HAEMANZ ASIA PTE. LTD.
Company Registration Number. 201222149D

(Incorporated in the Republic of Singapore)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 7 SEPTEMBER 2012 (DATE OF INCORPORATION) TO 31 DECEMBER 2013

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

CONTENTS

REPORT OF THE DIRECTORS

The directors submit this annual report to the members together with the financial statements of the Company for the financial period from 7 September 2012 (date of incorporation) to 31 December 2013.

DIRECTORS

Name of director in office at the date of this report is:-

Brenden Yap Chuan

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither during nor at the end of the financial year was the Company a party to any arrangement the object of which is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The directors holding office at the end of the financial year and their interest in the share capital of the Company as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50 were as follows:-

Name of Director	Direct Interest Number of Ordinary Shares Held in the Name of the Directors	
	7 September 2012 (Date of incorporation)	31 December 2013
Brenden Yap Chuan	25	25
Chong Mei Ching	25	25

DIRECTORS' CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or has become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, Chapter 50 by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

During the financial year, no options were granted to any person or corporation to take up unissued shares in the Company.

EXERCISE OF OPTIONS

During the financial year, no shares were issued by virtue of the exercise of options to take up unissued shares.

UNISSUED SHARES UNDER OPTION

There were no unissued shares under option at the end of the financial year in respect of shares in the Company.

On behalf of the Board

Brenden Yap Chuan
Director

Singapore

Dated: 19 FEB 2014

STATEMENT BY THE DIRECTORS

In the opinion of the directors, the accompanying unaudited statement of financial position, unaudited statement of comprehensive income, unaudited statement of changes in equity and unaudited statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2013 and the results, changes in equity and cash flows of the company for the year then ended and at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

We, the directors of the abovementioned company, hereby declare that as at the end of financial period from 7 September 2012 to 31 December 2013 ("the period"), the company is exempt from audit requirements as its revenue in the year does not exceed the prescribed amount namely $5,000,000 since the previous financial year.

No notice has been received from any member under Section 205B(6) requiring the company to obtain an audit of its accounts in relation to the year; and the accounting and other records required to be kept by the company in accordance with Section 199 of the Companies Act have been so kept.

On behalf of the Board

Brenden Yap Chuan
Director

Singapore

Dated : 19 FEB 2014

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	2013 S$
ASSETS		
Current Assets		
Inventory	5	39,657
Trade and other receivables	6	19,486
Amount due from a director	7	12,477
Cash and cash equivalents	8	55
Total current assets		71,675
Total Assets		**71,675**
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	9	50
Accumulated profits		68,608
Total equity		68,658
Current Liabilities		
Trade and other payables	10	3,017
Total current liabilities		3,017
Total Equity and Liabilities		**71,675**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 7 SEPTEMBER 2012 (DATE OF INCOPORATION) TO 31 DECEMBER 2013

	Note	2013 S$
Revenues		115,585
Cost of sales		(32,441)
Gross profit		83,144
Operating expenses		(14,536)
Profit before income tax		
Income tax expense		-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**68,608**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 7 SEPTEMBER 2012 (DATE OF INCOPORATION) TO 31 DECEMBER 2013

	Share capital S$	Accumulated profits S$	Total S$
Issuance of share capital	50	-	50
Total comprehensive income for the year	-	68,608	68,608
Balance at 31 December 2013	**50**	**68,608**	**68,658**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM
7 SEPTEMBER 2012 (DATE OF INCOPORATION) TO 31 DECEMBER 2013

	Note	2013 S$
Cash flows from operating activities:		
Profit before income tax		68,608
Operating profit before working capital changes		68,608
Increase in inventory		(39,657)
Increase in trade and other receivables		(19,486)
Increase in amount due from a director		(12,477)
Increase in trade and other payables		3,017
Cash generated from operations		5
Income tax paid		-
Net cash from operating activities		5
Cash flows from financing activities:		
Issuance of share capital		50
Net cash generated from financing activities		50
Net increase in cash and cash equivalents		55
Cash and cash equivalents at beginning of financial period		-
Cash and cash equivalents at end of financial period		**55**

The accompanying notes form an integral part of and should be read in conjunction with these financial statements

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL CORPORATE INFORMATION

The financial statements of Haemanz Asia Pte. Ltd. (the "Company") for the financial period from 7 September 2012 (date of incorporation) to 31 December 2013 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by The Directors.

