

CORUS TUBES POLAND Ltd.

Grabiszyńska 241, 53-234 Wrocław
NIP: 9121679521 REGON: 932057381

FINANCIAL STATEMENT

**For the accounting period
from 1st April 2016 to 31st March 2017**

**Financial statement for the accounting period
from 1st April 2016 to 31st March 2017**

To the shareholders of CORUS TUBES POLAND Ltd.

In compliance with the provisions of the act dated 29th September 1994 – Accounting Law (Dz. U. /Legal Journal/ year 2016, item 1047 with further amendments) the Management Board is obliged to ensure the preparation of an annual financial statement giving a true and fair view of the Company's asset and financial situation at the end of the accounting period as well as the financial result and profitability in a given year.

Balance sheet, profit and loss account and the notes to the financial statement were drawn up in compliance with the act – Accounting Law and presented herein in the following order:

	Page
Introduction to the financial statement	[3]
Balance sheet as on 31 st March 2017, showing on the assets and equity and liabilities side the balance sheet total of 145 319,84 PLN	[6]
Profit and loss account (comparative classification) in the accounting period from 1 st April 2016 to 31 st March 2017, with a net loss of PLN 506,05	[9]
Notes and explanatory notes to the financial statement	[11]

The Management Board's report forms an enclosure to this financial statement.

President of the Management Board
Remco Blaauw

Person responsible for keeping the books of accounts
Elzbieta Szustkowska

Wrocław, 30th June 2017

1. Information about the Company

- a. The company was founded as a result of concluding the Articles of association, signed on 23rd August 1999 on a notarial act, Repertory A No. 2497/99 in the notary's office before a notary in Strzelin Margaret Paluszek. Pursuant to the agreement, the Company has been concluded for an indefinite period.
- b. The Company's seat is located in Wrocław, in Grabiszyńska 241.
- c. By way of a decision of the District Court in Opole, Economic Department VIII of KRS /National Court Register/, dated 28th August 2002, the Company was entered into the National Court Register – Register of Entrepreneurs under number KRS 0000128407.

2. Principles adopted for drawing up the financial statement

- a. This financial statement covers the period from 01.04.2016 to 31.03.2017 and was prepared on the assumption that the Company would continue its operation in the foreseeable future (going concern concept) and that the Company did not intend or would not be forced to abandon its activity or significantly reduce its scope.
- b. In accordance with the knowledge of the Company's Management Board there are no circumstances that would indicate a hazard to continuing the activity by the Company.

3. Adopted accounting principles and methods

The accounting principles adopted for drawing up the financial statement are compliant with the act dated 29th September 1994 – Accounting Law (Dz. U. year 2016, item 1047 with further amendments), hereinafter referred to as the Act, which defines, among others, the accounting principles for the entities having their seat or the place of management within the territory of the Republic of Poland.

Respective items of assets and equity and liabilities are valued according to their incurred acquisition costs, respecting the prudence concept . .

4. Intangible fixed assets, fixed assets

Intangible fixed assets, fixed assets and fixed assets under construction are valued according to their acquisition prices or production cost, decreased by the hitherto made depreciation. Depreciation charges are made by applying the straight line depreciation method.

For depreciation of fixed assets and intangible fixed assets are applied rates stipulated in the List of annual depreciation rates, enclosed to tax regulations or settled individually in accordance with depreciation plan.

For the fixed assets with regard to which there is a suspicion that in the foreseeable future they will not bring any economic benefits, provisions for permanent impairment losses are created.

For the basic groups of fixed assets the Company applies the following annual depreciation rates:

- | | | |
|-------------------------------------|----|-------|
| a) for intangible fixed assets: | | |
| - other intangible fixed asset | | 50 % |
| b) for fixed assets: | | |
| - technical equipment and machinery | 7 | - 30% |
| - other fixed assets | 10 | - 25% |

5. Long-term investments

Purchased or originated financial assets and other investments are recognised on the day of their acquisition or origination according to their acquisition prices. As on the balance sheet date shares in other entities classified to fixed assets are valued according to acquisition prices.

