

BAMCO SUPPLY AND SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2016

AUDITOR'S REPORT

To the Shareholders of Bamco Supply and Services Limited

I have audited the accompanying financial statements of Bamco Supply and Services Limited which comprise the statement of financial position as at 31 March 2016, and the statements of income and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other 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 applicable to 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 judgement, 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.

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Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bamco Supply and Services Limitedas at 31 March 2016, and its results of operations for the year then ended in accordance with Thai Financial Reporting Standards applicable to non-publicly accountable entities.



Somkiat Hiranbantaporn
Certified Public Accountant (Thailand) No. 4754
NYC Audit Co., Ltd.

Bangkok
26 April 2016



Bamco Supply and Services Limited

Statement of financial position

As at 31 March 2016

		(Unit: Baht)	
	<u>Note</u>	<u>2016</u>	<u>2015</u>
Assets			
Current assets			
Cash and cash equivalents	5	6,199,546	2,421,877
Trade and other receivables	6	10,717,104	9,010,120
Inventories	8	<u>9,428,202</u>	<u>7,922,236</u>
Total current assets		<u>26,344,852</u>	<u>19,354,233</u>
Non-current assets			
Equipment	9	66,502	100,930
Intangible assets	10	<u>1,947</u>	<u>3,868</u>
Total non-current assets		<u>68,449</u>	<u>104,798</u>
Total assets		<u>26,413,301</u>	<u>19,459,031</u>

The accompanying notes are an integral part of the financial statements.

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Directors



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Bamco Supply and Services Limited
Statement of financial position (continued)
As at 31 March 2016

		(Unit: Baht)	
	<u>Note</u>	<u>2016</u>	<u>2015</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	11	2,116,104	1,345,041
Other current liabilities		<u>429,550</u>	<u>773,645</u>
Total current liabilities		<u>2,545,654</u>	<u>2,118,686</u>
Total liabilities		<u>2,545,654</u>	<u>2,118,686</u>
Shareholders' equity			
Share capital			
Registered			
10,000 ordinary shares of Baht 100 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid up			
10,000 ordinary shares of Baht 100 each		1,000,000	1,000,000
Retained earnings			
Unappropriated		<u>22,867,647</u>	<u>16,340,345</u>
Total shareholders' equity		<u>23,867,647</u>	<u>17,340,345</u>
Total liabilities and shareholders' equity		<u>26,413,301</u>	<u>19,459,031</u>

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The accompanying notes are an integral part of the financial statements.

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Directors



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Bamco Supply and Services Limited

Statements of income

For the year ended 31 March 2016

		(Unit: Baht)	
	Note	2016	2015
Revenues			
Sales	3	52,214,435	47,908,259
Other income		147,829	4,831
Total revenues		<u>52,362,264</u>	<u>47,913,090</u>
Expenses			
Cost of sales	3	35,048,224	32,939,300
Selling expenses		2,812,057	2,775,904
Administrative expenses		6,336,756	6,221,552
Total expenses		<u>44,197,037</u>	<u>41,936,756</u>
Profit (loss) before finance cost and income tax expenses		8,165,227	5,976,334
Finance cost		(11)	(74,515)
Profit (loss) before income tax expenses		8,165,216	5,901,819
Income tax expenses	14	(1,637,914)	(1,250,000)
Net profit for the year		<u>6,527,302</u>	<u>4,651,819</u>

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The accompanying notes are an integral part of the financial statements.

