



MORISON CKS COMPANY LIMITED
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of STS Global Limited

Opinion

I have audited the financial statements of STS Global Limited (the Company), which comprise the statement of financial position as at March 31, 2024, the statements of income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standard for Non - Publicly Accountable Entities.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountant. 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 Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with 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 I identify during my audit.



NETILUCK DENSIRIMONGKOL

Certified Public Accountant

Registration No. 5192

MORISON CKS CO., LTD.


Bangkok

April 20, 2024

Statement of financial position as at March 31, 2024

	<u>Notes</u>	<u>2024</u> <u>Baht</u>	<u>2023</u> <u>Baht</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	15,261,757	8,815,942
Short-term investments	5	-	7,214,256
Trade accounts receivable		14,414	5,945,582
Trade accounts receivable-related parties		99,279,001	116,831,001
Other receivables-related parties		280,424	275,996
Inventories	6	37,830,388	26,576,727
Other current assets		7,675,144	4,982,601
TOTAL CURRENT ASSETS		160,341,128	170,642,105
NON-CURRENT ASSETS			
Equipment	7	155,582	170,516
Intangible assets	8	-	96,636
Other non-current assets		205,000	205,000
TOTAL NON-CURRENT ASSETS		360,582	472,152
TOTAL ASSETS		160,701,710	171,114,257

These financial statements have been approved at the Annual General Meeting of Shareholders No _____ dated _____


 Director _____
 (Gulzar Sharif)

The notes form an integral part of the financial statements.

Statement of financial position as at March 31, 2024

	Notes	<u>2024</u> Baht	<u>2023</u> Baht
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade accounts payable		18,152,840	22,661,099
Trade accounts payable-related parties		7,013,588	28,283,593
Other payables-related parties		8,609,131	3,393,891
Corporate income tax payable		682,901	1,868,923
Other current liabilities		1,112,445	1,740,680
TOTAL CURRENT LIABILITIES		35,570,905	57,948,186
NON-CURRENT LIABILITIES			
Employee benefit obligations	9	5,845,633	5,084,433
TOTAL NON-CURRENT LIABILITIES		5,845,633	5,084,433
TOTAL LIABILITIES		41,416,538	63,032,619
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital			
Ordinary shares, 350,000 shares of par Baht 100 each		35,000,000	35,000,000
Issued and paid-up share capital			
Ordinary shares, 350,000 shares of paid-up Baht 100 each		35,000,000	35,000,000
Share premium		148,100,000	148,100,000
Retained earnings (Deficits) - Appropriated legal reserve	10	2,000,000	2,000,000
- Unappropriated		(65,814,828)	(77,018,362)
TOTAL SHAREHOLDERS'S EQUITY		119,285,172	108,081,638
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		160,701,710	171,114,257

Director



(Gulzar Sharif)

The notes form an integral part of the financial statements.

STS Global LimitedStatement of incomeFor the year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
	<u>Baht</u>	<u>Baht</u>
REVENUE		
Sales	225,042,761	319,510,785
Other income	8,362,635	1,716,182
TOTAL REVENUE	<u>233,405,396</u>	<u>321,226,967</u>
EXPENSES		
Cost of sales	197,574,593	278,803,920
Selling expenses	8,703,399	12,576,500
Administrative expenses	13,771,102	14,526,724
TOTAL EXPENSES	<u>220,049,094</u>	<u>305,907,144</u>
PROFIT BEFORE INCOME TAX EXPENSE	<u>13,356,302</u>	<u>15,319,823</u>
Income tax expense	(2,152,768)	(3,815,817)
NET PROFIT FOR THE YEAR	<u>11,203,534</u>	<u>11,504,006</u>



Director _____

(Gulzar Sharif)

The notes form an integral part of the financial statements.

Statement of changes in shareholders' equity

For the year ended March 31, 2024

	Issued and paid-up share capital	Share premium	Retained earnings (Deficits)		Total
			Appropriated	Unappropriated	
			legal reserve		
	Baht	Baht	Baht	Baht	Baht
Balance as at March 31, 2022	35,000,000	148,100,000	2,000,000	(88,522,368)	96,577,632
Net profit for the year	-	-	-	11,504,006	11,504,006
Balance as at March 31, 2023	35,000,000	148,100,000	2,000,000	(77,018,362)	108,081,638
Net profit for the year	-	-	-	11,203,534	11,203,534
Balance as at March 31, 2024	35,000,000	148,100,000	2,000,000	(65,814,828)	119,285,172



Director _____

(Gulzar Sharif)

The notes form an integral part of the financial statements.