6. Receivables and liabilities

Receivables and liabilities (including those by virtue of credits and loans) in the Polish currency are recognised according to the value subject to payment. Receivables and liabilities in other currencies are recognised at the time of their origination according to the average exchange rate determined by the President of NBP (National Bank of Poland) for a given currency. Positive or negative foreign exchange differences originating on the date of payment and resulting from the difference between the foreign exchange rate on that day and the foreign exchange rate effective on the day when an account receivable or payable originated, are classified into financial income or costs, respectively.

Accounts receivable and payable in a foreign currency which remained unsettled as on the balance sheet date are valued according to the average foreign exchange rate published by the NBP for given foreign currency as effective on that day. Valuation of assets expressed in foreign currency as on the balance sheet date, with the consideration of above-mentioned, can't be higher and for liabilities – lower, than their value calculated to Polish currency as per the average foreign exchange rate determined by the NBP on that day.

The value of accounts receivable is subject to revaluation taking into consideration the probability of their payment, by making a valuation allowance.

7. Cash

Domestic cash in hand and at bank is valued according to its face value. The inflow of foreign currencies into the foreign currency bank account is valued according to the buying rates of exchange, used on that day by the bank keeping the foreign exchange account, while the outflow of currencies is valued according to the selling rates of exchange effective on the date of outflow. As on the balance sheet date cash was valued according to the average foreign exchange rate published by NBP for a given foreign currency as effective on that day. Foreign exchange differences determined at the end of the accounting year affect the financial result, namely, positive ones – are recognised as financial income, while negative ones – as financial costs.

8. Capitals

The share capital is recognized in the amount specified in the agreement and entered into the Court Register. Declared but not contributed capitals are recognized as capital not paid-in.

The supplementary capital is formed by appropriations from the Company's yearly net profit.

9. Provisions for liabilities

Provisions for liabilities are created in the case where their amounts or maturity dates are doubtful, while their origination is certain or highly probable, they result from historic events and it is possible to make their reliable estimate.

10. Prepayments and accruals and deferred income

In the case of incurring expenses concerning the future accounting periods the Company makes prepayments. The costs settled over time include car insurance and services related to web domain.

The Company makes accruals in the amount of probable liabilities attributable to the current accounting period, resulting from performances made by its contacting parties for the Company's benefit and from the obligation of rendering future performances, which amount can be estimated, although the date of their origination is not known yet.

No accruals were made on the end of the accounting year.

11. Revenues from future periods

In the case of the Company revenues from future periods include particularly: the equivalent of received advanced payments in the virtue of performances, which will be rendered in future accounting periods.

12. Financial result

The financial result comprises: profit/loss on sale, other operating revenue/costs, financial income/costs, statutory appropriations of profit and extraordinary gains/losses. The Company determines its financial result by adopting the comparative classification format.

The revenue from sales of products, i.e. sales of services, is the corresponding amount due to be paid by the customer, decreased by output VAT. Sales can be recognised when customer has received the service. In the case of the Company The revenue from sales of products includes firms of all the sale of job placement services outside the country.

The costs of products are the production costs of services, which are proportional to revenue from sales.

Other operating revenue and costs are the costs and revenue which are not directly related to the ordinary course of business, but which affect the financial result.

The financial income includes the revenue from financial operations, while **financial costs** include expenses incurred for financial operations. Interest, commission and foreign exchange differences concerning fixed assets under construction increase the acquisition value of these assets. Negative foreign exchange differences and interest on liabilities and investment loans are charged into the financial costs after the fixed assets have been transferred for use.

The result on extraordinary items is the difference between the realised extraordinary gains and the incurred extraordinary losses.

