

**EKC Hungary Kft.**

**Independent Auditor's Opinion  
and**

**Financial Reporting Package**

**31 March 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Quota holder of EKC Hungary Kft.**

**Report on the Audit of the Consolidation Package**

### **Opinion**

We have audited the financial reporting package of EKC Hungary Kft. ("the Company") which comprise the balance sheet as of March 31, 2023 (in which the balance sheet total is USD 5,814,727; the profit after tax for the year is USD 879,496), the related income statement for the year then ended, and the supplementary notes to the financial statements, which include a summary of significant accounting policies ("hereinafter referred to as "financial statements").

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of March 31, 2023, and of the results of its operations for the year then ended in accordance with the accounting policies of Everest Kanto Cylinder Group.

### **Basis for opinion**

We conducted our audit in accordance with Standards on Auditing as issued by The Institute of Chartered Accountant of India. 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 applicable laws, with the Chamber of Auditors' Rules on ethics and professional conduct of auditors and on disciplinary process and, as well as with respect to issues not covered by these Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code) and we also comply with further ethical requirements set out in these.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter**

We draw your attention to the negative equity of the Company; that amounts to USD -7,670,745 on the Balance Sheet date. Taken into consideration the fact, that the level of equity does not reach the minimum required level prescribed by 2013:V on Civil Code; the quota holder have to remedy the equity level immediately according to the prescriptions of 3:189. § (2) of 2013:V on Civil Code.

We do not modify our opinion in relation to the above question.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the accounting policies of Everest Canto Cylinder Group, 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 and disclosing, as applicable, matters related to going concern; and management is responsible for preparing the financial statements on a going concern basis. Management shall apply the going concern basis of accounting unless the use of going concern principle is precluded by any provision of other applicable laws or regulations, or if any fact or circumstance prevails, which precludes the Company to continue as a going concern.

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

### **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 auditing standards 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.

Throughout an audit executed in accordance with auditing standards, we exercise professional judgment and maintain professional scepticism.

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 for the preparation of the financial statements 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 gives a true and fair view.

- We 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 we identify during our audit.

Budapest, May 10, 2023



Philippe Michalak Budzan  
Partner



Benedek Zoltán László  
Registered Auditor  
Registration number: 007317

Mazars Kft.  
1139 Budapest, Fiastyúk utca 4-8.  
Registration number: 000220

EKC Hungary Kft.  
Financial Reporting Information / Balance Sheet, in USD as of 31 March  
2023