Statement of cash flowsFor the year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
	<u>Baht</u>	<u>Baht</u>
Cash flows from operating activities		
Net profit for the year	11,203,534	11,504,006
Items to reconcile net income to cash provided by(used in) operating activities:		
Unrealised loss(gain) on exchange rate	(3,898,785)	1,136,608
Interest income	(11,197)	(42,398)
Depreciation and amortisation	199,981	302,898
Loss on devaluation of inventories(Reversal)	(3,264,289)	3,408,578
Employee benefit expenses	761,200	195,080
Income tax expense	2,152,768	3,815,817
Income from operations before change in operating assets and liabilities	7,143,212	20,320,589
Operating assets (increase)/decrease		
Trade accounts receivable	5,932,065	15,040,954
Trade accounts receivable-related parties	22,025,919	18,627,172
Other receivables-related parties	1,657	(209,112)
Inventories	(7,989,372)	(116,538)
Other current assets	(2,437,526)	(3,491,839)
Other non-current assets	-	(60,000)
Operating liabilities increase/(decrease)		
Trade accounts payable	(4,508,259)	(30,869,823)
Trade accounts payable-related parties	(21,576,818)	(19,152,881)
Other payables-related parties	4,939,937	(913,999)
Other current liabilities	(628,235)	1,368,439
Cash provided by (used in) operations	2,902,580	542,962
Income tax paid during the year	(3,338,790)	(6,226,353)
Net cash provided by (used in) operating activities	(436,210)	(5,683,391)



Director

(Gulzar Sharif)

The notes form an integral part of the financial statements.

STS Global LimitedStatement of cash flowsFor the year ended March 31, 2024 (continued)

	<u>2024</u>	<u>2023</u>
	<u>Baht</u>	<u>Baht</u>
Cash flows from investing activities		
Proceeds from (Payments for) short-term investments	7,214,256	(14,256)
Proceeds from (Payments for) loan to employee	(267,765)	-
Purchases of equipment	(88,411)	(21,763)
Interest received	23,945	34,739
Net cash provided by (used in) investing activities	<u>6,882,025</u>	<u>(1,280)</u>
Net increase (decrease) in cash and cash equivalents	6,445,815	(5,684,671)
Cash in hand and equivalents at beginning of year	8,815,942	14,500,613
Cash in hand and equivalents at end of year	<u><u>15,261,757</u></u>	<u><u>8,815,942</u></u>



Director _____

(Gulzar Sharif)

The notes form an integral part of the financial statements.

1. General information

STS Global Limited was incorporated as a limited company under Thai laws on November 18, 1991.

The Company has become 100% subsidiary of Vaibhav Global Limited, India with effect from January 23, 2006 upon the transfer of shares by the STS Holdings Limited, erstwhile parent company, and other shareholders to Vaibhav Global Limited. The Company operates its business in Thailand and its principal activities are engaged in sale of gemstones and jewelry.

The Company's registered address is at 919/350 28th Floor, Room A, Jewelry Trade Center Building, Silom Road, Kwaeng Silom, Khet Bangrak, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standard for Non - Publicly Accountable Entities (TFRS for NPAEs) promulgated by the Federation of Accounting Professions. During the year, the Company has adopted the revised Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs (Revised 2022)) which is effective for fiscal years beginning on or after January 1, 2023. The standard was revised in order to provide a more complete scope and to provide more options on accounting treatments while maintaining simplicity in application. The adoption of this financial reporting standard does not have any significant impact on the Company's financial statements.

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make 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 related amounts of revenues and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

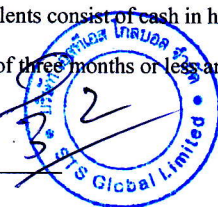
3. Significant accounting policies

3.1 Cash and cash equivalents

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

Director

(Gulzar Sharif)



Notes to Financial Statement - March 31, 2024 (continued)3. Significant accounting policies (continue)3.2 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequent measure at the remaining amount less allowance for doubtful accounts based on a review of all outstanding amounts at year end. The amount of the allowance is the difference between the carrying amount of the receivables and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the statement of income.

3.3 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined on the weighted average basis and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The amount of any write down of inventories to net realisable value is recognised as an expense in the period the write down occurs and presented as cost of sales.

3.4 Equipment

Equipment are stated at historical cost less accumulated depreciation and losses on decline in value (if any). Depreciation is calculated so as to write - off the cost of the assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are as follows:

<u>Description</u>	<u>Years</u>
Office equipment	3 - 5
Motor Vehicles	5

No depreciation is provided on assets under installation.

3.5 Intangible assets

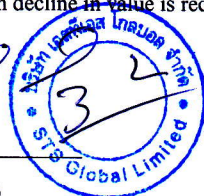
Intangible assets represent proprietary software for internal use. The cost includes the costs incurred to acquire and bring to use the specific software. Intangible assets are amortized using the straight line method over their estimated useful lives of 3-5 years.

3.6 Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised in the statement of income.

Director

(Gulzar Sharif)



Notes to Financial Statement - March 31, 2024 (continued)3. Significant accounting policies (continue)3.7 Provisions

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

Employee benefits

Obligations for retired benefits and other long-term employee benefits are recognised using the best estimate method at the reporting date.

