

BAMCO SUPPLY AND SERVICES LIMITED

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2021

NYC

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AUDITOR'S REPORT

To the Shareholders of Bamco Supply and Services Limited

Opinion

We have audited the financial statements of Bamco Supply and Services Limited, which comprise the statement of financial position as at 31 March 2021, and the statements 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 March 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 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 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.

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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 scepticism 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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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.



Somkiat Hiranbantaporn
Certified Public Accountant
Registration No. 4754

NYC Audit Co., Ltd.
Bangkok
16 April 2021

Bamco Supply and Services Limited

Statement of financial position

As at 31 March 2021

(Unit: Baht)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets			
Current assets			
Cash and cash equivalents	5	17,687,139	11,203,611
Long-term deposits at financial institutions	6	-	8,500,000
Trade and other receivables	7	6,205,863	8,188,734
Inventories	9	11,573,314	5,911,116
Total current assets		35,466,316	33,803,461
Non-current assets			
Equipment	10	420,520	581,343
Intangible assets	11	2	2
Total non-current assets		420,522	581,345
Total assets		35,886,838	34,384,806

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

The financial statements have been approved by the Annual General Meeting of Shareholder

No. Date

Signed *Nithi* Director

(Mr. Nithi Kietchai)



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Banco Supply and Services Limited
Statement of financial position (continued)
As at 31 March 2021

(Unit: Baht)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	12	1,517,570	601,516
Other current liabilities	13	<u>30,392</u>	<u>80,756</u>
Total current liabilities		<u>1,547,962</u>	<u>682,272</u>
Total liabilities		<u>1,547,962</u>	<u>682,272</u>
Shareholders' equity			
Share capital			
Registered			
10,000 ordinary shares of Baht 100 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid up			
10,000 ordinary shares of Baht 100 each		1,000,000	1,000,000
Retained earnings			
Statutory reserve	14	100,000	100,000
Unappropriated		<u>33,238,876</u>	<u>32,602,534</u>
Total shareholders' equity		<u>34,338,876</u>	<u>33,702,534</u>
Total liabilities and shareholders' equity		<u>35,886,838</u>	<u>34,384,806</u>

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

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No. Date

Signed Director

(Mr. Nithi Kietchai)



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Bamco Supply and Services Limited

Statement of income

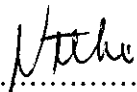
For the year ended 31 March 2021

		(Unit: Baht)	
	<u>Note</u>	<u>2021</u>	<u>2020</u>
Revenues			
Sales	3	45,049,507	51,406,824
Other income		247,200	364,533
Total revenues		<u>45,296,707</u>	<u>51,771,357</u>
Expenses			
Cost of sales	3	31,766,205	36,469,756
Selling expenses		3,274,276	3,219,642
Administrative expenses		9,259,681	8,736,870
Total expenses		<u>44,300,162</u>	<u>48,426,268</u>
Profit (loss) before finance cost and income tax expenses		996,545	3,345,089
Finance cost		-	-
Profit (loss) before income tax expenses		996,545	3,345,089
Income tax expenses	13	(360,203)	(657,526)
Net profit for the year		<u>636,342</u>	<u>2,687,563</u>

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

The financial statements have been approved by the Annual General Meeting of Shareholder

No. Date

Signed  Director

(Mr. Nithi Kietchai)



Bamco Supply and Services Limited
Statement of changes in shareholders' equity
For the year ended 31 March 2021

(Unit: Baht)

	Note	Issued and	Retained earnings		Total
		fully paid-up	Appropriated	Unappropriated	
		share capital			
Balance as at 1 April 2019		1,000,000	-	33,349,968	34,349,968
Statutory reserve	14		100,000	(100,000)	-
Net profit for the year		-	-	2,687,563	2,687,563
Dividend Paid		-	-	(3,334,997)	(3,334,997)
Balance as at 31 March 2020		1,000,000	100,000	32,602,534	33,702,534
Balance as at 1 April 2020		1,000,000	100,000	32,602,534	33,702,534
Statutory reserve	14	-	-	-	-
Net profit for the year		-	-	636,342	636,342
Dividend Paid		-	-	-	-
Balance as at 31 March 2021		1,000,000	100,000	33,238,876	34,338,876

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

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The financial statements have been approved by the Annual General Meeting of Shareholder