|   | Balance sheet       |                     |
|---|---------------------|---------------------|
|   | 2023.03.31          | 2022.03.31          |
| 113000 Intellectual properties                  | 18 109 143          | 18 109 143          |
| 119300 Depreciation of intellectual properties  | (18 109 143)        | (18 109 143)        |
| <b>Intangible assets</b>                        | <b>0</b>            | <b>0</b>            |
| 171000 Long-term shares, participations CP Ind. | 9 000 000           | 9 000 000           |
| 171900 Long-term share impairment               | (9 000 000)         | (9 000 000)         |
| <b>Long term investments</b>                    | <b>0</b>            | <b>0</b>            |
| 364100 Short term loan USD, CP Ind.Hol          | 0                   | 0                   |
| 364200 Interest on loan provided, CPI, USD      | 0                   | 0                   |
| 364300 Short term receivables, EKC Int          | 0                   | 0                   |
| 364400 Interest on EKC Int loan                 | 0                   | 0                   |
| <b>Loans to related parties</b>                 | <b>0</b>            | <b>0</b>            |
| 317000 Foreign accounts payable                 | 5 720 863           | 4 804 183           |
| 318000 Interest on long term receivables        | 47 410              | 92 410              |
| 391300 Sales revenue, unbilled                  | 0                   | 0                   |
| <b>Trade receivables, related parties</b>       | <b>5 768 272</b>    | <b>4 896 593</b>    |
| 354000 Advance payment for services             | 0                   | 0                   |
| 362100 VAT of late invoices                     | 2 023               | 543                 |
| Local tax relocation                            | 0                   | 0                   |
| CIT relocation                                  | 16 250              | 8 946               |
| VAT relocation                                  | 12 365              | 6 095               |
| Other receivables relocation                    | 0                   | 0                   |
| Account payable                                 | 10                  | 10                  |
| Innovation contribution                         | 0                   | 0                   |
| Late fee paying                                 | 0                   | 0                   |
| <b>Other receivables</b>                        | <b>30 648</b>       | <b>15 594</b>       |
| 384100 Bank account HUF                         | -1                  | 417                 |
| 386200 Bank account USD                         | 15 808              | 9 486               |
| 3892 Technical account                          | 0                   | 0                   |
| Bank relocated to short-term loan               |                     |                     |
| <b>Cash and cash equivalent</b>                 | <b>15 807</b>       | <b>9 903</b>        |
| <b>Current assets</b>                           | <b>5 814 727</b>    | <b>4 922 090</b>    |
| <b>TOTAL ASSETS</b>                             | <b>5 814 727</b>    | <b>4 922 090</b>    |
| 411000 Issued capital                           | 7 689 152           | 7 689 152           |
| <b>Issued capital</b>                           | <b>7 689 152</b>    | <b>7 689 152</b>    |
| 413000 Profit reserve                           | (16 239 393)        | (16 855 293)        |
| Profit (loss) for the period                    | 879 496             | 615 900             |
| <b>Retained earnings</b>                        | <b>(15 359 897)</b> | <b>(16 239 393)</b> |
| <b>Shareholders equity</b>                      | <b>(7 670 745)</b>  | <b>(8 550 241)</b>  |
| 452400 Borrowing, USD, Citibank NA              | 0                   | 0                   |
| 452500 Borrowing, USD, ABN AMRO Bank            | 0                   | 0                   |
| 452600 Borrowing, USD, Standard Chartered Bank  | 0                   | 0                   |
| 456100 Citibank NA interest on loan             | 0                   | 0                   |
| 456200 ABN AMRO Bank interest on loan           | 0                   | 0                   |
| 456300 Standard Chartered Bank interest on loan | 0                   | 0                   |
| <b>Long term borrowings from banks</b>          | <b>0</b>            | <b>0</b>            |
| 452200 Short term loan USD, EKC Int, FZE        | 13 453 096          | 13 453 096          |



|  |                   |                   |
|--|-------------------|-------------------|
| 452300 Interest on loan USD, EKC Int.                | 0                 | 0                 |
| 452700 CP Ind.-nek fizeten? kötelezettség            | 0                 | 0                 |
| 452800 Interest payable to CP Ind                    | 0                 | 0                 |
| <b>Long term borrowings from related parties</b>     | <b>13 453 096</b> | <b>13 453 096</b> |
| <b>Long term liabilities</b>                         | <b>13 453 096</b> | <b>13 453 096</b> |
| Short-term loan                                      | 4 731             | 4 731             |
| <b>Short-term loans</b>                              | <b>4 731</b>      | <b>4 731</b>      |
| 454100 Domestic accounts payable                     | 6 007             | 5 639             |
| 454200 Domestic accounts payable in foreign currency | 11 138            | (10)              |
| Account payable relocated to receivables             | 10                | 10                |
| <b>Trade payables</b>                                | <b>17 155</b>     | <b>5 639</b>      |
| 461000 Corporate income tax                          | -16 250           | (8 946)           |
| 463900 Other payable taxes                           | 0                 | 0                 |
| 463320 self-revision fee                             | 0                 | 0                 |
| 463390 self -revision fee payment                    | 0                 | 0                 |
| 463410 Late fee                                      | 0                 | 0                 |
| 463490 Late fee payment                              | 0                 | 0                 |
| 464900 Other liabilities payment                     | 0                 | 0                 |
| 466100 Deductible VAT 20%                            | (12 365)          | (6 095)           |
| 468100 VAT settlement prior years                    | 0                 | 0                 |
| 468200 VAT settlement                                | 0                 | 0                 |
| 469500 Local business tax                            | 6 149             | 1 485             |
| 4744 Innovation contributions                        | 0                 | 0                 |
| 474410 Innovation contributions                      | 0                 | 0                 |
| 474490 Innovation contributions payment              | 0                 | 0                 |
| VAT relocation to other receivables                  | 12 365            | 6 095             |
| CIT relocation to other receivables                  | 16 250            | 8 946             |
| Local tax relocation to other receivables            | 0                 | 0                 |
| Other payable tax relocation to other receivables    | 0                 | 0                 |
| Innovation contribution                              | 0                 | 0                 |
| Late fee paying                                      | 0                 | 0                 |
| 482100 Costs charged preceding BS date               | 4 340             | 7 380             |
| <b>Other short term liabilities and accruals</b>     | <b>10 489</b>     | <b>8 865</b>      |
| <b>Short term liabilities</b>                        | <b>32 376</b>     | <b>19 235</b>     |
| <b>TOTAL LIABILITIES AND EQUITY</b>                  | <b>5 814 727</b>  | <b>4 922 090</b>  |