3.8 Foreign currencies

Transactions during the year denominated in foreign currencies are translated into Thai Baht at the exchange rates ruling when the transactions were entered into. Monetary assets and liabilities denominated in foreign currencies are translated into Thai Baht at the exchange rates ruling at the statement of financial position date. Exchange gains or losses are included in the statement of income.

3.9 Operating leases

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of income on a straight-line basis over the lease term.

3.10 Revenue and expenses recognition

Revenue from sale of goods is recognized in the statements of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Sales represent the invoiced value, excluding value added tax, of goods supplied after deducting goods returned and discounts.

Other income and expenses are recognised on the accrual basis.

3.11 Income tax expense

The Company calculates income taxes according to the Revenue Code and records them on the accrual basis.

Director



(Gulzar Sharif)

Notes to Financial Statement - March 31, 2024 (continued)4. Cash and cash equivalents

	<u>2024</u>	<u>2023</u>
	<u>Baht</u>	<u>Baht</u>
Cash on hand	4,599	8,699
Bank deposits - current accounts	15,256,106	8,806,104
Bank deposits - fixed deposits not over 3 months	1,052	1,139
Total	15,261,757	8,815,942

5. Short-term investments

As at March 31, 2023, short-term investments represented time deposit with a local bank to be deposited for 12 months bearing interest at the rate of 0.50% per annum.

6. Inventories

	<u>2024</u>	<u>2023</u>
	<u>Baht</u>	<u>Baht</u>
Finished goods	36,772,948	28,782,544
Goods in transit	1,201,729	1,202,761
<u>Less</u> Allowance for decline in value of inventories	(144,289)	(3,408,578)
Net	37,830,388	26,576,727

Reversal of loss on devaluation of inventory amounting to Baht 3.26 million was included in cost of sales for the year ended March 31, 2024 (Loss on devaluation of inventory amounting to Baht 3.41 million was included in cost of sales for the year ended March 31, 2023).

7. Equipment

	Office equipment	Motor vehicles	Total
	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
COST			
At start of the period 1/4/23	1,807,746	1,189,000	2,996,746
Additions	88,411	-	88,411
At end of the period 31/3/24	1,896,157	1,189,000	3,085,157
ACCUMULATED DEPRECIATION			
At start of the period 1/4/23	1,637,230	1,189,000	2,826,230
Depreciation for the year	103,345	-	103,345
At end of the period 31/3/24	1,740,575	1,189,000	2,929,575
NBV at start of the period 1/4/23	170,516	-	170,516
NBV at end of the period 31/3/24	155,582	-	155,582
Depreciation - 2023			109,626
Depreciation - 2024			103,345

Director

(Gulzar Sharif)



Notes to Financial Statement - March 31, 2024 (continued)8. Intangible assets

	Computer software <u>Baht</u>	Total <u>Baht</u>
COST		
At start of the period 1/4/23	926,450	926,450
At end of the period 31/3/24	926,450	926,450
ACCUMULATED AMORTISATION		
At start of the period 1/4/23	829,814	829,814
Amortisation for the year	96,636	96,636
At end of the period 31/3/24	926,450	926,450
NBV at start of the period 1/4/23	96,636	96,636
NBV at end of the period 31/3/24	-	-
Amortisation - 2023		193,272
Amortisation - 2024		96,636

9. Employee benefit obligations

	<u>2024</u> <u>Baht</u>	<u>2023</u> <u>Baht</u>
At beginning of the year	5,084,433	4,889,353
Provisions made	761,200	541,203
Unused amounts reversed	-	(346,123)
At ending of the year	5,845,633	5,084,433

Employee benefit obligations recognised as expenses are calculated based on the last salary and length of employment in accordance with the conditions specified in the regulations of the Company and criteria for severance pay specified in the labour law, and taking into account the possibility that each employee will work with the Company until retirement.

Director

(Gulzar Sharif)



Notes to Financial Statement - March 31, 2024 (continued)10. Legal reserve

In accordance with the provisions of the Civil and Commercial Code of Thailand, the Company has to set aside as a legal reserve at least 5% of its net profit at each dividend declaration until the reserve reaches 10% of authorized capital.

The reserve is not available for dividend distribution.

11. Lease agreements

The Company has entered into lease and service agreements for office spaces. Under the terms of the agreements, the Company has committed to pay monthly rental and service fees according to agreements.

The future aggregate minimum lease payments under operating leases are as follows:

	<u>2024</u>	<u>2023</u>
	<u>Baht</u>	<u>Baht</u>
Not later than 1 year	881,579	297,632
Later than 1 year but not later than 5 years	305,263	-
	<u>1,186,842</u>	<u>297,632</u>

12. Approval of financial statements

These financial statements were authorized for issuance by the Company's director on April 20, 2024.

Director

(Gulzar Sharif)



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