No. Date

Signed *Nithi* Director
 (Mr. Nithi Kietchai)



Bamco Supply and Services Limited
Statement of Cash Flows
For the year ended 31 March 2021

(Unit: Baht)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities			
Profit before tax		996,545	3,345,089
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation		160,823	152,574
Reversal of doubtful accounts		10,629	(29,110)
Bad debts		88,954	42,623
Increase (decrease) in reduction of inventory to net realisable value		774,025	(47,955)
Unrealised loss on exchange rate		(44,547)	37,962
Interest income		(21,348)	(85,027)
Profit from operating activities before changes in operating assets and liabilities		1,965,081	3,416,156
Operating assets (increase) decrease			
Long-term deposits at financial institutions		8,500,000	(8,500,000)
Trade and other receivables		1,927,836	22,031,021
Inventories		(6,436,223)	2,683,902
Other assets		-	169,795
Operating liabilities increase (decrease)			
Trade and other payables		916,053	(14,050,703)
Cash flows from (used in) operating activities		6,872,747	5,750,171
Cash paid for corporate income tax		(410,567)	(576,770)
Net cash flows from (used in) operating activities		6,462,180	5,173,401

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

The financial statements have been approved by the Annual General Meeting of Shareholder

No. Date

Signed Director

(Mr. Nithi Kietchai)



Bamco Supply and Services Limited
Statement of Cash Flows (continued)
For the year ended 31 March 2021

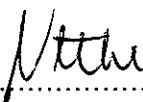
(Unit: Baht)

	<u>Note</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		-	(40,250)
Interest income		21,348	85,027
Net cash flows from (used in) investing activities		<u>21,348</u>	<u>44,777</u>
Cash flows from financing activities			
Increase (decrease) in dividend paid		-	(3,334,997)
Net cash flows from (used in) financing activities		<u>-</u>	<u>(3,334,997)</u>
Net increase (decrease) in cash and cash equivalents		6,483,528	1,883,181
Cash and cash equivalents at beginning of year		11,203,611	9,320,430
Cash and cash equivalents at end of year		<u>17,687,139</u>	<u>11,203,611</u>

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

The financial statements have been approved by the Annual General Meeting of Shareholder

No. Date

Signed  Director
 (Mr. Nithi Kietchai)



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Bamco Supply and Services Limited

Notes to financial statements

For the year ended 31 March 2021

1. General information

Bamco Supply and Services Limited (“the Company”) is a limited company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution of seepage proof products and chemical, and to provide installation service for seepage proof and heat resistant system. The registered office of the Company is at No.699 Modernform Tower 15th Floor, Srinakarin Road, Suan Luang, Suan Luang, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards applicable to non-publicly accountable entities as issued by the Federation of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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.

3. Significant accounting policies

3.1 Revenue recognition

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognized as services are provided on the basis of stage of completion of the transaction.

3.2 Cash and cash equivalents

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

3.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable 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 experience and analysis of debt aging.

3.4 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of goods is calculated by using the weighted average basis and comprises of acquisition cost, conversion cost or other cost incurred in bringing the inventories to their present location and condition.

3.5 Equipment and Depreciation

Equipment is stated at cost less accumulated depreciation and allowance for diminution in value (if any).

Depreciation of equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Machinery and equipment	5 years
Furniture, fixtures and office equipment	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

3.6 Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and allowance for diminution in value (if any).

Intangible assets are amortised as expenses in the income statements on a straight-line basis over the economic useful life. A summary of the intangible assets are as follows:

	<u>Useful lives</u>
Computer software	5 years

3.7 Long-term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, which interest element is charged to the income statements over the lease period.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the statement of income on a straight line basis over the lease term.

3.8 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of the reporting period.

Gains and losses on exchange are included in determining income.

3.9 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

For long-term employee benefits, the Company calculates its long-term employee benefits obligation on the basis of its best estimate of its payment obligations as at the end of the reporting period.

3.10 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.

