



# APPAN & LOKHANDWALA ASSOCIATES

Chartered Accountants

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## C-5 Auditor's report to the Group Auditor on the audit for group audit purposes

Name(s) of component(s):	Consolidated China Consolidated Company Limited (RAK)
Group code/Component identifier:	Dubai
Year-end:	March 31 <sup>st</sup> , 2017
Currency:	USD

To: Ömer Turna and Thomas Haesmans

As requested in your instructions dated 19 January 2017, we have audited, for the purpose of your audit of the group financial statements of ALLCARGO BELGIUM NV, the special purpose financial information reporting package of Consolidated China Consolidated Company Ltd. (RAK) (a Subsidiary of ALLCARGO BELGIUM NV) and its subsidiaries (CCS Shipping Ltd, Hongkong; China Consolidation Services Ltd, Shanghai & Ecu Worldwide China (Shanghai) Ltd.(formerly known as China Consolidation Services Shipping Ltd.)) (the component and its subsidiaries are together referred to as "The Group") as of March 31, 2017 and for the year then ended.

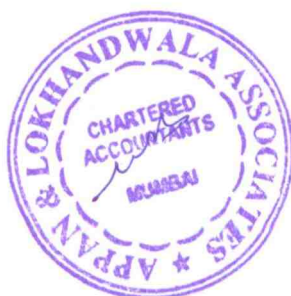
### Management's responsibility for the specified forms

Management is responsible for the preparation and presentation of the specified forms in accordance with policies and instructions contained in ALLCARGO BELGIUM NV accounting policies (Belgian GAAP). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the specified forms that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. The specified forms have been prepared for the sole purpose of consolidation into the ALLCARGO BELGIUM NV group financial statements.

### Auditor's responsibility

Our responsibility is to express an opinion on the specified forms based on our audit. We conducted our audit in accordance with International Standards on Auditing. International Standards on Auditing require that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the specified forms are free of material misstatement and to obtain audit evidence about the amount and disclosures in the specified forms. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the specified forms, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to The Group's preparation and presentation of the specified forms 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 Group's internal control. An audit also include the evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the specified forms.

As requested by you, we planned and performed our audit using The Group's materiality specified in your instructions of € 100.000, which is different from the materiality level we would have used had we been designing the audit to express an opinion on the financial statements of The Group alone.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The conclusions reached in forming our opinion are based on The Group's materiality specified by you in the context of the audit of The group's financial statements.

### **Opinion**

In our opinion, the specified forms of The Group as of March 31, 2017 and for the year then ended have been prepared, in all material respects, in accordance with Belgian GAAP.

### **Restriction on Use and Distribution**

The specified forms have been prepared for purposes of providing information to ALLCARGO BELGIUM NV to enable it to prepare the Group's financial statements. As a result, the specified forms are not a complete set of financial statements of The Group in accordance with Belgian GAAP and are not intended to present fairly, in all material respects the financial position of The Group as of March 31, 2017 and of its financial performance, and its cash flow for the year then ended in accordance with Belgian GAAP. The specified forms may, therefore, not be suitable for another purpose.

This report is intended solely for your information and use in conjunction with the audit of The group's financial statements of ALLCARGO BELGIUM NV and should not be used by anyone for any other purpose. If you have any questions on this report, please contact me.

### **For Appan & Lokhandwala Associates**

*Chartered Accountants*

FRN: 117040W



*M. Subramanian*

*Partner*

Place: Mumbai

Date: 03/05/2017

**COMPANY NAME :**  
**CURRENCY :**

**CONSOLIDATED CHINA CONSOLIDATED COMPANY LTD.**  
**USD**

**Consolidated Balance Sheet**

**31/03/2017**

**31/03/2016**

**ASSETS**

**FIXED ASSETS**

	<b>1,320,671</b>	<b>20,545,165</b>
<b>I. Intangible fixed assets(NBV)</b>	<b>992,671</b>	<b>9,703,448</b>
<b>II. Tangible fixed assets(NBV)</b>	<b>224,267</b>	<b>286,818</b>
A. Office equipment (fax,copier..)/ furniture & vehicles	224,267	286,818
<b>III. Financial fixed assets</b>	<b>103,733</b>	<b>10,554,899</b>
A. Deposits	103,733	229,899
B. Long Term Loans Receivable	-	10,325,000

**CURRENT ASSETS**

	<b>9,541,219</b>	<b>11,245,271</b>
<b>IV. Amounts receivable within one year</b>	<b>7,898,361</b>	<b>8,763,750</b>
A. Trade debtors/Bad debt/Sales accruals	4,113,736	3,619,258
Debtors ( Total Accounts Receivables )	4,113,736	3,619,258
B. Other amounts receivable < 1 year	3,784,625	5,144,492
<b>V. Cash at bank and in hand</b>	<b>1,548,078</b>	<b>1,391,607</b>
<b>VI. Deferred charges / Accrued income</b>	<b>94,780</b>	<b>1,089,914</b>
<b>TOTAL ASSETS</b>	<b>10,861,890</b>	<b>31,790,436</b>

