charges	122,168.90	3,177.56
Messenger Service Charges	5,830.00	5,640.00
Drinking Water Charges	7,800.00	7,800.00
Internet & Data Card Expenses (Dr.Anil)	6,441.12	6,804.57
Internet & Data Card Expenses (Mr.Arun)	3,510.00	3,560.00
Depreciation - On Office Equipment	46,717.56	45,864.20
Depreciation - On Furniture & Fixtures	16,680.72	15,383.98
Depreciation - On Vehicle (Toyota Delivery Van)	85,686.54	-
Depreciation - On Computer and Computer accessorie	24,941.94	24,941.94
Insurance Premium - Office Soi 9/1	15,072.63	16,537.46
Bank Charge and Commission	18,583.19	16,272.53
Audit Fee	27,000.00	27,000.00
Accounting and Data processing Fee	150,000.00	150,000.00
Other Fee - Miscellaneous Services	4,450.84	1,150.00
Stamp Duty	-	120.00
Entertainment and customary Expenses	48,321.85	57,737.18
Bad Debt	-	118,261.75
Rounded Off & Other Miscellaneous Income	-	98.66
VAT - Unciained,pending for the vat claim	20,629.03	16,182.96
Tax penalty and fine	-	15,492.71
Disallowed expenses	2,002.45	10,669.35
Festival and Pooja Expenses	4,080.00	6,260.00
TOTAL	6,203,550.64	6,033,558.26