

TTF (THAILAND) COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013

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 2013, 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 2013, 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 2013, the Company's total assets fell short of the sums of its liabilities resulting in a deficit of Baht 0.4 million. The shareholders will continue to provide the Company with the necessary financial resources to enable it to continue operations as a going concern.

Other Matter

The financial statements for the year ended 31 October 2012 of TTF (Thailand) Company Limited, were audited by another auditor whose report dated 19 February 2013 expressed an unqualified opinion on those statements.

SUWANNEE UA-UMRUNGKUL
Certified Public Accountant
(Thailand) No. 7417

Bangkok
17 February 2014

TTF (Thailand) Company Limited
Statements of Financial Position
As at 31 October 2013 and 2012

	Notes	2013 Baht	2012 Baht
Assets			
Current Assets			
Cash and cash equivalents	3	87,975	432,529
Inventories	4	5,003,647	3,531,045
Other current assets	5	471,427	151,761
Total Current Assets		5,563,049	4,115,335
Non-Current Assets			
Equipment, net	6	41,940	15,303
Deposits		25,000	25,000
Total Non-Current Assets		66,940	40,303
Total Assets		5,629,989	4,155,638



บริษัท ทีทีเอฟ (ไทยแลนด์) จำกัด

Director

(Mr. Dennis Martinus Harte)

These financial statements have been approved by the general shareholder meeting No.1/2014 held on 28 February 2014.

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 2013 and 2012

	Note	2013 Baht	2012 Baht
Liabilities and Shareholders' Equity			
Current Liabilities			
Trade accounts payable		3,078,213	325,876
Accrued expenses		449,831	48,197
Total Current Liabilities		3,528,044	374,073
Non-Current Liabilities			
Long-term loans from related parties	7	2,535,000	3,430,000
Total Non-Current Liabilities		2,535,000	3,430,000
Total Liabilities		6,063,044	3,804,073
Shareholders' Equity			
Share capital			
Authorised			
Ordinary shares 200,000 shares of Baht 10 each		2,000,000	2,000,000
Issued and paid up			
Ordinary shares 200,000 shares of Baht 10 each		2,000,000	2,000,000
Deficits		(2,433,055)	(1,648,435)
Total Shareholders' Equity		(433,055)	351,565
Total Liabilities and Shareholders' Equity		5,629,989	4,155,638

Director

(Mr. Dennis Martinus Harte)

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

TTF (Thailand) Company Limited
Statements of Income
For the year ended 31 October 2013 and
For the period from 8 November 2011 to 31 October 2012

	For the year ended 31 October 2013 Baht	For the period from 8 November 2011 to 31 October 2012 Baht
Revenues		
Sales	14,635,190	2,740,487
Other incomes	4,327,198	1,893,980
Gain on exchange rate	-	68,137
Total revenues	<u>18,962,388</u>	<u>4,702,604</u>
Expenses		
Cost of sales	13,349,186	3,107,678
Administrative expenses	6,359,741	3,243,361
Loss on exchange rate	38,081	-
Total expenses	<u>19,747,008</u>	<u>6,351,039</u>
Net loss for the year/ period	<u>(784,620)</u>	<u>(1,648,435)</u>

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Director


(Mr. Dennis Martinus Harte)



TTF (Thailand) Company Limited
Statements of Changes in Shareholders' Equity
For the year ended 31 October 2013 and
For the period from 8 November 2011 to 31 October 2012

	Issued and paid up share capital Baht	Deficits Baht	Total Baht
Opening balance 1 November 2012	2,000,000	(1,648,435)	351,565
Net loss for the year	-	(784,620)	(784,620)
Closing balance 31 October 2013	<u>2,000,000</u>	<u>(2,433,055)</u>	<u>(433,055)</u>
Opening balance 8 November 2011	-	-	-
Ordinary shares	2,000,000	-	2,000,000
Net loss for the period	-	(1,648,435)	(1,648,435)
Closing balance 31 October 2012	<u>2,000,000</u>	<u>(1,648,435)</u>	<u>351,565</u>

Director


(Mr. Dennis Martinus Harte)



TTF (Thailand) Company Limited
Notes to Financial Statements
For the year ended 31 October 2013 and
For the period from 8 November 2011 to 31 October 2012

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:

500 Moo 8 Buddharakse Rd. Tambon Taibanmai Muang Samutprakarn Samutprakarn

These financial statements were authorised for issue by the Board of Directors on 17 February 2014.

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.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

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.

TTF (Thailand) Company Limited
Notes to Financial Statements
For the year ended 31 October 2013 and
For the period from 8 November 2011 to 31 October 2012

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

	2013	2012
	Baht	Baht
Cash on hand	-	6,583
Deposits held at call with banks	87,975	425,946
	<u>87,975</u>	<u>432,529</u>

4 Inventories

	2013	2012
	Baht	Baht
Finished Goods	383,160	651,672
Raw Material and Spare part	325,579	2,879,373
Work in progress	4,294,908	-
	<u>5,003,647</u>	<u>3,531,045</u>



บริษัท ทีทีเอฟ (ไทยแลนด์) จำกัด

TTF (Thailand) Company Limited
Notes to Financial Statements
For the year ended 31 October 2013 and
For the period from 8 November 2011 to 31 October 2012

5 Other current assets

	2013	2012
	<u>Baht</u>	<u>Baht</u>
Other receivables – Revenue Department	324,240	151,761
Purchased Tax	144,179	-
Other current assets	3,008	-
	<u>471,427</u>	<u>151,761</u>

6 Equipment, net

	Office equipment <u>Baht</u>
At 31 October 2012	
Cost	15,681
<u>Less</u> Accumulated depreciation	<u>(378)</u>
Net book value	<u>15,303</u>

For the year ended 31 October 2013

Opening net book value	15,303
Additions	32,000
Depreciation charge	<u>(5,363)</u>
Closing net book value	<u>41,940</u>

At 31 October 2013

Cost	47,681
<u>Less</u> Accumulated depreciation	<u>(5,741)</u>
Net book value	<u>41,940</u>



TTF (Thailand) Company Limited
Notes to Financial Statements
For the year ended 31 October 2013 and
For the period from 8 November 2011 to 31 October 2012

7 Long-term loans from related parties

As at 31 October 2013, long-term loans from a related parties amount to Baht 2.5 million (2012: Baht 3.4 million), have no interest charge, are unsecured and are repayable on demand.

8 Financial position

As at 31 October 2013, the total assets of the Company fell short of the sum of its liabilities resulting in a deficit of Baht 0.4 million. The Company's financial resource is largely provided through loans from a related companies.

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