Directors' Report

The directors submit herewith their report and audited financial statements of Dexwet Brand Management Limited (the "Company") for the period from 27 December 2017 (date of incorporation) to 31 December 2017.

Date of incorporation
The Company was incorporated in Hong Kong with limited liability on 27 December 2017.

Principal activity
The principal activity of the Company is licensing trademark for brand licensing fee income.

Results and dividends
The results of the Company for the period from 27 December 2017 (date of incorporation) to 31 December 2017 are set out in the statement of comprehensive income on page 6.

The directors do not recommend the payment of a dividend.

Business review
Dexwet Brand Management Ltd. was founded in 27 December 2017, by Dexwet board member Mr. Andreas Schindler as trustee and executed by the service partner "Corporate Management Services" ("CMS"). CMS is also responsible for local accounting and all fees for the year 2018 have already been paid upfront.

On 29 December 2017, the new umbrella US-Holding company Dexwet Holdings Corporation was instituted and the day after, on 30 December 2017, a 58% majority of the technology core company Dexwet International AG was already taken over by Dexwet Holdings Corporation in an initial Closing. Effective on the same date the mother company Dexwet Holdings Corporation took over 100% of the shares of Dexwet Brand Management Ltd. Later in February 2018, Dexwet Holdings Corporation could announce 100% completion and the final Closing of the Reverse-Takeover transaction.

The necessity to form the company before the year end 2017 was derived from the objective to establish the new international corporate group structure including the licensing operations before the end of the business year so that a first consolidated balance sheet for the new group can be issued for the year 2017. Also, it was decided by Dexwet shareholders in the shareholders assembly in October 2017 that an independent Intellectual Property (IP-) Audit report should be elaborated, assessing and certifying the value of the Brand (and technology) Lisensing Rights as per end of 2017.

Consequently, Dexwet Brand Management Ltd. signed an exclusive "Brand Licensing Agreement" with the IP-Holding Dexwet International AG on 31 December 2017 that is the special purpose for the company and defines its core business. Dexwet Brand and Trademark is protected in main markets and consists of the Brand Dexwet® as well as Dexwet inside®.

Nobody in the filter industry can use any similar geometry (parallel and staggered filter rods in whatever form) without authorization by Dexwet and nobody is allowed to moisture any such structure for the cause of filtration. The technology spectrum covers all dimensions of particle speed (from very low passive convection air filtration up to near sonar speed with Dexwet Vacuum filters) and size (from raw to fine to ultra-fine to organic and VOC) and can be adapted from very low temperature ranges (down to -40°C) and up to 450°C in chimney or vacuum applications.

Business review (Continued)

Dexwet Brand Management Ltd. purchased the global exclusive licensing rights for the Dexwet Brand and Marketing Rights for a one-time price of EUR 400.000 (USD 500.000), payable in 8 quarterly installments up from Q3/2018. Further on, Dexwet Brand Management Ltd. is mandated to pay 10% of all generated licensing revenues as an ongoing long-term license fee to the IP-Holding Dexwet International AG.

Full financial back-up for the start-up phase of Dexwet Brand Management Ltd. is granted by the mother company Dexwet Holdings Corporation for the first two business years and until licensing revenues create sufficient cash-flows. On one hand, Dexwet Brand Management Ltd. will generate revenues from inside the Dexwet group, derived from all other sister business units except Dexwet International AG. On the other hand, Dexwet Brand Management Ltd. will actively market the global "Distribution Rights and Licenses" to technology as well as distribution partners that ask for regional exclusivity or exclusivity in specific industries.

Generally, Dexwet Brand Management Ltd. bought the right to charge all business units (except Dexwet International AG) of the existing and future Dexwet group a 8% licensing fee on all generated revenues for mandatory use of Dexwet Brands and Trademarks. Dexwet plans to grow significantly in China, Asia and America and is currently preparing its market entry with a "killer-application" for the global Air-Purifier market. Planned sales should amount for up to 40 million USD in annual revenues within the next 2-3 years from this region alone. 8% of these revenues will be charged as Licensing fee by Dexwet Brand Management Ltd. to the business units marketing Dexwet products.

Outside licensing relations have to contain an agreed, one-time "License Purchase Fee" plus an ongoing fee that either has to be assessable by external factors disclosed by the Licensing Partner or is going to be calculated into customized products delivered by Dexwet.

In the first quarter 2018, Dexwet Brand Management Ltd. engaged the well repudiated IP-Audit Institute European Brand Institute GmbH to elaborate a valuation report on the obtained "Brand Licensing Rights". The Report was prepared with procedures that comply with the generally applicable principles for the valuation of intangible assets, in particular with ON A 6800 (Valuation of the Intangible Asset "Brand") and ISO 10668 (Brand valuation – requirements for monetary brand valuation). The valuations carried out comply with the guidelines of the International Valuation Standards Committee and comply with the requirements of the IFRS accounting standards.

