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PLEASE RETURN THIS COPY TO  
EY OFFICE LIMITED  
AFTER HAVING  
THE FINANCIAL STATEMENTS SIGNED

## **Independent Auditor's Report**

To the Shareholders of York Sales (Thailand) Company Limited

I have audited the accompanying financial statements of York Sales (Thailand) Company Limited which comprise the statement of financial position as at 31 March 2016, and the related statements of income and 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 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.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of York Sales (Thailand) Company Limited as at 31 March 2016, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards applicable to non-publicly accountable entities.



Manee Rattanabunnakit  
Certified Public Accountant (Thailand) No. 5313

EY Office Limited  
Bangkok: 9 May 2016

**York Sales (Thailand) Company Limited**

**Statement of financial position**

**As at 31 March 2016**

		(Unit: Baht)	
	<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		11,623,056	21,014,856
Trade and other receivables	5	13,840,899	9,671,407
Inventories	6	31,889,603	47,033,016
Advance for purchase of goods		-	20,487,619
Short-term loan to parent company	7	35,070,900	-
Other current assets		<u>494,091</u>	<u>1,810,925</u>
<b>Total current assets</b>		<u>92,918,549</u>	<u>100,017,823</u>
<b>Non-current assets</b>			
Equipment	8	647,029	836,672
Other non-current assets		<u>206,688</u>	<u>206,688</u>
<b>Total non-current assets</b>		<u>853,717</u>	<u>1,043,360</u>
<b>Total assets</b>		<u>93,772,266</u>	<u>101,061,183</u>

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

**York Sales (Thailand) Company Limited**  
**Statement of financial position (continued)**  
**As at 31 March 2016**

		(Unit: Baht)	
	<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	9	4,812,491	10,112,041
Other current liabilities		<u>569</u>	<u>129</u>
<b>Total current liabilities</b>		<u>4,813,060</u>	<u>10,112,170</u>
<b>Non-current liabilities</b>			
Provision for long-term employee benefits	10	<u>609,351</u>	<u>482,328</u>
<b>Total non-current liabilities</b>		<u>609,351</u>	<u>482,328</u>
<b>Total liabilities</b>		<u>5,422,411</u>	<u>10,594,498</u>
<b>Shareholders' equity</b>			
Share capital	11		
Registered			
20,400 preference shares of Baht 100 each		2,040,000	2,040,000
19,600 ordinary shares of Baht 100 each		<u>1,960,000</u>	<u>1,960,000</u>
		<u>4,000,000</u>	<u>4,000,000</u>
Issued and fully paid-up			
20,400 preference shares of Baht 100 each	12	2,040,000	2,040,000
19,600 ordinary shares of Baht 100 each		<u>1,960,000</u>	<u>1,960,000</u>
		4,000,000	4,000,000
Retained earnings - unappropriated		<u>84,349,855</u>	<u>86,466,685</u>
<b>Total shareholders' equity</b>		<u>88,349,855</u>	<u>90,466,685</u>
<b>Total liabilities and shareholders' equity</b>		<u>93,772,266</u>	<u>101,061,183</u>

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



..... Director

**York Sales (Thailand) Company Limited**

**Income statement**

**For the year ended 31 March 2016**

	(Unit: Baht)	
	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Sales	70,891,566	78,980,656
Other income	<u>255,297</u>	<u>36,140</u>
<b>Total revenues</b>	<u>71,146,863</u>	<u>79,016,796</u>
<b>Expenses</b>		
Cost of sales	62,190,045	71,816,542
Selling expenses	6,815,118	5,437,858
Administrative expenses	<u>4,258,530</u>	<u>3,473,498</u>
<b>Total expenses</b>	<u>73,263,693</u>	<u>80,727,898</u>
<b>Loss for the year</b>	<u>(2,116,830)</u>	<u>(1,711,102)</u>

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

**York Sales (Thailand) Company Limited**  
**Statement of changes in shareholders' equity**  
**For the year ended 31 March 2016**

(Unit: Baht)

	<u>Issued and paid-up share capital</u>		Retained earnings -	<u>Total</u>
	<u>Preference shares</u>	<u>Ordinary shares</u>	<u>unappropriated</u>	
<b>Balance as at 1 April 2014</b>	12,750	12,250	88,177,787	88,202,787
Increase share capital (Note 11)	2,027,250	1,947,750	-	3,975,000
Net loss for the year	-	-	(1,711,102)	(1,711,102)
<b>Balance as at 31 March 2015</b>	<u>2,040,000</u>	<u>1,960,000</u>	<u>86,466,685</u>	<u>90,466,685</u>
<b>Balance as at 1 April 2015</b>	2,040,000	1,960,000	86,466,685	90,466,685
Net loss for the year	-	-	(2,116,830)	(2,116,830)
<b>Balance as at 31 March 2016</b>	<u>2,040,000</u>	<u>1,960,000</u>	<u>84,349,855</u>	<u>88,349,855</u>

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

## **York Sales (Thailand) Company Limited**

### **Notes to financial statements**

**For the year ended 31 March 2016**

#### **1. General information**

York Sales (Thailand) Company Limited ("the Company") is a limited company incorporated and domiciled in Thailand. Its parent company is York Transport Equipment (Asia) Pte Ltd., which was incorporated in Singapore. The Company is principally engaged in the import and distribution of equipment and spare parts of trailers. The registered address of the Company is at 2101 Moo 1, Old Railway Road, Samrong Nua, Muang, Samutprakarn.

