Greenlam Asia Pacific (Thailand) Company Limited

Auditor's Report

And

Financial Statement As at March 31, 2016

Auditor's report – Translation of a report originally issued in Thailand

To the Shareholders (and Board of Directors) of **Greenlam Asia Pacific (Thailand) Company Limited**

I have audited the accompanying financial statements of **Greenlam Asia Pacific (Thailand) Company Limited.**, which comprise the statement of financial position as at March 31, 2016 the statement of income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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 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.

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 **Greenlam Asia Pacific (Thailand) Company Limited.**, as at March 31, 2016, the financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Piyaluck Soonthawong

(MissPiyaluck Soonthawong)
Certified Public Accountant
Registration (Thailand) No.10794

April 27, 2016

Luck CPA Co.,Ltd.: 112/40 Soi Phaholyothin 26 , Phaholyothin Rd, Kwaeng Jompol ,Khet Chatujak ,Bangkok 10900

GREENLAM ASIA PACIFIC (THAILAND) COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2016

ASSETS

	Note	Unit : Baht 2016	2015
Current Assets			
Cash and Cash Equivalents	*3.2 , 4*	1,739,355.23	4,118,652.80
Trade and other receivables	*3.3 , 5*	96,161,203.74	103,001,214.36
Inventory	*3.4 , 6*	291,350.66	-
Other Current Assets	*7*	1,016,779.25	957,021.21
Total Current Assets		99,208,688.88	108,076,888.37
Non-Current Assets			
Investments in subsidiaries	*3.5 , 8*	500,000.00	500,000.00
Property plant and equipment	*3.6 , 9*	308,383.50	513,962.28
Intangible assets	*3.7, 10*	-	22,268.90
Other non - current Assets		271,434.58	-
Total Non Current Assets		1,079,818.08	1,036,231.18
Total Assets		100,288,506.96	109,113,119.55

Notes to financial statements are an integral part of these statements.

This financial statement s was approved by annual general meeting No. 1/2016 on 6th May, 2016

Certified by

บริษัท กรีนแลม เอเชีย แปซิฟิค (ประเทศไทย) จำกัด
GREENLAM ASIA PACIFIC (THAILAND) CO., LTD.

.....Director

(Mrs. Roongnapha Bunnag)

GREENLAM ASIA PACIFIC (THAILAND) COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2016

LIABILITIES AND SHARE HOLDERS' EQUITY

Unit : Baht

	Note	2016	2015
Current Liabilities			
Trade and Other Payable	*11*	89,646,000.25	98,597,575.97
Current Income tax payable	*3.10*	-	257,641.24
Other Current Liabilities		403,081.31	736,255.24
Total Current Liabilities		90,049,081.56	99,591,472.45
Total Liabilities		90,049,081.56	99,591,472.45
Shareholders' Equity			
Share Capital			
Authorized Share Capital			
40,000 Ordinary Shares of Baht 100 each		4,000,000.00	4,000,000.00
Paid Up Share Capital			
40,000 Ordinary Shares of Baht 100 each		4,000,000.00	4,000,000.00
Retained Earning			
Unappropriated		6,239,425.40	5,521,647.10
Total Shareholders' Equity		10,239,425.40	9,521,647.10
Total Liabilities and Shareholders' Equity		100,288,506.96	109,113,119.55

Notes to financial statements are an integral part of these statements.

This financial statement s was approved by annual general meeting No. 1/2016 on 6th May, 2016

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GREENLAM ASIA PACIFIC (THAILAND) CO., LTD.

.....Director

(Mrs. Roongnapha Bunnag)

GREENLAM ASIA PACIFIC (THAILAND) COMPANY LIMITED

STATEMENT OF INCOME

FOR THE YEAR ENDED MARCH 31, 2016

		Unit : Baht	
	Note	**2016**	**2015**
	3.1		
Incomes			
Revenue		442,523,948.51	410,899,555.81
Other incomes		525,635.77	11,455.90
Total Incomes		443,049,584.28	410,911,011.71
Expenses	*12*		
Cost of goods sold		372,262,180.59	326,603,950.05
Selling Expense		19,716,413.19	23,519,110.18
Administrative expenses		50,160,657.82	57,969,759.33
Total Expenses		442,139,251.60	408,092,819.56
Profit (Loss) before finance costs and income tax expenses		910,332.68	2,818,192.15
Finance costs		-	-
Profit (Loss) before income tax expenses		910,332.68	2,818,192.15
Income tax expense	*3.10*	192,554.38	585,957.27
Net Profit (Loss)		717,778.30	2,232,234.88

Notes to financial statements are an integral part of these statements.

