

THAI LIGHTING ASSET CO., LTD.

Financial Statements

December 31, 2016

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Thai Lighting Asset Co., Ltd.

Opinion

I have audited the financial statements Thai Lighting Asset Co., Ltd., which comprise the statement of financial position as at December 31, 2016, the income statement and statement of change in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Thai Lighting Asset Co., Ltd. as at December 31, 2016 and the result of its operations 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 Statement section of my report. I am independent of the Company in accordance with the ethical requirements by The Federation of Accounting Professions (FAP) that are relevant to my audit of the financial statement, and I have fulfilled my other responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide the basis for my opinion.

Responsibilities of Management 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.

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 judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risk 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 procedure 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 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 present the underlying transactions and events in a manner that achieves fair presentation.
-

SUREE DARARATTAWEE
71/11 Prachachuen Road, Ladyao,
Jatujak, Bangkok 10900
suree_k@mail.com

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.

A handwritten signature in blue ink, appearing to read 'S. Dararattawee'.

Suree Dararattawee.

Certified Public Accountant (Thailand) No. 4966

January 18, 2017

Thai Lighting Asset Co., Ltd.
Statements of financial position
As at December 31,

	<u>Notes</u>	<u>2016</u> <u>Baht</u>	<u>2015</u> <u>Baht</u>
<u>Assets</u>			
Current assets			
Cash equivalent		4,071,870.67	1,974.07
Other receivable		<u>3,579.75</u>	<u>-</u>
Total current assets		<u>4,075,450.42</u>	<u>1,974.07</u>
Non - current asset			
Long - term investment	3	<u>55,508,550.00</u>	<u>1,020,000.00</u>
Total non - current asset		<u>55,508,550.00</u>	<u>1,020,000.00</u>
Total assets		<u>59,584,000.42</u>	<u>1,021,974.07</u>

The financial statements were approved by The Shareholders' Meeting No. 1/2017 on 27 February, 2017.

..... Director

(Mr.Poomthep Malakul)

(The notes are an integral part of the financial statements.)

Thai Lighting Asset Co., Ltd.
Statements of financial position
As at December 31,


	2016	2015
<u>Notes</u>	<u>Baht</u>	<u>Baht</u>
<u>Liability and shareholders' equity</u>		
Current liabilities		
Other payable - related company	139,504.64	162,600.00
Other payable - related persons	125,200.00	125,200.00
Accrued expense	8,000.00	30,000.00
Total current liabilities	<u>272,704.64</u>	<u>317,800.00</u>
Shareholders' equity		
Share capital		
Authorised share capital		
456,621 Ordinary shares of 100.00 Baht each	45,662,100.00	
143,262 Preference shares of 100.00 Baht each	14,326,200.00	
5,100 Ordinary shares of 100.00 Baht each		510,000.00
4,900 Preference shares of 100.00 Baht each		490,000.00
	<u>59,988,300.00</u>	<u>1,000,000.00</u>
Issued and paid-up capital		
456,621 Ordinary shares of 100.00 Baht each	45,662,100.00	
143,262 Preference shares of 100.00 Baht each	14,326,200.00	
5,100 Ordinary shares of 100.00 Baht each		510,000.00
4,900 Preference shares of 100.00 Baht each		490,000.00
	<u>59,988,300.00</u>	<u>1,000,000.00</u>
Unappropriated retained earnings (deficits)	<u>(677,004.22)</u>	<u>(295,825.93)</u>
Total shareholders' equity	<u>59,311,295.78</u>	<u>704,174.07</u>
Total liability and shareholders' equity	<u>59,584,000.42</u>	<u>1,021,974.07</u>


 Director
 (Mr.Poomthep Malakul)

(The notes are an integral part of the financial statements.)

Thai Lighting Asset Co., Ltd.
Statements of Income
For the years ended December 31,

	2016	2015
	Baht	Baht
	<u> </u>	<u> </u>
Revenue		
Other income	1,956.16	939.29
Total revenue	<u>1,956.16</u>	<u>939.29</u>
Expense		
Administrative expenses	383,134.45	40,766.39
Total expense	<u>383,134.45</u>	<u>40,766.39</u>
Net profit (loss) for the years	<u><u>(381,178.29)</u></u>	<u><u>(39,827.10)</u></u>


 Director
 (Mr.Poomthep Malakul)

(The notes are an integral part of the financial statements.)