**For Appan & Lokhandwala Associates**  
Chartered Accountants  
FRN: 117040W

**M. Subramanian**  
Partner

Place: Mumbai

Date: 03/05/2017



**For and on behalf of Board of Directors of**  
**China Consolidated Company Ltd., RAK**

**Saleem Nazir**  
Director

Place: Antwerp

Date: 02/05/2017



**COMPANY NAME :**  
**CURRENCY :**

**CONSOLIDATED CHINA CONSOLIDATED COMPANY LTD.**  
**USD**

**Consolidated Balance Sheet**

**31/03/2017**

**31/03/2016**

**LIABILITIES**

**CAPITAL & RESERVES**

	<b>3,169,484</b>	<b>24,855,651</b>
<b>VII. Capital</b>	<b>100,000</b>	<b>15,000,000</b>
Issued Capital	100,000	15,000,000
<b>VIII. Exchange Translation Reserve</b>	<b>22,512</b>	<b>59,589</b>
<b>IX. Revaluation Surpluses</b>	<b>357</b>	<b>380</b>
<b>X. Capital Reserves</b>	<b>6,013,446</b>	<b>681,937</b>
<b>XI. Reserves</b>	<b>9,675</b>	<b>26,197</b>
<b>XII. Accumulated Result</b>	<b>(2,976,506)</b>	<b>9,087,548</b>
<b>XIII. Minority Interest</b>	<b>902,056</b>	<b>945,057</b>
<b>XIV. CURRENT LIABILITIES</b>	<b>5,656,708</b>	<b>3,871,168</b>
A. Creditors and Accruals invoices receivable	<b>3,912,947</b>	<b>3,012,306</b>
Creditors ( Accounts Payables )	3,912,947	3,012,306
B. Taxes (income tax, taxes on salaries)	<b>9,666</b>	<b>43,399</b>
C. Salaries, social security, provision holiday pay,...	<b>386,073</b>	<b>305,480</b>
D. Other amounts payable	<b>1,348,022</b>	<b>509,983</b>
<b>XV. Deferred income / Accrued charges</b>	<b>1,133,642</b>	<b>2,118,560</b>
<b>TOTAL LIABILITIES</b>	<b>10,861,890</b>	<b>31,790,436</b>

**For Appan & Lokhandwala Associates**

Chartered Accountants

FRN: 117040W

**M. Subramanian**

Partner

Place: Mumbai

Date: 03/05/2017



**For and on behalf of Board of Directors of  
China Consolidated Company Ltd., RAK**

**Saleem Nazir**

Director

Place: Antwerp

Date: 02/05/2017

**COMPANY NAME :**

**CURRENCY :**

**CONSOLIDATED CHINA CONSOLIDATED COMPANY LTD.**

**USD**

**Consolidated Profit & Loss Account**

		<b><u>For the period</u></b> <b><u>ended</u></b> <b><u>31/03/2017</u></b>	<b><u>For the year</u></b> <b><u>ended</u></b> <b><u>31/03/2016</u></b>
	<b><u>REVENUES</u></b>	<b><u>44,212,155</u></b>	<b><u>43,343,109</u></b>
XVI.	Operating Income (incl. operational accruals)	44,161,233	43,274,681
XVII.	Other operating income	50,922	68,428
	<b><u>CHARGES</u></b>	<b><u>41,259,491</u></b>	<b><u>42,757,912</u></b>
XVIII.	Operating Expenses (incl. operational accruals)	34,214,809	36,081,706
XIX.	General and administrative expenses	951,508	984,845
XX.	Staff Expenses	5,933,879	5,389,349
XXI.	Other operating expenses	159,295	302,012
	<b><u>EBITDA</u></b>	<b><u>2,952,664</u></b>	<b><u>585,197</u></b>
XXII.	Depreciations on fixed assets	305,105	306,695
	<b><u>OPERATING RESULT</u></b>	<b><u>2,647,559</u></b>	<b><u>278,502</u></b>
XXIII.	<b><u>FINANCIAL REVENUES</u></b>	<b><u>221,703</u></b>	<b><u>566,673</u></b>
	Financial Revenues without exchange profit	221,527	566,673
	Exchange profit	176	
XXIV.	<b><u>FINANCIAL COSTS</u></b>	<b><u>155,819</u></b>	<b><u>70,913</u></b>
	Financial costs without exchange costs	15,449	12,292
	Exchange costs	140,370	58,621
	<b><u>FINANCIAL RESULT</u></b>	<b><u>65,884</u></b>	<b><u>495,760</u></b>
	<b><u>EXCEPTIONAL COSTS</u></b>	<b><u>11,971,957</u></b>	<b><u>-</u></b>
	<b><u>RESULT BEFORE TAXES</u></b>	<b><u>-9,258,515</u></b>	<b><u>774,262</u></b>
	<b><u>INCOME TAXES</u></b>	<b><u>30,945</u></b>	<b><u>53,393</u></b>
	<b><u>NET RESULT FOR THE PERIOD</u></b>	<b><u>-9,289,460</u></b>	<b><u>720,869</u></b>
	<b><u>SHARE OF MINORITY INTEREST</u></b>	<b><u>-2,363</u></b>	<b><u>32,444</u></b>
	<b><u>GOODWILL WRITTEN OFF DURING THE PERIOD</u></b>	<b><u>2,241,994</u></b>	<b><u>2,153,279</u></b>
	<b><u>NET RESULT FOR THE PERIOD</u></b>	<b><u>-11,529,091</u></b>	<b><u>-1,464,854</u></b>