The valuation was based on the Royalty Relief method. The result was validated and checked for plausibility using the historical cost method. The certified value for the purchased Technological Intellectual Property owned by Dexwet Brand Management Ltd. accounts for EUR 12.1 million or USD 14.1 million (exchange rate 1.17) as per 31 December 2017.

Thus, the value of the acquired Brand Lisensing Rights is much higher than the purchase price and Dexwet Brand Management Ltd. has bought the foundation for high value generation as a business model. As the brand rights was not used for licensing before (up to now brand and trademark rights were only used to protect existing products) it is also a very beneficial contract for the IP-Holding Dexwet International AG, that will receives value and ongoing revenues from these new activities in Asia and worldwide.

Directors
The directors who held office during the period or during the period from the end of the period to the date of this report were:

Clemens Sparowitz	(appointed on 27 December 2017)
Tai Pui Man	(appointed on 27 December 2017)
Li Cheng	(appointed and resigned on 27 December 2017)
Andreas Schindler	(appointed on 27 December 2017 and resigned on 30 May 2018)

In accordance with the Company's Articles of Association, all directors will retire by rotation and, being eligible, will offer themselves for re-election.

Arrangements for acquisition of shares or debentures
At no time during the period was the Company, its holding company or fellow subsidiary a party to any arrangements to enable directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other company.

Material interests in transactions, arrangements or contracts
After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company's holding company or fellow subsidiary was a party and in which the directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

Shares issued
Details of the Company's shares issued during the period are set out in the statement of changes in equity and note 7 to the financial statements.

Management contracts
No contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the period.

Equity-linked agreements
No equity-linked agreements into which the Company entered subsisted at any time during the period.

Permitted indemnity provisions
No permitted indemnity provision was in force during the period, or is in force at the date of this report, for the benefit of a then director or a director of the Company (whether made by the Company or otherwise) or a then director or a director of its holding company or fellow subsidiary (if made by the Company).

Auditor
Subsequent to 31 December 2017, Mazars CPA Limited, *Certified Public Accountants,* is appointed as the auditor of the Company. A resolution will be submitted to the annual general meeting to re-appoint Mazars CPA Limited.

Approved by the Board of Directors and signed on its behalf by

Director
Clemens Sparowitz

Independent Auditor's Report

To the member of
Dexwet Brand Management Limited
(incorporated in Hong Kong with limited liability)

Opinion
We have audited the financial statements of Dexwet Brand Management Limited (the "Company") set out on pages 8 to 19, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 27 December 2017 (date of incorporation) to 31 December 2017, and a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and cash flows for the period then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion
We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The directors of the Company are responsible for the other information. The other information comprises the directors' report and the detailed income statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

To the member of
Dexwet Brand Management Limited
(incorporated in Hong Kong with limited liability)

Responsibilities of Directors for the Financial Statements
The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgement and maintain professional skepticism 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.

Independent Auditor's Report

To the member of
Dexwet Brand Management Limited
(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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.

We communicate with the directors 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.

Certified Public Accountants
Hong Kong,

The engagement director on the audit resulting in this independent auditor's report is:
Chan Wai Man
Practising Certificate number: P02487

Dexwet Brand Management Limited

Statement of Comprehensive Income

Period from 27 December 2017 (date of incorporation) to 31 December 2017

	Note	*US$*
Revenue	*2*	**-**
Administrative expenses		**(7,124)**
Loss before tax	*3*	**(7,124)**
Income tax expense	*4*	**-**
Loss for the period		**(7,124)**
Other comprehensive income for the period		**-**
Total comprehensive loss for the period		**(7,124)**

Dexwet Brand Management Limited

Statement of Financial Position

At 31 December 2017

	Note	*US$*
Non-current asset		
Intangible asset	*5*	**500,000**
Current asset		
Prepayments		**4,602**
Current liabilities		
Accruals		**3,846**
Amount due to a fellow subsidiary	*6*	**500,000**
Amount due to holding company	*6*	**7,752**
		511,598
Net current liabilities		**(506,996)**
NET LIABILITIES		**(6,996)**
Capital and reserve		
Share capital	*7*	**128**
Accumulated losses		**(7,124)**
TOTAL DEFICITS		**(6,996)**

These financial statements on pages 8 to 19 were approved and authorised for issue by the Board of Directors on and signed on its behalf by

Director	*Director*
Clemens Sparowitz	**Tai Pui Man**

Dexwet Brand Management Limited

Statement of Changes in Equity
Period from 27 December 2017 (date of incorporation) to 31 December 2017