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Directors



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Bamco Supply and Services Limited
 Statements of cash flows
 For the year ended 31 March 2016

(Unit: Baht)

	Note	<u>2016</u>	<u>2015</u>
Cash flows from operating activities			
Profit before tax		8,165,216	5,901,819
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation		34,427	56,817
Amortization of intangible assets		1,922	2,589
Reversal doubtful accounts		(141,268)	(2,821)
Increase (decrease) in reduction of inventory to net realisable value		(123,000)	141,029
Profit on sales of assets		(1,214)	
Unrealised loss on exchange		(35,562)	-
Interest expenses		11	74,515
Profit from operating activities before changes in operating assets and liabilities		7,900,532	6,173,948
Operating assets (increase) decrease			
Trade and other receivables		(1,706,984)	1,028,570
Inventories		(1,505,966)	(5,120,567)
Other assets		(36,349)	2,500
Operating liabilities increase (decrease)			
Trade and other payables		769,861	(1,966,796)
Other current liabilities		(342,893)	-
Cash flows from (used in) operating activities		5,078,201	117,655
Cash paid for interest expenses		(11)	(74,515)
Cash paid for corporate income tax		(1,300,532)	(579,755)
Net cash flows from (used in) operating activities		<u>3,777,658</u>	<u>(536,615)</u>

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The accompanying notes are an integral part of the financial statements.

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Directors



Bamco Supply and Services Limited
 Statements of cash flows (continued)
 For the year ended 31 March 2016

(Unit: Baht)

	Note	2016	2015
Cash flows from investing activities			
Acquisition of property, plant and equipment		-	-
Net cash flows from (used in) investing activities		-	-
Cash flows from financing activities			
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		11	-
Net cash flows from (used in) financing activities		11	-
Net increase (decrease) in cash and cash equivalents		3,777,669	(536,615)
Cash and cash equivalents at beginning of year		2,421,877	2,958,492
Cash and cash equivalents at end of year		6,199,546	2,421,877

The accompanying notes are an integral part of the financial statements.

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Directors



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Bamco Supply and Services Limited
Statement of changes in shareholders' equity
For the year ended 31 March 2016

(Unit: Baht)

	Issued and fully paid-up share capital	Retained earnings	
		Unappropriated	Total
Balance as at 1 April 2014	1,000,000	11,688,526	12,688,526
Net profit for the year	-	4,651,819	4,651,819
Balance as at 31 March 2015	1,000,000	16,340,345	17,340,345
Balance as at 1 April 2015	1,000,000	16,340,345	17,340,345
Net profit for the year	-	6,527,302	6,527,302
Balance as at 31 March 2016	1,000,000	22,867,647	23,867,647

The accompanying notes are an integral part of the financial statements.

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Directors



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Bamco Supply and Services Limited
Notes to financial statements
For the year ended 31 March 2016

1. General information

Bamco Supply and Services Limited ("the Company") is a limited company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution of seepage proof products and chemical, and to provide installation service for seepage proof and heat resistant system. The registered office of the Company is at No.699 Modernform Tower 15th Floor, Srinakarin Road, Suan Luang, Suan Luang, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards applicable to non-publicly accountable entities as issued by the Federation of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

3. Significant accounting policies

3.1 Revenue recognition

Sales of goods

Sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

3.2 Cash and cash equivalents

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



3.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

3.4 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of goods is calculated by using the weighted average basis and comprises of acquisition cost, conversion cost or other cost incurred in bringing the inventories to their present location and condition.

3.5 Equipment and Depreciation

Equipment is stated at cost less accumulated depreciation and allowance for diminution in value (if any).

Depreciation of equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Machinery and equipment	-	5 years
Furniture, fixtures and office equipment	-	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

3.6 Intangible assets

Intangible assets are stated at cost less any accumulated amortisation and allowance for diminution in value (if any).

Intangible assets are amortized as expenses in the income statements on a straight-line basis over the economic useful life. A summary of the intangible assets are as follows:

	<u>Useful lives</u>
Computer software	5 years

3.7 Long-term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges,



are included in other long-term payables, which interest element is charged to the income statements over the lease period.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

3.8 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of the reporting period.

Gains and losses on exchange are included in determining income.

3.9 Provisions

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

For long-term employee benefits, the Company calculates its long-term employee benefits obligation on the basis of its best estimate of its payment obligations as at the end of the reporting period.