President of the Management Board
Remco Blaauw

Person responsible for keeping the books of accounts
Elżbieta Szustkowska

Wrocław, 30th June 2017

BALANCE SHEET as on 31st March 2017

ASSETS		AS AT IN PLN	
		31.03.2017	31.03.2016
1	2	3	4
A	FIXED ASSETS (I+II+III+IV+V)	0,00	0,00
I	Intangible Assets	0,00	0,00
II	Tangible assets	0,00	0,00
III	Long-term receivables	0,00	0,00
IV	Long-term investments	0,00	0,00
V	Long-term prepayments and accruals	0,00	0,00
B	CURRENT ASSETS (I+II+III+IV)	145 319,84	155 876,47
I	Stocks	0,00	0,00
II	Short-term receivables (1 to 2)	44 975,00	42 629,00
1	Amounts due from related undertakings (a-b)	0,00	0,00
	a) trade receivables with a maturity of:	0,00	0,00
	b) other	0,00	0,00
2	Amounts due from other undertakings (a-d)	44 975,00	42 629,00
	a) trade receivables with a maturity of:	0,00	0,00
	b) receivables relative to taxes, subsidies, customs duties, social and health securities and other benefits	44 975,00	42 629,00
	c) other	0,00	0,00
	d) receivables under litigation	0,00	0,00
III	Short-term investments (1 to 2)	100 344,84	113 247,47
1	Short-term financial assets (a-c)	100 344,84	113 247,47
	a) in related undertakings	0,00	0,00
	b) in other undertakings	0,00	0,00
	c) cash and other money assets	100 344,84	113 247,47
	- cash in hand and at bank	100 344,84	113 247,47
	- other cash and cash equivalents	0,00	0,00
	- other money assets	0,00	0,00
2	Other short-term investments	0,00	0,00
IV	Short-term prepayments and accruals	0,00	0,00
	TOTAL ASSETS	145 319,84	155 876,47

BALANCE SHEET as on 31st March 2017 (contd.)

		AS AT IN PLN	
		31.03.2017	31.03.2016
LIABILITIES			
1	2	3	4
A	EQUITY (OWN FUNDS) (I+II+III+IV+V+VI+VII+VIII+IX)	-228 935,79	-228 429,74
I	Primary capital (fund)	50 000,00	50 000,00
II	Called up share capital (negative figure)	0,00	0,00
III	Own shares (negative figure)	0,00	0,00
IV	Capital reserve (fund)	0,00	0,00
V	Revaluation reserve (fund)	0,00	0,00
VI	Other capital reserves (funds)	0,00	0,00
VII	Profits (losses) brought forward	-278 429,74	-277 970,15
VIII	Net profit (loss)	-506,05	-459,59
IX	Write-offs from net profit during the financial year (negative figure)	0,00	0,00
B	LIABILITIES AND RESERVES FOR LIABILITIES (I+II+III+IV)	374 255,63	384 306,21
I	Reserves for liabilities	0,00	0,00
II	Long-term liabilities (1 to 2)	0,00	0,00
1	Amounts due to related undertakings	0,00	0,00
2	Amounts due to other undertakings	0,00	0,00
III	Short-term creditors (1 to 3)	374 255,63	384 306,21
1	Related undertakings (a-b)	373 394,63	384 306,21
	a) trade liabilities with maturity of:	0,00	7 211,58
	- up to 12 months	0,00	0,00
	- over 12 months	0,00	7 211,58
	b) other	373 394,63	377 094,63
2	Amounts due to other undertakings (a-i)	861,00	0,00
	a) credits and loans	0,00	0,00
	b) relative to debt securities issued	0,00	0,00
	c) other financial liabilities	0,00	0,00
	d) trade liabilities with maturity of:	861,00	0,00
	- up to 12 months	861,00	0,00
	- over 12 months	0,00	0,00
	e) advances received for supplies	0,00	0,00

Financial statement for the accounting period from 1st April 2016 to 31st March 2017
CORUS TUBES POLAND Ltd.