**For Appan & Lokhandwala Associates**

**Chartered Accountants**

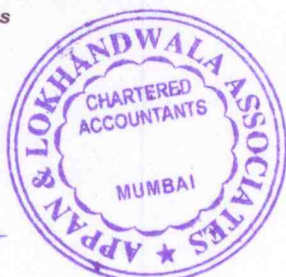
**FRN: 117040W**

**M. Subramanian**

**Partner**

**Place: Mumbai**

**Date: 03/05/2017**



**For and on behalf of Board of Directors of**

**China Consolidated Company Ltd., RAK**

**Saleem Nazir**

**Director**

**Place: Antwerp**

**Date: 02/05/2017**

**CHINA CONSOLIDATED CO. LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**  
*(Amount in USD)*

**I. Intangible fixed assets(NBV)**

Description	01/04/2016			FY 2016-17				31/03/2017		
	At Cost	Accumulated Depreciation	Net Book Value	Additions	Disposals (Cost)	Disposals (Acc Dep)	Disposals (Book Value)	Depreciation	Net Book Value	Accumulated Depreciation
Intangible Fixed Assets										
- Concessions, patents, licences	1,917,657	1,006,763	910,894	-	-	-	-	191,763	719,131	1,198,526
- Goodwill	22,419,942	13,265,133	9,154,809	-	21,532,787	14,893,512	6,639,275	2,241,994	273,540	813,615
<b>Total</b>	<b>24,337,599</b>	<b>14,271,896</b>	<b>10,065,702</b>	<b>-</b>	<b>21,532,787</b>	<b>14,893,512</b>	<b>6,639,275</b>	<b>2,433,757</b>	<b>992,671</b>	<b>1,812,142</b>

**II. Tangible fixed assets(NBV)**

Description	01/04/2016			FY 2016-17						31/3/2017		
	At Cost	Accumulated Depreciation	Net Book Value	Additions	Disposals (Cost)	Disposals (Acc Dep)	Disposals (Book Value)	Exchange differences	Depreciation	Net Book Value	At Cost	Accumulated Depreciation
Tangible Fixed Assets												
- Office equipment (including vehicles & furniture)	1,066,946	780,128	286,818	81,349	38,954	24,996	13,958	(16,600)	113,342	224,267	1,109,341	885,074
<b>Total</b>	<b>1,066,946</b>	<b>780,128</b>	<b>286,818</b>	<b>81,349</b>	<b>38,954</b>	<b>24,996</b>	<b>13,958</b>	<b>(16,600)</b>	<b>113,342</b>	<b>224,267</b>	<b>1,109,341</b>	<b>885,074</b>



**CHINA CONSOLIDATED CO. LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**  
*(Amount in USD)*

	<u>2,017</u>	<u>2,016</u>
<b>III. Financial fixed assets</b>		
A. Deposits given		
Other Deposit and Guarantees	103,733	229,899
A	<u>103,733</u>	<u>229,899</u>
B. Long Term Loans Receivable		
Intercompany	-	10,325,000
B	<u>-</u>	<u>10,325,000</u>
A + B	<u>103,733</u>	<u>10,554,899</u>
<b>IV. Amounts receivable within one year</b>		
A. Trade debtors/Bad debt/Sales accruals		
Debtors ( Total Accounts Receivables )		
Outstanding for less Than 6 Months		
Parties other than intercompany	1,715,809	1,305,860
Intercompany	2,311,988	2,249,877
A	<u>4,027,797</u>	<u>3,555,737</u>
Outstanding for more Than 6 Months		
Parties other than intercompany	35,412	43,425
Intercompany	50,527	20,096
B	<u>85,939</u>	<u>63,521</u>
C = A+B	<u>4,113,736</u>	<u>3,619,258</u>
B. Other amounts receivable < 1 year		
Interest receivable from intercompany	-	563,254
Other receivables Intercompany	3,784,625	4,581,238
D	<u>3,784,625</u>	<u>5,144,492</u>
C+D	<u>7,898,361</u>	<u>8,763,750</u>
<b>V. Cash at bank and in hand</b>		
Cash at bank	1,527,675	1,352,847
Petty cash	20,403	38,760
	<u>1,548,078</u>	<u>1,391,607</u>
<b>VI. Deferred charges / Accrued income</b>		
Prepaid Expenses	56,450	83,027
Capital advances	-	45,413
Advance to supplier	-	19,747
Advance rent paid	38,330	35,828
Long-term deferred asset	-	904,221
Others	-	1,678
	<u>94,780</u>	<u>1,089,914</u>