3.10 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

4. Use of accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.



5. Cash and cash equivalents

	(Unit: Baht)	
	<u>2016</u>	<u>2015</u>
Cash on hand	5,000	5,000
Current accounts	2,323,326	986,260
Savings accounts	3,871,220	1,430,617
Total	<u>6,199,546</u>	<u>2,421,877</u>

6. Trade and other receivables

	(Unit: Baht)	
	<u>2016</u>	<u>2015</u>
Trade accounts receivable	10,035,732	8,800,579
Other receivables	822,639	219,791
Total	<u>10,858,371</u>	<u>9,020,370</u>
Less: Allowance for doubtful accounts	(141,267)	(10,250)
Trade and other receivables – net	<u>10,717,104</u>	<u>9,010,120</u>

7. Unhedged Transactions

	<u>2016</u>		<u>2015</u>	
	Foreign currency	Thai Baht	Foreign currency	Thai Baht
Closing Balances Export Debtors	-	-	-	-
Closing Balances Other Receivables	-	-	-	-
Closing Balances Import Creditors - EUR	17,551	692,697	-	-
Closing Balances Other Payable - USD	516	18,210	-	-



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8. Inventories

	Cost		Reduce cost to net realisable value		Inventories-net	
	2016	2015	2016	2015	2016	2015
Finished goods	<u>9,502,285</u>	<u>8,119,319</u>	<u>(74,083)</u>	<u>(197,083)</u>	<u>9,428,202</u>	<u>7,922,236</u>
Total	<u>9,502,285</u>	<u>8,119,319</u>	<u>(74,083)</u>	<u>(197,083)</u>	<u>9,428,202</u>	<u>7,922,236</u>



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9. Equipment

	(Unit: Baht)
	<u>Equipment</u>
Cost	
1 April 2014	330,309
Additions	-
31 March 2015	<u>330,309</u>
Additions	-
Disposal	(32,568)
31 March 2016	<u>297,741</u>
Accumulated depreciation:	
1 April 2014	172,562
Depreciation for the year	56,817
31 March 2015	<u>229,379</u>
Depreciation for the year	34,427
Depreciation on disposals	(32,567)
31 March 2016	<u>231,239</u>
Net book value:	
31 March 2015	<u>100,930</u>
31 March 2016	<u>66,502</u>

10. Intangible assets

	(Unit: Baht)	
	<u>2016</u>	<u>2015</u>
Computer software – cost	14,598	14,598
<u>Less: Accumulated amortization</u>	<u>(12,651)</u>	<u>(10,730)</u>
Net book value	<u>1,947</u>	<u>3,868</u>
	<u>2016</u>	<u>2015</u>
Net book value at beginning year	3,868	6,457
Amortisation	(1,921)	(2,589)
Net book value at end of year	<u>1,947</u>	<u>3,868</u>



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11. Trade and other payables

	(Unit: Baht)	
	<u>2016</u>	<u>2015</u>
Trade accounts payable – related companies	-	75,707
Trade accounts payable – other companies	1,356,480	564,626
Accrued expenses	759,624	667,326
Other payable	-	37,382
Total	<u>2,116,104</u>	<u>1,345,041</u>

12. Taxes

	(Unit: Baht)	
	<u>2016</u>	<u>2015</u>
Provision for the year	1,637,914	1,250,000
Advance tax paid for the year	1,208,364	477,556
Net Provision	<u>429,550</u>	<u>772,444</u>

13. Audit Fees

	(Unit: Baht)	
	<u>2016</u>	<u>2015</u>
Audit Fees	50,000	50,000
Reimbursement of Expense	4,400	4,600
Total	<u>54,400</u>	<u>54,600</u>

14. Income tax

For the year ended March 31, 2016 and 2015, the Company recognized corporate income tax at the rate 20% of profit before tax after adjusted by allowance and other expenses which shall not be allowed as expenses in tax calculation as described in the Revenue Code.

15. Approval of financial statements

These financial statements were authorized for issue by the Company's authorized director of the Board of Director meeting on 26 April 2016.