	f) commitments under bills of exchange	0,00	0,00
	g) taxes, customs duties, insurance and other benefits to be paid	0,00	0,00
	h) wages and salaries	0,00	0,00
	i) other	0,00	0,00
3	Special funds	0,00	0,00
IV	Accruals (1 to 2)	0,00	0,00
1	Negative goodwill	0,00	0,00
2	Other accruals	0,00	0,00
	- long-term	0,00	0,00
	- short-term	0,00	0,00
	TOTAL LIABILITIES	145 319,84	155 876,47

President of the Management Board
Remco Blaauw

Person responsible for keeping the books of accounts
Elżbieta Szustkowska

Wrocław, 30th June 2017

**PROFIT AND LOSS ACCOUNT (comparative classification)
for the accounting period from 1st April 2016 to 31st March 2017**

		IN PLN FOR THE YEAR	
		01.04.16 - 31.03.17	01.04.15 - 31.03.16
1	2	3	4
A.	Net income from sales and equivalent income, of which	0,00	0,00
	- from related undertakings	0,00	0,00
I.	Net income from sale of products	0,00	0,00
II.	Change in stocks of products (increase - positive figure, decrease - negative figure)	0,00	0,00
III.	Cost of work performed by the undertaking for its own purposes	0,00	0,00
IV.	Net income from sale of goods and materials	0,00	0,00
B.	Operating costs	11 646,00	11 653,02
I.	Amortization and depreciation	0,00	0,00
II.	Consumption of materials and energy	0,00	0,00
III.	Outsourcing	11 506,00	11 513,02
IV.	Taxes and charges, of which:	140,00	140,00
	- excise duty	0,00	0,00
V.	Wages and salaries	0,00	0,00
VI.	Social securities and other benefits	0,00	0,00
VII.	Other costs	0,00	0,00
VIII.	Value of goods and material sold	0,00	0,00
C.	PROFIT (LOSS) ON SALE (A-B)	-11 646,00	-11 653,02
D.	Other operating income	10 911,58	11 641,93
I.	Profit on sale of non-financial fixed assets	0,00	0,00
II.	Grants	0,00	0,00
III.	Other operating income	10 911,58	11 641,93
E.	Other operating costs	0,00	430,50
I.	Loss on sale of non-financial fixed assets	0,00	0,00
II.	Revaluation of non-financial assets	0,00	0,00
III.	Other operating costs	0,00	430,50
F.	OPERATING PROFIT (LOSS) (C+D-E)	-734,42	-441,59
G.	Financial income	241,59	293,97
I.	Dyvidends and shares in the profits, of which:	0,00	0,00
	- from related undertakings	0,00	0,00

Financial statement for the accounting period from 1st April 2016 to 31st March 2017
CORUS TUBES POLAND Ltd.

II.	Interests received, of which:	241,59	293,97
	- from related undertakings	0,00	0,00
III.	Profit on sale of investments	0,00	0,00
IV.	Revaluation of investments	0,00	0,00
V	Other	0,00	0,00
H.	Financial costs	13,22	311,97
I.	Interests, of which:	0,00	0,00
	- to related undertakings	0,00	0,00
II.	Loss on sale of investments	0,00	0,00
III.	Revaluation of investments	0,00	0,00
IV.	Other	13,22	311,97
I.	PROFIT (LOSS) ON BUSINESS ACTIVITIES (F+G-H)	-506,05	-459,59
J.	Result of extraordinary events (J.I - J.II)	0,00	0,00
I	Extraordinary profits	0,00	0,00
II	Extraordinary losses	0,00	0,00
K.	GROSS PROFIT (LOSS) (I+/-J)	-506,05	-459,59
L.	Income tax	0,00	0,00
M.	Other obligatory reductions of profit (increase of loss)	0,00	0,00
N.	NET PROFIT (LOSS) (K-L-M)	-506,05	-459,59

President of the Management Board
Remco Blaauw

Person responsible for keeping the books of accounts
Elżbieta Szustkowska

Wrocław, 30th June 2017

1. Intangible fixed assets – increase/decrease during the accounting period

There were no intangible fixed assets

2. Fixed assets – increase/decrease in the accounting period

There were no fixed assets.