Date: 10 May 2023

signature



EKC Hungary Kft.  
Financial Reporting Package / Income Statement, in USD  
for the period ended 31 March 2023  
Income statement

|  | 31.03.2023<br>12 months | 31.03.2022<br>12 months |
|--|-------------------------|-------------------------|
| 911000 Sales revenue of the main activity              | 0                       | 0                       |
| 931000 Sales revenue from export                       | 916 680                 | 653 477                 |
| <b>Net sales</b>                                       | <b>916 680</b>          | <b>653 477</b>          |
| 521000 Storage fee                                     | 0                       | 0                       |
| 527100 Accounting service                              | (8 465)                 | (6 060)                 |
| 527300 Audit fee                                       | (11 618)                | (14 900)                |
| 527400 Legal advisory services                         | 0                       | 0                       |
| 529300 Lawyer fee                                      | (1 365)                 | (1950)                  |
| 529900 Other purchased services                        | (2 302)                 | (1200)                  |
| 531000 Fees paid for authorities                       | (15)                    |                         |
| 532000 Financial and investment service costs          | (1 047)                 | (1177)                  |
| <b>Cost of services</b>                                | <b>(24 811)</b>         | <b>(25 287)</b>         |
| 571000 Ordinary depreciation                           | 0                       | 0                       |
| <b>Depreciation</b>                                    | <b>0</b>                | <b>0</b>                |
| 868300 Local business tax                              | (19 674)                | (12 577)                |
| 863200 Late fees, default fees                         | (39)                    | 0                       |
| 86990X Other expense - prior year adjustment           | 0                       | 0                       |
| 96990 Other income - rounding difference               | 8 934                   | 5                       |
| 86991 Write off  | 0                       | 0                       |
| 553000 Honorarium                                      | 0                       | 0                       |
| <b>Other incomes &amp; expenses (net)</b>              | <b>(10 779)</b>         | <b>(12 572)</b>         |
| 872100 Interest expense to related companies           | 0                       | 0                       |
| 872200 Other interest expense                          | 0                       | 0                       |
| 873500 Current bank account interest expense           | 0                       | 0                       |
| 876100 Foreign exchange losses                         | 0                       | 0                       |
| 876200 Foreign exchange losses, realized               | (360)                   | (73)                    |
| 876300 Foreign exchange losses, non-realized period-en | 0                       | 0                       |
| 879200 Joint operation reimbursable common cost        | 0                       | 0                       |
| 972100 Interest income from related companies          | 0                       | 0                       |
| 974100 Short term loan interest income                 | 0                       | 0                       |
| 974200 Interest income from banks                      | 0                       | 0                       |
| 976100 Foreign exchange gain realized                  | 0                       | 1273                    |
| 976200 Foreign exchange gains realized                 | 479                     | 0                       |
| 976300 Foreign exchange gains, non-realized period-end | 0                       | 0                       |
| Interest on long receivables                           | 0                       | 0                       |
| XXXXXX Exchange difference                             | 0                       | 0                       |
| <b>Financial incomes &amp; expenses (net)</b>          | <b>119</b>              | <b>1200</b>             |
| <b>891 Corporate income tax</b>                        | <b>(1712)</b>           | <b>(918)</b>            |
| <b>Tax expense</b>                                     | <b>(1712)</b>           | <b>(918)</b>            |
| <b>Profit (loss) for the period</b>                    | <b>879 496</b>          | <b>615 900</b>          |

Date: 10 May 2023

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## Notes

### General information

EKC Hungary Kft (the "Company") was incorporated in Hungary, on 8 April 2008 with the objective to acquire, or merge with, an operating business. EKC Hungary Kft acquired CP Industries Holdings Inc and holds 100% shares in it. Together EKC Hungary Kft and CP Industries Holdings Inc acquired the assets of CP Industries from Reunion. Intellectual properties related to the transaction were purchased by EKC Hungary Kft, which receives royalty for the usage of the IPs from CP Industries Holdings Inc.