#### **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 recognised 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 is determined by weighted average method.

### **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 of 5 years.

Depreciation is included in determining income.

### **3.6 Long-term leases**

Leases of building 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.

### **3.7 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.

### **3.8 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.



### 3.9 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. Trade and other receivables

(Unit: Thousand Baht)

	<u>2016</u>	<u>2015</u>
Trade accounts receivable	13,595	9,671
Other receivables	246	-
Total trade and other receivables	<u>13,841</u>	<u>9,671</u>

### 6. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Finished goods	31,820	45,927	(753)	(1,172)	31,067	44,755
Goods in transit	823	2,278	-	-	823	2,278
Total	<u>32,643</u>	<u>48,205</u>	<u>(753)</u>	<u>(1,172)</u>	<u>31,890</u>	<u>47,033</u>

During the current year, the Company reversed the write-down of cost of inventories by Baht 0.4 million and reduced the amount of inventories recognised as expenses during the year (2015: reduced cost of inventories by Baht 0.8 million to reflect the net realisable value. This was included in cost of sales).

### 7. Short-term loan to parent company

As at 31 March 2016, the Company had short-term loan to parent company amounting to Baht 35 million (2015: None) which carried interest at the rate of 2.5% per annum and repayable at call.

## 8. Equipment

(Unit: Thousand Baht)

	Machinery	Furniture and fixture	Office equipment	Motor vehicles	Total
<b>Cost:</b>					
1 April 2014	31	474	635	1,022	2,162
Additions	-	-	242	-	242
Disposals	-	-	(69)	-	(69)
31 March 2015	31	474	808	1,022	2,335
Additions	-	-	39	-	39
31 March 2016	31	474	847	1,022	2,374
<b>Accumulated depreciation:</b>					
1 April 2014	30	219	597	517	1,363
Depreciation for the year	1	52	41	110	204
Accumulated depreciation on disposals	-	-	(69)	-	(69)
31 March 2015	31	271	569	627	1,498
Depreciation for the year	-	53	66	110	229
31 March 2016	31	324	635	737	1,727
<b>Net book value:</b>					
31 March 2015	-	203	239	395	837
31 March 2016	-	150	212	285	647

## 9. Trade and other payables

(Unit: Thousand Baht)

	2016	2015
Trade payables	3,716	9,341
Accrued expenses	1,096	771
Total trade and other payables	4,812	10,112

## 10. Provision for long-term employee benefits

(Unit: Thousand Baht)

At 1 April 2014	-
Increase during the year	482
At 31 March 2015	482
Increase during the year	127
At 31 March 2016	609

The provisions represent the Company's obligations payable to its employees when they reach a retirement age. They are determined based on the employee's age, length of employment services and salary increase rate, among other things.

#### **11. Share capital**

During the year 2015, the Company called up an additional 75% of the value of its 510 registered preference shares with a par value of Baht 100 each and 490 registered ordinary shares with a par value of Baht 100 each, or a total of Baht 75,000.

On 10 April 2014, the Extraordinary General Meeting of the shareholders of the Company passed a special resolution to approve an increase in its share capital from Baht 0.1 million (510 preference shares with a par value of Baht 100 each and 490 ordinary shares with a par value of Baht 100 each) to Baht 4 million (20,400 preference shares with a par value of Baht 100 each and 19,600 ordinary shares with a par value of Baht 100 each) by issuing 19,890 preference shares with a par value of Baht 100 each and 19,110 ordinary shares with a par value of Baht 100 each to the Company's existing shareholders. The Company registered the increase in share capital with the Ministry of Commerce on 7 May 2014 and received such share subscription in full.

#### **12. Preference shares**

The preference shareholders have the right to receive dividends at a fixed rate of 10% of the paid-up value of each share in preference to ordinary shareholders, in years in which a dividend is declared by the Company, but have no further rights to participate in the receipt of income, and receive no other privileges from the Company.

The preference shares carry voting rights at 10 preference shares per 1 vote and are entitled the holder to preferential return of only the paid-up capital prior to the ordinary shareholders.

#### **13. Operating lease commitments**

The Company has entered into leases and service agreements in respect of the leases of office building space and warehouse. The terms of the agreements are generally between 1 and 2 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	As at 31 March	
	<u>2016</u>	<u>2015</u>
Payable:		
In up to 1 year	0.7	1.2
In over 1 and up to 2 years	0.3	0.5

#### **14. Approval of financial statements**

These financial statements were authorised for issue by the Company's authorised director on 9 May 2016.