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## Independent Auditor's Report

To the Shareholders of York Sales (Thailand) Company Limited

### Opinion

I have audited the accompanying financial statements of York Sales (Thailand) Company Limited (the Company), which comprise the statement of financial position as at 31 March 2018, and the related statements of income and changes in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2018 and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am responsible for the audit resulting in this independent auditor's report.



Manee Rattanabunnakit  
Certified Public Accountant (Thailand) No. 5313

EY Office Limited  
Bangkok: 20 April 2018

**York Sales (Thailand) Company Limited**

**Statement of financial position**

**As at 31 March 2018**

		(Unit: Baht)	
	<u>Note</u>	<u>2018</u>	<u>2017</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		21,760,222	21,379,942
Trade and other receivables	5	16,305,924	18,766,792
Inventories	6	26,723,183	19,977,164
Short-term loan to parent company	7	31,057,300	34,285,700
Other current assets		<u>308,848</u>	<u>192,447</u>
<b>Total current assets</b>		<u>96,155,477</u>	<u>94,602,045</u>
<b>Non-current assets</b>			
Equipment	8	203,506	423,783
Other non-current assets		<u>195,722</u>	<u>206,688</u>
<b>Total non-current assets</b>		<u>399,228</u>	<u>630,471</u>
<b>Total assets</b>		<u>96,554,705</u>	<u>95,232,516</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 2018**

(Unit: Baht)

	<u>Note</u>	<u>2018</u>	<u>2017</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	9	2,143,395	4,173,408
Income tax payable		8,526	-
Other current liabilities		<u>31,756</u>	<u>301,567</u>
<b>Total current liabilities</b>		<u>2,183,677</u>	<u>4,474,975</u>
<b>Non-current liabilities</b>			
Provision for long-term employee benefits	10	<u>773,061</u>	<u>655,485</u>
<b>Total non-current liabilities</b>		<u>773,061</u>	<u>655,485</u>
<b>Total liabilities</b>		<u>2,956,738</u>	<u>5,130,460</u>
<b>Shareholders' equity</b>			
Share capital			
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	11	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>89,597,967</u>	<u>86,102,056</u>
<b>Total shareholders' equity</b>		<u>93,597,967</u>	<u>90,102,056</u>
<b>Total liabilities and shareholders' equity</b>		<u>96,554,705</u>	<u>95,232,516</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 2018**

		(Unit: Baht)	
	<u>Note</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>			
Sales		50,407,188	54,317,228
Other income		<u>872,278</u>	<u>887,153</u>
<b>Total revenues</b>		<u>51,279,466</u>	<u>55,204,381</u>
<b>Expenses</b>			
Cost of sales		35,837,259	43,716,054
Selling expenses		5,911,465	5,766,464
Administrative expenses		<u>5,060,329</u>	<u>3,969,662</u>
<b>Total expenses</b>		<u>46,809,053</u>	<u>53,452,180</u>
<b>Profit before income tax expenses</b>		4,470,413	1,752,201
Income tax expenses	12	<u>(974,502)</u>	<u>-</u>
<b>Net profit for the year</b>		<u><u>3,495,911</u></u>	<u><u>1,752,201</u></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 2018**

(Unit: Baht)

	<u>Issued and paid-up share capital</u>		<u>Retained earnings -</u>	<u>Total</u>
	<u>Preference shares</u>	<u>Ordinary shares</u>	<u>unappropriated</u>	
<b>Balance as at 1 April 2016</b>	2,040,000	1,960,000	84,349,855	88,349,855
Net profit for the year	-	-	1,752,201	1,752,201
<b>Balance as at 31 March 2017</b>	<u>2,040,000</u>	<u>1,960,000</u>	<u>86,102,056</u>	<u>90,102,056</u>
<b>Balance as at 1 April 2017</b>	2,040,000	1,960,000	86,102,056	90,102,056
Net profit for the year	-	-	3,495,911	3,495,911
<b>Balance as at 31 March 2018</b>	<u>2,040,000</u>	<u>1,960,000</u>	<u>89,597,967</u>	<u>93,597,967</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 2018**

#### **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 for 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.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

##### **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>2018</u>	<u>2017</u>
Trade accounts receivable	14,574	17,657
Other receivables	1,792	1,110
Total	<u>16,366</u>	<u>18,767</u>
Less: Allowance for doubtful accounts	(60)	-
Total trade and other receivables - net	<u><u>16,306</u></u>	<u><u>18,767</u></u>

### 6. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Finished goods	27,689	20,102	(966)	(532)	26,723	19,570
Goods in transit	-	407	-	-	-	407
Total	<u><u>27,689</u></u>	<u><u>20,509</u></u>	<u><u>(966)</u></u>	<u><u>(532)</u></u>	<u><u>26,723</u></u>	<u><u>19,977</u></u>

During the current year, the Company reduced cost of inventories by Baht 0.4 million to reflect the net realisable value. This was included in cost of sales (2017: reversed the write-down of cost of inventories by Baht 0.2 million and recorded the amount of inventories recognised as expenses during the year).

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

As at 31 March 2018, the Company had short-term loan to parent company amounting to USD 1 million (2017: USD 1 million) 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 2016	31	474	847	1,022	2,374
31 March 2017	31	474	847	1,022	2,374
31 March 2018	31	474	847	1,022	2,374
<b>Accumulated depreciation:</b>					
1 April 2016	31	324	635	737	1,727
Depreciation for the year	-	53	60	110	223
31 March 2017	31	377	695	847	1,950
Depreciation for the year	-	53	57	110	220
31 March 2018	31	430	752	957	2,170
<b>Net book value:</b>					
31 March 2017	-	97	152	175	424
31 March 2018	-	44	95	65	204

## 9. Trade and other payables

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Trade payables	610	2,997
Accrued expenses	1,533	1,176
Total trade and other payables	<u>2,143</u>	<u>4,173</u>

## 10. Provision for long-term employee benefits

(Unit: Thousand Baht)

At 1 April 2016	609
Increase during the year	<u>46</u>
At 31 March 2017	655
Increase during the year	<u>118</u>
At 31 March 2018	<u>773</u>

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. 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.

## 12. Income tax

The Company was not liable to corporate income tax for the year 2017 due to tax loss brought forward from prior year.

## 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 3 years.

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

	(Unit: Million Baht)	
	As at 31 March	
	<u>2018</u>	<u>2017</u>
Payable:		
In up to 1 year	1.3	1.0
In over 1 and up to 3 years	1.6	0.2

## 14. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 20 April 2018.