The Company is owned by EKC International FZE (100%).  
Its registered seat is Hungary, 1138 Budapest, Váci út 144-150.

This reporting package is unconsolidated, and contains the transactions with all the subsidiaries and parent companies of EKC Hungary Kft.

### Summary of significant accounting policies

#### Foreign Currency Translation

The United States Dollar (USD) is the functional currency for all of the Company's businesses in its operations in Hungary. The financial reporting package is presented in US Dollars (USD), which is the Company's presentation currency.

Foreign currency denominated assets and liabilities for this unit are translated into USD based on exchange rates prevailing at the end of each period presented, and revenues and expenses are translated at exchange rates published by the National Bank of Hungary valid for the date of the transactions.

#### Fixed assets

Fixed assets are presented at net carrying amount which is the purchase price decreased with the accumulated depreciation and impairment. The depreciation rates applied at EKC Hungary Kft. are:

|                         |     |
|-------------------------|-----|
| - intellectual property | 10% |
|-------------------------|-----|

Depreciation is recorded commencing the date the assets are placed in service and is calculated using the straight line basis over their estimated useful lives.

#### Investments

Investments are valued at acquisition cost. Impairment is required to account for if the net realizable value of the investment is lower than its book value. Net realizable value is the fair value of the investment. Fair value may be based on the stock quote at listed companies, or the total equity / issued capital ratio at non-listed companies. However, the projected development of the investee, the market value of the net assets also might be taken into consideration for impairment accounting.

#### Trade receivables

Accounts receivable are stated at historical value, which approximates fair value. The Group does not require collateral for accounts receivable. Accounts receivable are reduced by an allowance for amounts that may be uncollectible in the future. This estimated allowance is determined by considering factors such as length of time accounts are past due, historical experience of write offs, and customers' financial condition.

A handwritten signature in blue ink is written over a blue circular stamp. The stamp contains the text "EKC HUNGARY KFT" around the perimeter and three stars at the bottom.

#### Revenue recognition

Sales are recognized when there is evidence of a sales agreement, the delivery of the goods or services has occurred generally upon shipment of product to customers and transfer of title under standard commercial terms.

Sales are measured based on the net amount billed to a customer. Generally there are no formal customer acceptance requirements or further obligations. Customers do not have a general right of return on products shipped therefore no provisions are made for return.

#### Fixed assets

|                                | 31 March     | 31 March     |
|--------------------------------|--------------|--------------|
|                                | 2023         | 2022         |
| Intellectual properties        | 18 109 143   | 18 109 143   |
| Total                          | 18 109 143   | 18 109 143   |
| Less: accumulated depreciation | (18 109 143) | (18 109 143) |
| Net carrying amount            | 0            | 0            |

On 28 February 2008 Reunion Industries and CP Industries Holdings Inc. entered into certain Asset Purchase Agreement. The Purchase Agreement required Reunion Industries to assign to CP Industries Holdings Inc or its nominee the purchased Intellectual Property. CP Industries Holdings assigned to EKC Hungary Kft. all of its right, title, benefit, privileges and interest in and to purchase and assume the IP Rights and IP Liabilities directly from Reunion Industries.

Intangible assets assigned to EKC Hungary Kft. are:

|  |            |
|--|------------|
| - trade name                                   | 9 423 069  |
| - software                                     | 797 403    |
| - licenses/certification                       | 307 419    |
| - non-compete                                  | 1 352 109  |
| - customer list                                | 5 912 115  |
| - additional items eligible for capitalization | 317 028    |
| Total  | 18 109 143 |

#### Investments

EKC Hungary owns shareholding in the following companies:

| Name                       | Country | Participation |
|----------------------------|---------|---------------|
| CP Industries Holdings Inc | USA     | 100%          |

The carrying amount of the equity investments is as follows:

|                     | 31 March  | 31 March  |
|---------------------|-----------|-----------|
|                     | 2023      | 2022      |
| Acquisition cost    | 9 000 000 | 9 000 000 |
| Impairment          | 9 000 000 | 9 000 000 |
| Net carrying amount | 0         | 0         |

CP Industries Holdings Inc was incorporated in the USA (Delaware) on 27 February 2008.

On 10 April 2008 EKC Hungary Kft and CP Industries Inc entered into equity investment contract, and subsequently EKC Hungary Kft. became 100% owner of CP Industries Holdings Inc.