4. Use of accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

5. Cash and cash equivalents

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Cash on hand	5,000	5,000
Current accounts	5,655,747	4,265,714
Savings accounts	12,026,392	6,932,897
Total Cash and cash equivalents	<u>17,687,139</u>	<u>11,203,611</u>

6. Long-term deposits at financial institutions

Long-term deposits at financial institutions as at 31 March 2021 consisted of:

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Fixed deposits with maturities of 6 months	-	8,500,000
Total Long-term deposits at financial institutions	<u>-</u>	<u>8,500,000</u>

7. Trade and other receivables

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Trade accounts receivable – Unrelated	5,940,713	8,068,105
Other receivables – Pidilite Bamco Limited	-	-
Other receivables – Unrelated	575,305	420,155
Total	6,516,018	8,488,260
<u>Less: Allowance for doubtful accounts</u>	<u>(310,155)</u>	<u>(299,526)</u>
Trade and other receivables – Net	<u>6,205,863</u>	<u>8,188,734</u>

Movement of allowance for doubtful accounts are as following;

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Balance at beginning of the year	299,526	328,636
Impairment losses recognized in the year	99,583	13,513
<u>Less : Amounts written off during the year as uncollectible</u>	<u>(88,954)</u>	<u>(42,623)</u>
Balance at end of the year	<u>310,155</u>	<u>299,526</u>

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Trade receivables outstanding for a period less than six months	7,477,345	8,884,905
Trade receivables outstanding for a period exceeding six months	126,564	192,752
	<u>7,603,909</u>	<u>9,077,657</u>

8. Unhedged Transaction

	(Unit: Baht)			
	<u>2021</u>		<u>2020</u>	
	Foreign Currency	Thai Baht	Foreign Currency	Thai Baht
Overseas trade receivable– US Dollar	4,980	155,227	-	236,358
Overseas trade payables – Euro	-	-	-	-
Other Payables – US Dollar	2,086	65,938	-	-

9. Inventories

(Unit: Baht)

	Cost		Reduce cost to net Realizable value		Inventory - net	
	2021	2020	2021	2020	2021	2020
Finished goods	12,770,183	6,333,960	(1,196,869)	(422,844)	11,573,314	5,911,116
Work in process	-	-	-	-	-	-
Packing material	-	-	-	-	-	-
Raw material	-	-	-	-	-	-
Total	12,770,183	6,333,960	(1,196,869)	(422,844)	11,573,314	5,911,116

10. Equipment

(Unit: Baht)

	Equipment
Cost	
1 April 2019	1,057,480
Additions	40,250
31 March 2020	1,097,730
Additions	-
31 March 2021	1,097,730
Accumulated depreciation:	
1 April 2019	363,813
Depreciation for the year	152,574
31 March 2020	516,387
Depreciation for the year	160,823
31 March 2021	677,210
Net book value:	
31 March 2020	581,343
31 March 2021	420,520

11. Intangible assets

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Computer software – Cost	14,598	14,598
<u>Less: Accumulated amortization</u>	<u>(14,596)</u>	<u>(14,596)</u>
Net book value	<u>2</u>	<u>2</u>
	<u>2021</u>	<u>2020</u>
Net book value at the beginning of the year	2	2
Amortization	-	-
Net book value at the end of the year	<u>2</u>	<u>2</u>

12. Trade and other payables

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Trade accounts payable – Pidilite Industries Limited	65,938	112,606
Trade accounts payable – Pidilite Bamco Limited	-	266,430
Total trade accounts payable – Related companies	<u>65,938</u>	<u>379,036</u>
Advance payments to suppliers	-	(1,520,445)
Trade accounts payable – Other companies	881,170	961,666
Accrued expenses	471,732	697,938
Other payable	98,730	83,321
Total	<u>1,517,570</u>	<u>601,516</u>

13. Income tax

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
Income tax payable for the year	360,203	657,526
<u>Less: Advance income tax</u>	<u>(329,811)</u>	<u>(576,770)</u>
Income tax payable – Net	<u>30,392</u>	<u>80,756</u>

For the year ended March 31, 2021 and 2020, the Company recognized corporate income tax at the rate 20% of profit before tax after adjusted by allowance and other expenses which shall not be allowed as expenses in tax calculation as described in the Revenue Code.

14. Statutory reserve

According to the Civil and Commercial Code, the Company must appropriate to a reserve fund at each distribution of dividend at least one-twentieth of the profit arising from the business of the Company until the reserve fund reaches one-tenth part of the capital of the Company. Such reserve fund is not available for distribution as dividend.

15. Approval of financial statements

The financial statements were authorized for issue by the Company's director on April 16, 2021