The Company is an exempt private company which is domiciled and incorporated in Singapore.

The Company's registered office is at 609 Jurong West Street 65 #13-542 Singapore 640609.

The principal activities of the Company are to carry on the business of retail and wholesale of household electrical appliances and equipments.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS) and related Interpretations (INT FRS). The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below. The financial statements are presented in Singapore Dollars ("SGD" or "S$").

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The preparation of financial statements in conformity with FRS requires management to make judgments, estimates and assumptions that effects the application of accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Although these estimates and underlying assumptions are based on historical experience and other factors, including expectations of future events are believed to be reasonable under the circumstances, actual results could ultimately differ from those estimates.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of preparation of financial statements (Cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects on that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

There are no judgments made by management in the application of FRS that have significant effect on the financial statements and in arriving at estimates with a significant risk of material adjustment in the next financial year.

During the financial year, the Company adopted the new or revised FRS and Interpretations of FRS (INT FRS) that are mandatory for application to its operations and effective for the current financial year. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The adoption of the new or revised FRS and INT FRS did not result in any significant changes to the Company's accounting policies.

The Company is currently evaluating the provisions of FRS, INT FRS and amendments to FRS that were issued as at the date of authorization of the financial statements but not yet effective until future periods. Preliminary assessment by the Company indicates that the initial adoption of these FRS, INT FRS and amendments to FRS has no material effect on the amounts reported for the current year.

(b) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Cost includes all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less anticipated cost of disposal and after making allowance for damaged, obsolete and slow moving items.

(c) Financial assets

i) Classification

The Company classified its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Company's only financial assets are loans and receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Financial assets (Cont'd)

i) Classification (Cont'd)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is also transferred to profit or loss.

iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised as expenses.

iv) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

v) Impairment

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

(e) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and 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. Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the reporting date, and are discounted to present value when the effect is material. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits and highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management. Restricted deposits are excluded from cash and cash equivalents.

(g) Share capital

Ordinary shares issued by the Company are classified as equity and recorded at the proceeds received, net of direct issue costs.

(h) Related party

For the purposes of these financial statements, party is considered to be related to the company if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related party may be individuals or other entities.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Revenue recognition

Revenue from the sales of goods is recognised when the Company has delivered the products to the customer and title has passed.

(j) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements of the Company are presented in Singapore Dollars, which is the Company's functional and presentation currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(k) Income tax

Income tax expense represents the sum of tax currently payable and deferred income tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred income tax liabilities are generally recognised for all taxable temporary differences and deferred income tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Income tax (Cont'd)

Deferred income tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. Deferred income tax is charged or credited to the income statement.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current income tax assets and liabilities on a net basis.

Current and deferred income tax is recognised as an expense or income in the income statement.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Deferred tax

Deferred tax assets and liabilities recognition involves making a series of assumptions. For instance the Company has to estimate the timing of the reversal of temporary differences or if it is probable that temporary differences will not reverse in the foreseeable future or the tax rates expected to apply to the period when the asset is realised or the liability is settled.

As far as deferred tax assets are concerned, their realisation ultimately depends on taxable profits being available in the future. Deferred tax assets should be recognised when it is probable that taxable profits will be available against which the deferred tax asset can be utilised and it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the Company making assumptions within its overall tax-planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability should reflect the manner in which the entity expects to recover the asset's carrying value or settle the liability.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

(b) Critical judgements made in applying accounting policies

The following is the judgement made by management in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Impairment review of plant and equipment and financial assets

The company follows the guidance of FRS 36 and 39 in determining when an item of plant and equipment or financial asset is impaired. The determination requires significant judgment of, among other factors, the duration and extent to which the fair value of the asset is less than its carrying value; and the financial health of and near-term business outlook for the business operations or financial asset, including factors such as industry and sector performance, changes in operating and financing cash flow.