On 15 April 2008 EKC Hungary Kft. transferred the amount of equity investment, and CP Industries Holdings Inc became wholly owned subsidiary. In 2021 the company booked 100% impairment on the investments.



Long term loans

|                                   | 31 March | 31 March |
|-----------------------------------|----------|----------|
|                                   | 2023     | 2022     |
| <b>CP Industries Holdings Inc</b> |          |          |
| principal                         | 0        | 0        |
| interest                          | 0        | 0        |
| <b>Total</b>                      | <b>0</b> | <b>0</b> |

On 27 December 2011 EKC Hungary Kft. and CP Industries Holdings Inc. entered into loan contract based on which CP Industries may utilize USD 3,000,000 in one or more tranches.

The loan is unsecured, and bears interest of 3M US LIBOR + 1% p.a.

On 4 January 2012 USD 1,200,000 was transferred to CP Industries Holdings Inc.

As of 30 June 2012 EKC Hungary and CP Industries entered into a set-off agreement of USD 1,204,589 based on which the long term loan and its receivable interest was cleared off.

Trade and other receivables

|   | 31 March         | 31 March         |
|---|------------------|------------------|
|   | 2023             | 2022             |
| <b>Trade receivables, related parties</b> |                  |                  |
| CP Industries Holdings Inc                | 5 720 862        | 4 804 183        |
| Interest on long term trade receivables   | 47 410           | 92 410           |
| <b>total</b>                              | <b>5 768 272</b> | <b>4 896 593</b> |
| <b>Other receivables</b>                  |                  |                  |
| Advance payment                           | 0                | 0                |
| VAT receivable                            | 12 365           | 6 095            |
| Local tax receivable                      | 0                | 0                |
| Corporate income tax receivable           | 16 250           | 8 946            |
| Innovation contribution                   | 0                | 0                |
| Other                                     | 2 033            | 553              |
| <b>total</b>                              | <b>30 648</b>    | <b>16 594</b>    |

As of 30 Oct 2012 EKC Hungary and CP Industries entered into a set-off agreement of USD 1,745,828.03 based on which the foreign accounts payable and its receivable interest was cleared off.

Borrowings from related parties

|                                   | 31 March          | 31 March          |
|-----------------------------------|-------------------|-------------------|
|                                   | 2023              | 2022              |
| <b>CP Industries Holdings Inc</b> |                   |                   |
| principal                         | 0                 | 0                 |
| interest                          | 0                 | 0                 |
| <b>total</b>                      | <b>0</b>          | <b>0</b>          |
| <b>EKC International FZE</b>      |                   |                   |
| principal                         | 13 453 096        | 13 453 096        |
| interest                          | 0                 | 0                 |
| other loan                        | 4 731             | 4 731             |
| <b>total</b>                      | <b>13 457 827</b> | <b>13 457 827</b> |
| <b>TOTAL</b>                      | <b>13 457 827</b> | <b>13 457 827</b> |



EKC Hungary Kft and CP Industries Holdings Inc executed notes receivable on 18 April 2008 amounted USD 8,109,144. The interest rate of 3% had been applied on the loan until the period ended 30 June 2009. Parties agreed on modifying the interest rate to LIBOR + 1%. The amendment has been drawn in the quarter ended 30 September 2009 and is effective retrospectively from 1 April 2009. The effect of the difference is not significant, and was recorded in the quarter ended 30 September 2009. In the period ended 31 December 2010 CP Industries Holdings Inc. and EKC Hungary Kft set off USD 5,375,000, and accordingly the borrowing from CP Industries Holdings Inc reduced.

On 12 April 2008 EKC International FZE and EKC Hungary Kft. entered into a loan agreement of USD 18,300,000. The loan bears an interest rate of 3M LIBOR + 1% per annum. The loan is repayable at any time. Interest shall be paid only along with principal whenever repayment is made.

As from 1 April 2010 EKC International FZE and EKC Hungary decided on waiving interest on the loan provided to EKC International FZE. The outstanding loan receivable was set-off against borrowing from EKC International FZE

As of 30 June 2012 EKC Hungary and CP Industries entered into a set-off agreement of USD 1,204,589 based on which the borrowing and its payable interest was reduced.

