

TTF (THAILAND) COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015

AUDITOR'S REPORT

To the Shareholders of TTF (Thailand) Company Limited

I have audited the accompanying financial statements of TTF (Thailand) Company Limited., which comprise the statement of financial position as at 31 October 2015, and the statement of income and statement of changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standard 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TTF (Thailand) Company Limited as at 31 October 2015, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

Emphasis of Matters

I draw attention to Note 8 to the financial statements. As at 31 October 2015, the Company's total assets fell short of the sums of its liabilities resulting in a deficit of Baht 0.29 million. The shareholders will continue to provide the Company with the necessary financial resources to enable it to continue operations as a going concern.


CHATCHAI PAYAKARINTARANGKURA
Certified Public Accountant
(Thailand) No. 5398

Bangkok
19 September 2016

TTF (Thailand) Company Limited
Statements of Financial Position
As at 31 October 2015

		2015	2014
	Notes	Baht	Baht
Assets			
Current Assets			
Cash and cash equivalents	3	1,384,187.29	167,631.30
Inventories	4	8,157,040.63	5,006,221.53
Other current assets	5	4,695,586.06	1,471,687.68
Total Current Assets		14,236,813.98	6,645,540.51
Non-Current Assets			
Equipment, net	6	100,305.68	87,512.54
Deposits		182,200.00	181,600.00
Total Non-Current Assets		282,505.68	269,112.54
Total Assets		14,519,319.66	6,914,653.05

Director _____
(Mr. Dennis Martinus Harte)

These financial statements have been approved by the general shareholder meeting No.1/2016 held on 22 September 2016.

The notes on pages 6 to 10 form an integral part of these financial statements.

TTF (Thailand) Company Limited
Statements of Financial Position
As at 31 October 2015

	Note	2015 Baht	2014 Baht
Liabilities and Shareholders' Equity			
Current Liabilities			
Trade accounts payable		3,815,162.06	4,854,531.68
Short-term loans from related parties	7	4,863,654.23	2,535,000.00
Unearned Revenue		5,302,999.05	-
Other current liabilities		828,640.03	238,851.25
Total Current Liabilities		<u>14,810,455.37</u>	<u>7,628,382.93</u>
Total Liabilities		<u>14,810,455.37</u>	<u>7,628,382.93</u>
Shareholders' Equity			
Share capital			
Authorised			
Ordinary shares 200,000 shares of Baht 10 each		<u>2,000,000.00</u>	<u>2,000,000.00</u>
Issued and paid up			
Ordinary shares 200,000 shares of Baht 10 each		2,000,000.00	2,000,000.00
Deficits		<u>(2,291,135.71)</u>	<u>(2,713,729.88)</u>
Total Shareholders' Equity		<u>(291,135.71)</u>	<u>(713,729.88)</u>
Total Liabilities and Shareholders' Equity		<u>14,519,319.66</u>	<u>6,914,653.05</u>

Director _____
(Mr. Dennis Martinus Harte)

TTF (Thailand) Company Limited
Statements of Income
For the years ended 31 October 2015

	2015	2014
	Baht	Baht
Revenues		
Sales	36,777,118.99	29,836,956.35
Other incomes	762,733.44	2,641,343.68
Gain on exchange rate	-	7,414.91
Total revenues	<u>37,539,852.43</u>	<u>32,485,714.94</u>
Expenses		
Cost of sales	29,058,919.59	25,237,351.28
Administrative expenses	8,057,203.84	7,529,038.81
Loss on exchange rate	1,134.83	-
Total expenses	<u>37,117,258.26</u>	<u>32,766,390.09</u>
Net profit (loss) for the year	<u>422,594.17</u>	<u>(280,675.15)</u>

Director _____
(Mr. Dennis Martinus Harte)

TTF (Thailand) Company Limited
Statements of Changes in Shareholders' Equity
For the years ended 31 October 2015

	Issued and paid up share capital Baht	Deficits Baht	Total Baht
Opening balance 1 November 2014	2,000,000.00	(2,713,729.88)	(713,729.88)
Net profit for the year	-	422,594.17	422,594.17
Closing balance 31 October 2015	<u>2,000,000.00</u>	<u>(2,291,135.71)</u>	<u>(291,135.71)</u>
Opening balance 1 November 2013	2,000,000.00	(2,433,054.73)	(433,054.73)
Net loss for the year	-	(280,675.15)	(280,675.15)
Closing balance 31 October 2014	<u>2,000,000.00</u>	<u>(2,713,729.88)</u>	<u>(713,729.88)</u>

Director _____
(Mr. Dennis Martinus Harte)

TTF (Thailand) Company Limited
Notes to Financial Statements
For the years ended 31 October 2015

1 General information

TTF (Thailand) Company Limited ("the Company") is a limited company and is incorporated and resident in Thailand. The address of the Company's registered office is as follows:

888/47 Moo 19 Tambon Bangpleeyai Muang Bangplee Samutprakarn

These financial statements were authorised for issue by the Board of Directors on 19 September 2016.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547.

On 6 May 2011, the Federation of Accounting Professions published the Thai Financial Reporting Standard for Non-Publicly Accountable Entities which is effective for financial statements which accounting periods beginning on or after 1 January 2011.

The financial statements have been prepared in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities as issued by the Federation of Accounting Professions.

The financial statements have been prepared under the historical cost convention.

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 amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies (Continued)

2.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less from the date of acquisition and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.3 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable 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 within selling and administrative expenses.

2.4 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the FIFO method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses. 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.

2.5 Equipment and depreciation

Depreciation is calculated on the straight line basis to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Equipment	5 years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

2 Accounting policies (Continued)

2.6 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods net of output tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

2.7 Foreign currency translation

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of income.

3 Cash and cash equivalents

	2015	2014
	Baht	Baht
Cash on hand	779,942.17	77,578.27
Deposits held at call with banks	604,245.12	90,053.03
	<u>1,384,187.29</u>	<u>167,631.30</u>

4 Inventories

	2015	2014
	Baht	Baht
Finished Goods	1,943,736.59	158,640.10
Raw Material and Spare part	6,213,304.04	4,213,071.03
Work in progress	-	634,510.40
	<u>8,157,040.63</u>	<u>5,006,221.53</u>

TTF (Thailand) Company Limited
Notes to Financial Statements
For the years ended 31 October 2015

5 Other current assets

	2015	2014
	Baht	Baht
Other receivables – Revenue Department	3,111,862.65	790,391.24
Purchased Tax	575,893.05	677,579.89
Other current assets	1,007,830.36	3,716.55
	<u>4,695,586.06</u>	<u>1,471,687.68</u>

6 Equipment, net

	Office equipment Baht
At 31 October 2014	
Cost	105,681.31
<u>Less</u> Accumulated depreciation	<u>(18,168.77)</u>
Net book value	<u>87,512.54</u>
For the year ended 31 October 2015	
Opening net book value	87,512.54
Additions	37,952.85
Depreciation charge	<u>(25,159.71)</u>
Closing net book value	<u>100,305.68</u>
At 31 October 2015	
Cost	143,634.16
<u>Less</u> Accumulated depreciation	<u>(43,328.48)</u>
Net book value	<u>100,305.68</u>

7 Short-term loans from related parties

As at 31 October 2015, short-term loans from a related parties amount to Baht 4.86 million (2014: Baht 2.53 million), have no interest charge, are unsecured and are repayable on demand.

8 Financial position

As at 31 October 2015, the total assets of the Company fell short of the sum of its liabilities resulting in a deficit of Baht 0.29 million. The Company's financial resource is largely provided through loans from a related companies

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