5. INVENTORIES

	2013 S$
At cost	39,657

6. TRADE AND OTHER RECEIVABLES

	2013 S$
Trade receivables	
- Outside parties	14,320
Deposits	5,166
	19,486

The Company's trade and other receivables are denominated in:

	2013 S$
United States Dollars	3,666
Singapore Dollars	15,820
	19,486

7. AMOUNT DUE FROM A DIRECTOR

The amount due from a director is non-trade in nature, unsecured, interest-free and is expected to be repayable on demand.

8. CASH AND CASH EQUIVALENTS

	2013 S$
Cash at bank	55

The Company's cash and cash equivalents are denominated in Singapore Dollars.

9. SHARE CAPITAL

	2013	
	Number of issued share capital	Total share capital S$
Balance at beginning and at end of financial year	50	50

All issued shares are fully paid.

The Company has one class of ordinary share which does not have any par value and carries no right to fixed income.

10. TRADE AND OTHER PAYABLES

	2013 S$
Trade payables	
- Outside parties	1,517
Accruals	1,500
	3,017

The Company's trade and other payables are denominated in Singapore Dollars.

11. FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks arising in the normal course of business. The Company does not hold or issue derivative financial instruments for trading purpose, or to hedge against fluctuation, if any, in interest and foreign exchange rates.

11. FINANCIAL RISK MANAGEMENT (Cont'd)

The carrying amount of trade and other receivables and cash in bank represents the Company's maximum exposure to credit risk. It is the Company's policy to provide credit terms to creditworthy customers and these debts are continually reviewed and monitored and therefore, the Company does not expect to incur material credit losses. No other financial assets carry a significant exposure to credit risk. The Company has no significant concentrations of debtors in the trade and other receivables.

Credit risk

The Company placed its cash with creditworthy financial institutions.

(i) Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are substantially companies or individuals with a good collection track record with the Company.

(ii) Financial assets that are past due and/or impaired

There is no class of financial assets that is past due and/or impaired.

Liquidity risk

The company relies on its shareholder as a source of liquidity to finance its ongoing working capital requirements.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

At 31 December 2013	**Within 1 year**	**Between 2 to 5 years**	**Total**
Trade and other payables	3,017	-	3,017

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate in terms of fair value or future cash flows as a result of a fluctuation in market prices. Basically the Company is exposed to the following market price risk:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk is minimal.

11. FINANCIAL RISK MANAGEMENT (Cont'd)

Market risk (Cont'd)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has transactional currency exposure arising from transactions that are denominated in a currency other than the functional currency of the Company. The foreign currencies in which these transactions are denominated are mainly United States Dollar (USD). The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations in foreign exchange rates.

Fair values

The carrying amounts of the financial assets and financial liabilities in the financial statements approximate their fair values because of the short term of maturity of these financial instruments. The directors believe that the fair values would not differ significant from the carrying amounts recorded in the statement of financial position.

12. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial period from 7 September 2012 (date of incorporation) to 31 December 2013 were authorised for issue in accordance with a resolution of the directors.

DETAILED INCOME STATEMENT
FOR THE FINANCIAL PERIOD FROM
7 SEPTEMBER 2012 (DATE OF INCOPORATION) TO 31 DECEMBER 2013

	2013
	S$
Revenues	115,585
Cost of sales	(32,441)
Gross Profit	83,144
Operating expenses	
Accounting fee	(1,500)
Bank charges	(706)
Office supply	(177)
Printing and stationery	(4,626)
Professional fee	(3,840)
Rent	(2,859)
Telephone	(828)
	(14,536)
Profit before income tax	68,608
Income tax expense	-
Total comprehensive income	68,608

The above detailed income statement does not form part of the statutory financial statements of the Company.