	Share capital *US$*	Accumulated losses *US$*	Total *US$*
Share issued upon incorporation	128	-	128
Loss and total comprehensive loss for the period	-	(7,124)	(7,124)
At 31 December 2017	**128**	**(7,124)**	**(6,996)**

Dexwet Brand Management Limited

Statement of Cash Flows

Period from 27 December 2017 (date of incorporation) to 31 December 2017

	US$
OPERATING ACTIVITIES	
Loss before tax	**(7,124)**
Changes in working capital:	
Prepayments	**(4,602)**
Accruals	**3,846**
Amount due to holding company	**7,880**
Net cash from operating activities	**-**
Net increase in cash and cash equivalents	**-**
Cash and cash equivalents at beginning of period	**-**
Cash and cash equivalents at end of period, represented by bank balances and cash	**-**

MAJOR NON CASH TRANSACTIONS

1) During the period, issuance of share of US$128 was settled through the current account with the holding company.

2) During the period, the acquisition of intangible asset of US$500,000 from a fellow subsidiary was settled through the current accounts maintained with the fellow subsidiary.

CORPORATE INFORMATION

Dexwet Brand Management Limited is a limited liability company incorporated in Hong Kong. The Company's registered office is located at 26/F, Beautiful Group Tower, 77 Connaught Road, Central, Hong Kong. In the opinion of the directors, the immediate and ultimate holding company of the Company is Dexwet Holdings Corporation, which is established in the United States of America. The principal activity of the Company is licensing trademark for brand licensing fee income.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

Going concern
The financial statements have been prepared in conformity with the principles applicable to a going concern basis. The applicability of these principles is dependent upon continued availability of adequate finance or attaining profitable operations in the future in view of the excess of current liabilities over current assets and capital deficiency. The holding company has confirmed its intention to make available adequate funds to the Company as and when required to maintain the Company as a going concern.

Basis of measurement
The measurement basis used in the preparation of these financial statements is historical cost.

Intangible assets
The initial cost of acquiring trademarks is capitalised. Trademarks with indefinite useful lives are carried at cost less accumulated impairment losses.

Financial instruments
Recognition and derecognition
Financial assets and financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Company's contractual rights to future cash flows from the financial asset expire or (ii) the Company transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)
Classification and measurement
Financial assets or financial liabilities are initially recognised at their fair value plus, in the case of financial assets or financial liabilities not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

1) *Loans and receivables*
Loans and receivables including prepayment are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in profit or loss.

2) *Financial liabilities*
The Company's financial liabilities include accrued charges, amount due to a holding company and amount due to a fellow subsidiary. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets
At the end of each reporting period, the Company assesses whether there is objective evidence that financial assets, other than those at fair value through profit or loss, are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment of intangible assets
At the end of the reporting period, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment of intangible assets (Continued)
Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined has no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

Taxation
The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arising from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties
A related party is a person or entity that is related to the Company.

(a) A person or a close member of that person's family is related to the Company if that person:
   - (i) has control or joint control over the Company;
   - (ii) has significant influence over the Company; or
   - (iii) is a member of the key management personnel of the Company or of the holding company of the Company.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each holding, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the Company (or of the holding company of the Company).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:
(a) that person’s children and spouse or domestic partner;
(b) children of that person’s spouse or domestic partner; and
(c) dependants of that person or that person’s spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the financial statements. They affect the application of the Company’s accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Intangible assets and amortisation

The management determines whether trademark is impaired at least on an annual basis. At the end of each reporting period, the Company reviews the carrying amounts of its intangible assets with infinite useful lives to determine whether there is an indication that the intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Future changes in HKFRSs

At the date of authorisation of these financial statements, the HKICPA has issued a number of new / revised HKFRSs that are not yet effective for the current period, which the Company has not early adopted. The directors do not anticipate that the adoption of these new / revised HKFRSs in future periods will have any material impact on the results and financial position of the Company.

2. REVENUE

No revenue was generated by the Company during the period.

3. LOSS BEFORE TAX

This is stated after charging:	***US$***
Auditor's remuneration	**3,846**

4. TAXATION

Hong Kong Profits Tax has not been provided as the Company has no assessable profit for the period.

Reconciliation of income tax expenses	**2017** ***US$***
Loss before tax	**(7,124)**
Income tax at applicable tax rate of 16.5%	**(1,175)**
Non-deductible expenses	**1,175**
Income tax expense for the period	**-**

5. INTANGIBLE ASSET

	Trademarks *US$*
Reconciliation of carrying amount – period ended 31 December 2017	
At beginning of the period	-
Additions	500,000
At the end of the reporting period	**500,000**
At 31 December 2017	
Cost	500,000
Accumulated amortisation and impairment losses	-
	500,000

Trademarks represent intangible assets purchased from a fellow subsidiary. These intangible assets were estimated as having indefinite lives and are measured using the cost method. No amortisation has been recognised during the period since the intangible asset was acquired on 31 December 2017.