Thai Lighting Asset Co., Ltd.

Statements of Changes in Shareholders' Equity

For the years ended December 31, 2016 and 2015

	Issued and paid-up share capital		Unappropriated retained earnings		Total
	Ordinary shares	Preferred shares	(deficits)		
	Baht	Baht	Baht	Baht	Baht
Balance - as at December 31, 2014	510,000.00	490,000.00	(255,998.83)		744,001.17
Net profit (loss) for the year	-	-	(39,827.10)		(39,827.10)
Balance - as at December 31, 2015	510,000.00	490,000.00	(295,825.93)		704,174.07
Increased share capital (Note 4)	45,152,100.00	13,836,200.00	-		58,988,300.00
Net profit (loss) for the year	-	-	(381,178.29)		(381,178.29)
Balance - as at December 31, 2016	<u>45,662,100.00</u>	<u>14,326,200.00</u>	<u>(677,004.22)</u>		<u>59,311,295.78</u>



..... Director

(Mr.Poomthep Malakul)

(The notes are an integral part of the financial statements.)

Note 1. Business Operation

The Company was registered with the Ministry of Commerce in February 20, 2012. The nature of the business is to invest in other company for a long-term purpose.

Note 2. Summary of Significant Accounting Policies

Basis of preparation

The Company is considered as a Non-Publicly Accountable Entity.

In April 12, 2011, The Federation of Accounting Professions (FAP) issued an announcement No. 20/2554 TFRSs for NPAEs – Non-Publicly Accountable Entities, effective for Fiscal year beginning on or after January 1, 2011.

The financial statements have been presented in accordance with the requirements of The Department of Business Development announcement subject: The mandatory items, have to be presented in the financial statements, B.E. 2554, dated September 28, 2011 which is effective for the preparation of financial statements for the accounting period commencing on or after January 1, 2011.

An English version of 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 two languages, the Thai language statutory financial statements shall prevail.

Revenue and expense recognition

Revenue and expense are recognized on an accrual basis.

Cash equivalent

Cash equivalent consist of deposit at financial institution and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Long - term investment

Long - term investment in non-marketable equity securities which is classified as general investments is carried at cost.

Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.



Director

(Mr. Poomthep Malakul)

THAI LIGHTING ASSET CO., LTD.

Notes to the Financial Statements

As at December 31, 2016 and 2015

Page 2

Related parties (continued)

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles 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.

Note 3. Long – term investment

Long – term investment is shown below:

	2016 % of Ownership	2015 % of Ownership	2016 Baht	2015 Baht
Havells Sylvania (Thailand) Co., Ltd.	<u>51.00</u>	<u>51.00</u>	<u>55,508,550.00</u>	<u>1,020,000.00</u>

Note 4. Increased shares capital

In December 30, 2015 the shareholders at the Extraordinary Meeting No. 5/2016, passed a resolution to approve increase of authorized share capital from 5,100 ordinary shares with a par value of Baht 100.00 per share to 456,621 ordinary shares with a par value of Baht 100.00 per share and 4,900 preference shares with a par value of Baht 100.00 per share to 143,262 preference shares with a par value of Baht 100.00 per share. The Company registered the increased shares capital with the Ministry of Commerce in January, 2017. These increased shares capital were fully paid-up.



Director

(Mr. Poomthep Malakul)

THAI LIGHTING ASSET CO., LTD.

Notes to the Financial Statements

As at December 31, 2016 and 2015

Page 3

Note 5. Preference shares

Preference shares have preferential right as follows:

- 5.1 Receive dividend fund 99 percent of amount of preference shares, each preference share is entitled to the dividend payment before payment to ordinary shares the rest will be divided reasonably to ordinary shares.
- 5.2 Receive the dividend resulting from the asset restitution capital before ordinary shares by amount of preference shares, then payment to ordinary shares by amount of ordinary shares, the rest will be divided reasonably to preference shares.
- 5.3 Each preference share is equivalent to the ten votes.

Note 6. Approval of financial statements

These financial statements for the year ended December 31, 2016 were authorized by the Company's director. ✓



Director

(Mr. Poomthep Malakul)