Certified by

บริษัท กรีนแลม เอเชีย แปซิฟิค (ประเทศไทย) จำกัด
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.....Director

(Mrs. Roongnapha Bunnag)

GREENLAM ASIA PACIFIC (THAILAND) COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED MARCH 31, 2016

	Note	Issued and paid-up Share Capital	Retained Earnings Unappropriated	Unit : Baht Total
Balance as at April 1, 2014		4,000,000.00	3,289,412.22	7,289,412.22
Net profit (loss)for the year			2,232,234.88	2,232,234.88
Balance as at March 31, 2015		4,000,000.00	5,521,647.10	9,521,647.10
Net profit (loss) for the year			717,778.30	717,778.30
Balance as at March 31, 2016		4,000,000.00	6,239,425.40	10,239,425.40

Notes to financial statements are an integral part of these statements.

Certified by

.....Director

(Mrs.Roongnapha Bunnag)

GREENLAM ASIA PACIFIC (THAILAND) COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31,2016

PARTICULARS	Note	Unit : Baht 2016	2015
Cash flows from operating activities			
Total (loss) / profit before tax		910,333	2,818,192
Adjustments for:			
- Depreciation expense		247,848	492,873
- Unrealized exchange (gain) /loss		2,493,411	(67,718.21)
- Interest received		(16,709.29)	(11,455.21)
		3,634,882	3,231,891
Change in working capital			
- Trade and other receivables		6,508,818	(9,208,522.74)
- Inventories		(291,350.66)	-
- Trade and other payables		(9,542,391.00)	8,079,488
- Unrealized exchange gain /(loss)		(2,493,411.36)	67,718
		(5,818,334.91)	(1,061,316.53)
Cash generated from operations		(2,183,452.48)	2,170,575
Income tax (paid) / refund		(192,554.38)	(428,382.49)
Net cash generated from operating activities		(2,376,006.86)	1,742,192
Cash flows from investing activities			
Additions to property, plant and equipment		(20,000.00)	(221,850.43)
Net cash (used) / provided by investing activities		(20,000.00)	(221,850.43)
Cash flows from financing activities			
Interest Received		16,709	11,455
Net cash generated from financing activities		16,709	11,455
Net increase / (decrease) in cash and cash equivalents		(2,379,297.57)	1,531,797
Cash and cash equivalents at beginning of the financial year		4,118,653	2,586,856
Cash and cash equivalents at end of the financial year		1,739,355	4,118,653

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.....Director

(Mrs. Roongnapha Bunnag)

บริษัท กรีนแลม เอเชีย แปซิฟิก (ประเทศไทย) จำกัด
GREENLAM ASIA PACIFIC (THAILAND) CO., LTD.

GREENLAM ASIA PACIFIC (THAILAND) COMPANY LIMITED

NOTE TO FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31,2016

1 General Information

1.1 Legal	The company was incorporated as registered limited company under the Thai Civil Law on 20 November 2009 ID.NO.0105552126644
1.2 Location of Business	898/14 SV City, Office Tower 2, 9th Floor, Rama3 Road, Bangpongpang, Yannawa, Bangkok 10120
1.3 Type of Business	Importing and trading laminate materials and other interior materials.

2 Basis for preparation and presentation of the financial statements

2.1 The financial statements have been prepared in accordance with Thai Generally Accepted Accounting Standards issued under the Accounting Profession Act.B.E. 2543 And 2547 which based on adoption and development from International Financial Reporting Standards.

2.2 Classification in Financial Statement comply with the regulation from Department of Business Development about prerequisite classification of financial statement B.E.issued on September28,2011 under section 11 of the Accounting Profession Act.B.E.2543.

2.3 For compliance with new accounting standard and financial reporting standard during the fiscal year in 2011, the company implemented compliance with the financial reporting Standard for Non – publicly accountable entities issued by The Federation of Accounting Professions to be applied to the financial statement for the fiscal year commencing on or After 1st January 2011 onwards.