**CHINA CONSOLIDATED CO. LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**  
*(Amount in USD)*

**VIII. Exchange Translation Reserve**

	<u>2,017</u>	<u>2,016</u>
At the commencement of the year	59,589	126,751
Less : Exchange gain/(loss) movement during the year	(37,077)	(67,162)
At the end of the year	<u>22,512</u>	<u>59,589</u>

**IX. Revaluation Surpluses**

At the commencement of the year	380	401
Less : Exchange gain/(loss) movement during the year	(23)	(21)
At the end of the year	<u>357</u>	<u>380</u>

**X. Capital Reserves**

At the commencement of the year	681,937	683,009
Add : Transfer from Goodwill because of impairment	5,332,681	-
Less : Exchange gain/(loss) movement during the year	(1,172)	(1,072)
At the end of the year	<u>6,013,446</u>	<u>681,937</u>

**XI. Reserves**

At the commencement of the year	26,197	26,642
Add : Amount transferred from surplus	10,062	14,379
Less : Exchange gain/(loss) movement during the year	(26,584)	(14,824)
At the end of the year	<u>9,675</u>	<u>26,197</u>

**XII. Accumulated Result**

At the commencement of the year	9,087,548	10,566,781
Less : Loss for the year	(11,529,091)	(1,464,854)
Less : Amount transferred to reserve	(10,062)	(14,379)
Less : Accumulated Goodwill w/off till March 2016 of deferred as	(524,901)	-
At the end of the year	<u>(2,976,506)</u>	<u>9,087,548</u>



**CHINA CONSOLIDATED CO. LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**  
*(Amount in USD)*

**XIV. CURRENT LIABILITIES**

**A. Creditors and Accruals invoices receivable**

**Creditors ( Accounts Payables )**

Outstanding for less than 6 Months

Parties Other than Intercompany

Intercompany

2,497,281

1,380,459

619,650

1,411,737

A

3,116,931

2,792,196

Outstanding for more than 6 Months

Parties Other than Intercompany

Intercompany

27,775

215,068

768,241

5,042

B

796,016

220,110

C = A + B

3,912,947

3,012,306

**B. Taxes (income tax, taxes on salaries)**

Withholding tax on salaries

20,613

15,197

Provision for Corporate Income tax

(16,747)

16,500

With Holding Tax payable/Other income tax,  
tax or related tax matters to pay

1,154

VAT to pay

5,800

10,548

D

9,666

43,399

**C. Salaries, social security, provision holiday pay,...**

Salaries

386,073

305,480

E

386,073

305,480

**D. Other amounts payable**

Advance received from customers

81,464

259,210

Deposit

-

1,554

Intercompany payable

817,235

126,000

Commission payable

449,323

123,219

F

1,348,022

509,983

C + D + E + F

5,656,708

3,871,168

**XV. Deferred income / Accrued charges**

Accrual for Operational Costs

1,131,134

1,945,534

Provision for Admin Expenses

2,509

173,026

1,133,642

2,118,560

**CHINA CONSOLIDATED CO. LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

*(Amount in USD)*

	<u>2,017</u>	<u>2,016</u>
<b>XIX. General and administrative expenses</b>		
Rent	119,018	107,527
Repairs & Maintenance	94,167	91,918
Water, gas, electricity & heating charges	66,522	77,820
Office and computer supplies	201,811	264,922
Communication Charges	214,310	191,389
Entertainment Expenses	47,323	65,208
Travel expenses	81,911	69,886
Legal & Professional Fees	24,059	42,609
Other Office Expenses	102,387	73,566
	<u>951,508</u>	<u>984,845</u>
<b>XX. Staff Expenses</b>		
Salary employees	4,547,792	4,226,475
Social security contribution	1,237,032	1,030,596
Other staff charges	149,055	132,278
	<u>5,933,879</u>	<u>5,389,349</u>
<b>XXIV. Other operating expenses</b>		
Bad Debts Write Offs	-	180,000
income tax/other G&A	5,710	11,580
Other operating charges	153,585	110,432
	<u>159,295</u>	<u>302,012</u>