6. DUE TO A FELLOW SUBSIDIARY / HOLDING COMPANY

Amounts due are unsecured, interest-free and have no fixed repayment term.

7. SHARE CAPITAL

	2017	
	No. of shares	*US$*
Issued and fully paid:		
New share issued, and at end of the reporting period	**1,000**	**128**

The Company was incorporated in Hong Kong with limited liability on 27 December 2017. On incorporation, 1,000 ordinary shares were issued for HK$1,000 *(approximately US$128)*.

8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise accrued charges, amount due to a fellow subsidiary and amount due to holding company. The main purpose of these financial instruments is to raise and maintain finance for the Company's operations.

The main risk arising from the Company's financial instruments is liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors generally adopts conservative strategies on its risk management and limits the Company's exposure to these risks to a minimum. The directors review and agree policies for managing each of the risk and it is summarised below.

Liquidity risk
The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of advances from related companies. The Company will keep reviewing its financial needs from time to time.

At the end of the reporting period, the Company's financial liabilities are repayable on demand.

Fair values of financial instruments
In the opinion of the directors, the carrying values of the financial liabilities at the end of the reporting period approximate their fair values due to the short-term maturity of the balances.

9. CAPITAL MANAGEMENT

The objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to provide returns for the holding company. The Company manages its capital structure and makes adjustments, including payment of dividend to its shareholder, return of capital to its shareholder or issue of new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the period from 27 December 2017 (date of incorporation) to 31 December 2017.

10. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

(a) Directors' remuneration
There is no directors' remuneration for the period.

(b) Loans, quasi-loans and other dealings in favour of the directors
There are no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company that were entered into or subsisted during the period.

10. INFORMATION ABOUT THE BENEFITS OF DIRECTORS (CONTINUED)

(c) Directors' material interests in transactions, arrangement or contracts

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which the directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

Management Information

Dexwet Brand Management Limited

Detailed Income Statement
Period from 27 December 2017 (date of incorporation) to 31 December 2017

	Schedule	*US$*
Turnover		**-**
Administrative expenses	A	**(7,124)**
Loss before tax		**(7,124)**

		US$
A.	**ADMINISTRATIVE EXPENSES**	
	Auditor's remuneration	**3,846**
	Accounting fee	**1,200**
	Business registration fee	**320**
	Company formation expense	**750**
	Courier fee	**918**
	Legal and professional fee	**90**
		7,124

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial informati on relating to the period ended 31 December 2017 do not constitute the Company's specified financial statements for the period as defined in section 436 of the HKCO but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

The auditor's reports for the period ended 31 December 2017:
- were not qualified or otherwise modified;
- did not referred to a matter to which the auditor drew attention by way of emphasis without qualifying the report; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

Directors' Report

Audited Financial Statements

Dexwet Brand Management Limited

Period from 27 December 2017 (date of incorporation) to 31 December 2017

Directors' Report
Audited Financial Statements

Dexwet Brand Management Limited

Period from 27 December 2017 (date of incorporation) to 31 December 2017

File : NEW **D:\Users\henry.ng\Desktop\D327 12-2017.doc**	AIC : **Cindy** Mger : **HN**	Ptr : EC	***Correction Date***		
Gp : **AUD 2**	Name	Date	1 CINDY LEUNG ASSOCIATE II EMAIL 28.7.18	5	9
Typing	CINDY LEUNG ASSOCIATE II	eMail 25 July 18			
Calling			2	6	10
Hearing					
Casting			3	7	11
Cross ref.					
Binding A/C	**Hard :**	**Soft :**	4	8	12

Dexwet Brand Management Limited

Audit Adjustments

Period from 27 December 2017 (date of incorporation) to 31 December 2017

		Statement of financial position		Statement of comprehensive income	
		DR. (USD)	*CR. (USD)*	*DR. (USD)*	*CR. (USD)*
1.	Administrative expenses – audit fee			3,846	
	Accruals		3,846		
	Being understatement of the audit fee				
2.	Other income			13,600,000	
	Intangible asset		13,600,000		
	Being derecognition of fair value gain from intangible asset				
	Grand Total	-	13,603,846	13,603,846	-
	Net effect on statement of comprehensive income				(13,603,846)

Reconciliation of results for the period

	Loss *USD*
Per management accounts	13,596,722
Net effect on statement of comprehensive income, per above	(13,603,846)
Per audited accounts	(7,124)