2.4 The financial statements have been prepared on a historical cost basis except otherwise disclosed in the accounting policies.

3 Summary of significant accounting policies

3.1 Revenue and expenses recognition

Revenue from sales are recognized when goods have been delivered and transferred the ownership to the customers.

Other income and expenses are recorded on an accrual basis.

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GREENLAM ASIA PACIFIC (THAILAND) CO., LTD.

.....Director

(Mrs.Roongnapha Bunnag)

3.2 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and at banks with an original period of Maturity of three months or less and without commitment.

3.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at their net realizable value.Allowance for doubful accounts is provided for the estimated collection losses that may incur in the collection of receivables.The allowance is based on collection experience and the current status of receivables outstanding at the statement of financial position date. Doubtful accounts are included in determining expenses as can identify.

3.4 Inventories

Inventories are stated at the lower of cost or net realizable value, whichever is lower. Cost is based on the Weighted Average Method.

3.5 Investment in Subsidiary

Equity Instruments which company holds more than half of Voting Stock operations.

Investments in subsidiaries are stated at cost and have direct or indirect controlling interest over subsidiary company. Unless, company persent obvious evidence that Control Interest on Voting is meaningless in directing that company.

Investment in Subsidiary are valued at cost price deducted by the provision of devaluation on report date.

3.6 Equipment and Depreciation.

Equipment is stated at cost less accumulated depreciation. Depreciation is calculated Based on straight – line method and according to approximated useful lives of the assets within 3 - 10 years.

3.7 Intangible Assets / Amortization

Computer software are stated at cost such less accumulated amortization calculated by using the straight - line method , based on useful life of 5 years.

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.....Director

(Mrs.Roongnapha Bunnag)

3.8 Employee benefit

The Company recognized salaries,wages,bonuses and contributions to the social security fund as expenses as and when incurred.

3.9 Foreign currency transactions

Foreign currency transactions are translated using rates of exchange ruling on the transaction dates. Foreign currency balances in Financial statement dates are translated into Thai Baht at average exchange rates of commercial bank, announced by Bank of Thailand.

Exchange gains or losses are included in determining income.

3.10 Corporate Income Tax

Corporate Income Tax is expenses for the period of income statement, calculated by current income tax payable method ,shown after deducting advance corporate income tax and present liabilities.

3.11 Accounting Estimation

Preparation of financial statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities.

Actual results may differ from those estimates.

4 Cash and Cash Equivalents

consist of :-

Unit : Baht

	31 Mar 16	31 Mar 15
Cash	88,280.25	37,208.00
Bank - Saving account	1,651,074.98	4,081,444.80
Total	1,739,355.23	4,118,652.80

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.....Director

(Mrs. Roongnapha Bunnag)

5 Trade and other receivables

consist of :-

Unit : Baht

	31 Mar 16	31 Mar 15
Trade	93,674,039.07	101,452,254.92
Other receivables		
Prepaid expenses	1,213,917.18	1,174,740.03
Prepaid Insurance	277,500.67	251,737.27
Advance Payment	872,114.68	68,250.00
Holding Company	123,632.14	54,232.14
Total	96,161,203.74	103,001,214.36

6 Inventories

consist of :-

Unit : Baht

	31 Mar 16	31 Mar 15
Supplement material	291,350.66	-
Total	291,350.66	-

7 Other current assets

consist of :-

Unit : Baht

	31 Mar 16	31 Mar 15
AR The Revenue Department	837,240.27	688,405.21
Undue Input Vat	6,798.74	2,776.72
Deposit	-	265,234.58
Other	172,740.24	604.70
Total	1,016,779.25	957,021.21

Certified by

.....Director

(Mrs. Roongnapha Bunnag)

บริษัท กรีนแลม เอเชีย แปซิฟิค (ประเทศไทย) จำกัด GREENLAM ASIA PACIFIC (THAILAND) CO., LTD.