As of 30 Oct 2012 EKC Hungary and CP Industries entered into a set-off agreement of USD 1,745,828.03 based on which the long term loan and its receivable interest was cleared off. With this agreement the long term loan receivable is repaid.

As of 31 March 2017 USD 1,000,000 was repaid to EKC International FZE at 3 March 2017. The whole amount of interest was paid back this payment in amount of USD 517,381.4, the remained amount of USD 482,618.6 decreased the loan.

#### Short-term loan

The short-term loan contains a bank transfer made by EKC International for an open invoice of EKC Hungary Kft as of 30 March 2023.

| <u>Trade and other payables</u> | <u>31 March</u> | <u>31 March</u> |
|---------------------------------|-----------------|-----------------|
|                                 | <u>2023</u>     | <u>2022</u>     |
| Trade payables                  | <u>17 155</u>   | <u>5 639</u>    |
|                                 | <b>17 155</b>   | <b>5 639</b>    |
| <u>Other liabilities</u>        |                 |                 |
| Audit fee                       | 0               | 0               |
| Accounting fee                  | 0               | 0               |
| Seat using fee                  | 0               | 0               |
| Corporate Income tax            | 0               | 0               |
| Local tax                       | 4 340           | 1 485           |
| Other                           | <u>0</u>        | <u>7 380</u>    |
| <b>total</b>                    | <b>4 340</b>    | <b>8 865</b>    |

#### Net sales

The net sales of the company is coming from the IP licence fee (royalty income) from CP Industries Holdings Inc.

#### Cost of services

As of for the period ended 31 March 2023 cost of services consisted of the followings:

|                                       | <u>12 months</u>     | <u>12 months</u>     |
|---------------------------------------|----------------------|----------------------|
|                                       | <u>31 March 2023</u> | <u>31 March 2022</u> |
| Storage cost                          | 0                    | 0                    |
| Accounting service                    | (8 465)              | (6 060)              |
| Audit fee                             | (11 618)             | (14 900)             |
| Lawyer fee                            | (1 365)              | (1 950)              |
| Financial and investment service cost | (1 061)              | (1 177)              |
| Others                                | <u>(2 302)</u>       | <u>(1 200)</u>       |
| <b>Total</b>                          | <b>(24 811)</b>      | <b>(25 287)</b>      |



#### Other incomes and expenses

Other incomes and expenses consisted the followings:

|                    | 12 months<br>31 March 2023 | 12 months<br>31 March 2022 |
|--------------------|----------------------------|----------------------------|
| Local business tax | (19 674)                   | (12 677)                   |
| Others             | 8 934                      | (0)                        |

Local business tax is payable for the local municipality. The basis of the tax is the net sales less cost of material and cost of goods and services sold. The applicable tax rate is 2%.

#### **Finance result**

|  | 12 months<br>31 March 2022 | 12 months<br>31 March 2022 |
|--|----------------------------|----------------------------|
| <b>Interest income from (+)<br/>related parties</b>              |                            |                            |
| CP Industries Holdings Inc                                       | 0                          | 0                          |
| EKC International FZE  | 0                          | 0                          |
| <b>Total</b>   | <b>0</b>                   | <b>0</b>                   |
| <b>third parties</b>   | <b>0</b>                   | <b>0</b>                   |
| <b>Total</b>   | <b>0</b>                   | <b>0</b>                   |
| <b>Interest expense to (-)<br/>related parties</b>               |                            |                            |
| CP Industries Holdings Inc                                       | 0                          | 0                          |
| EKC International FZE  | 0                          | 0                          |
| <b>Total</b>   | <b>0</b>                   | <b>0</b>                   |
| <b>third parties</b>   | <b>0</b>                   | <b>0</b>                   |
| <b>Total</b>   | <b>0</b>                   | <b>0</b>                   |
| <b>Dividend received from (+) or paid to (-) related parties</b> |                            |                            |
| CP Industries Holdings Inc                                       | 0                          | 0                          |
| <b>Total</b>   | <b>0</b>                   | <b>0</b>                   |
| <b>Foreign exchange gain/loss (net)</b>                          | <b>119</b>                 | <b>1 200</b>               |
| <b>Finance result</b>  | <b>119</b>                 | <b>1 200</b>               |

#### **Exceptional and extraordinary items**

No exceptional and extraordinary items have incurred for the period ended 31 March 2023.

Date: 10 May 2023

  
signature