8 Investment in Subsidiary

consist of :- **Unit : Baht**

	Holding (%)		Amount	
	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15
Greenlam Holding Co.,Ltd.	50.00%	50.00%	500,000.00	500,000.00
Total			500,000.00	500,000.00
Less Allowance for decrease value of investments			-	-
Investment in Subsidiaries - net			500,000.00	500,000.00

9 Property, Plant and Equipment

consist of :-

		Movement		Unit : Baht
	As at 31 Mar 15	Increase	Decrease	As at 31 Mar 16
Cost Price				
Furniture & Fixture	705,929.98	-	-	705,929.98
Office Equipment	849,415.04	20,000.00	-	869,415.04
Computers & Accessories	658,114.52	-	-	658,114.52
Total Cost Price	2,213,459.54	20,000.00	-	2,233,459.54
Less: Accumulated Depreciation				
Furniture & Fixture	(588,751.15)	(63,777.05)	-	(652,528.20)
Office Equipment	(704,951.52)	(82,180.23)	-	(787,131.75)
Computers & Accessories	(405,794.59)	(79,621.50)	-	(485,416.09)
Total Accumulated Depreciation	(1,699,497.26)	(225,578.78)	-	(1,925,076.04)
Property, Plant and Equipment	513,962.28			308,383.50

- Assets Depreciation for the year ended at March 31, 2016 : Baht 225,578.78
- Assets Depreciation for the year ended at March 31, 2015 : Baht 418,410.18

Certified by

.....Director

(Mrs. Roongnapha Bunnag)

บริษัท กรีนแลม เอเชีย แปซิฟิค (ประเทศไทย) จำกัด
GREENLAM ASIA PACIFIC (THAILAND) CO., LTD.

10 Intangible Asset

consist of :-

Unit : Baht

	As at 31 Mar 15	Movement Increase	Movement Decrease	As at 31 Mar 16
Cost Price	380,500.00		-	380,500.00
deducted Accumulated Depreciati	(358,231.10)	(22,268.90)	-	(380,500.00)
Intangible assets-net	22,268.90	(22,268.90)	-	-

- Assets Amortization for the year ended at March 31, 2016 : Baht 22,268.90
- Assets Amortization for the year ended at March 31, 2015 : Baht 74,462.49

11 Trade and other payable :

consist of :-

Unit : Baht

	31 Mar 16	31 Mar 15
Trade account payables	84,116,893.91	93,565,454.16
Accrude expense		
Accrued Accounting Fee	96,300.00	-
Accrued expense Social Security Fund	46,450.00	56,126.00
Accrued expense Bonus	3,771,651.00	4,039,179.00
Accrued sales allowance	297,532.86	382,112.76
Accrued sales incentive payables	402,000.00	401,000.00
Accrued other expenses	915,172.48	153,704.05
Total	89,646,000.25	98,597,575.97

Certified by

บริษัท กรีนแลม เอเชีย แปซิฟิค (ประเทศไทย) จำกัด
GREENLAM ASIA PACIFIC (THAILAND) CO., LTD.

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12 Details of Expenses by nature

consist of :-

Unit : Baht

	31 Mar 16	31 Mar 15
Purchase and purchase expense	372,262,180.59	326,603,950.05
Employee Expenses	38,830,555.99	40,669,575.12
Depreciation & Amortization	247,847.68	492,872.67
Travelling & Conveyance Expenses	4,042,595.08	5,375,319.46
Sales Promotion Expenses	13,630,529.81	22,258,684.76
Promotion entertainment Expenses	1,262,883.38	1,260,425.42
Rental	1,419,000.00	1,400,400.00
Electricity Water and and Telephone	1,266,806.66	1,285,606.01
Professional fee	2,590,186.72	2,539,422.72
Management Fee	2,104,200.00	3,911,492.00
Others expenses	4,482,465.69	2,295,071.35
Total	442,139,251.60	408,092,819.56

Certified by

.....Director

(Mrs. Roongnapha Bunnag)

13 Currency Risk	Cash & cash	Trade & other	
As at 31st March 2016	equivalents	receivables	Total
Financial Assets	Baht	Baht	
US Dollars	-	93,674,039.07	93,674,039.07
Others	-	-	-
		93,674,039.07	**93,674,039.07**

	Trade & other	Other	
	payables	Payables	Total
Financial Liabilities	Baht	Baht	
US Dollars	84,116,893.91	-	84,116,893.91
Others	-	-	-
	84,116,893.91	**-**	**84,116,893.91**

14 Approval of financial statements

These financial statements were approved for issue by the authorized directors on April 27, 2016

Certified by

Director

(Mrs. Roongnapha Bunnag)