3. Land – own and in perpetual usufruct

Company does not have any own land or perpetual usufruct.

4. Inventories

Company does not have any inventories.

5. Short-term receivables

5.1. Receivables from the State budget (by virtue of taxes, subsidies, customs, social security and health insurance and other performances)

	31 st March 2017	31 st March 2016
	PLN	PLN
VAT	44 975,00	42 629,00
Total receivables (gross)	44 975,00	42 629,00
Impairment write-down on receivables	0,00	0,00
Total receivables (net)	44 975,00	42 629,00

6. Cash

	31 st March 2017	31 st March 2016
	PLN	PLN
Cash in hand	62,80	62,80
Cash at bank	100 282,04	113 184,67
Total cash	100 344,84	113 247,47

7. Short-term prepayments

There were no short -term prepayments.

8. Share capital

	12 months up to 31 st March 2017	12 months up to 31 st March 2016
	PLN	PLN
Opening balance	50 000,00	50 000,00
End of period	50 000,00	50 000,00

According to entries to book of shares, share capital of the Company at the balance sheet amounted to 50 000,00 PLN and was divided into 100 equal, indivisible shares with a nominal value of 500,00 PLN each and consisted of assets of foreign corporation.

On the balance sheet date, shareholders of the Company possessing more than 5% of the votes were:

Financial statement for the accounting period from 1st April 2016 to 31st March 2017
CORUS TUBES POLAND Ltd.

	Shares' number	% votes
Tata Steel Nederland Tubes B.V.	98	98
	98	98

9. Capitals: supplementary and reserve – changes during accounting year

The company does not have inventories.

10. Financial result

Net loss for financial period from 1.04.2016 to 31.03.2017 is PLN 506,05. After board's decision, Net loss will be covered from the future gains of the Company.

11. Short-term liabilities

11.1. Trade liabilities to related parties, by maturity date

	31'st March 2017	31'st March 2016
	PLN	PLN
Current liabilities:	0,00	0,00
<i>More than 6months until 1year</i>	0,00	0,00
Overdue liabilities	0,00	7 211,58
	0,00	7 211,58

11.2. Other liabilities to related entities

	31'st March 2017	31'st March 2016
	PLN	PLN
Loan	373 394,63	377 094,63
	373 394,63	377 094,63

11.3. Trade liabilities to other parties, by maturity date

	31'st March 2017	31'st March 2016
	zł	zł
Current liabilities:	861,00	0,00
<i>More than 6months until 1year</i>	861,00	0,00
Overdue liabilities	0,00	0,00
	861,00	0,00

11.3. Trade liabilities to other entities, by maturity date

Liabilities towards other notified others do not occur.

12. Sales breakdown by categories and territories – revenue from sales of products, trade goods and materials

The company has no revenue from sales of products, trade goods and materials.

13. In the period from 1.04.2016 - 31.03.2017 costs of fixed assets under construction and fixed assets for own needs, incurred for work performed by the entity (in PLN).

Company didn't incur any costs of fixed assets under construction and fixed assets for own needs, incurred for work performed by the entity.

14. Other operating revenue

	12 months up to 31st March 2017	12 months up to 31st March 2016
Profit on sale of non-financial fixe asstes	0,00	0,00
Other	10 911,58	11 641,93
	<u>10 911,58</u>	<u>11 641,93</u>

15. Other operating costs

	12 months up to 31st March 2017	12 months up to 31st March 2016
	PLN	PLN
Other	0,00	430,50
	<u>0,00</u>	<u>430,50</u>

16. Financial income

	12 months up to 31st March 2017	12 months up to 31st March 2016
	PLN	PLN
Other interest received	241,59	293,97
Positive foreign exchange differences	0,00	0,00
Other	0,00	0,00
	<u>241,59</u>	<u>293,97</u>

17. Financial costs

	12 months up to 31st March 2017	12 months up to 31st March 2016
	PLN	PLN
Other interests	0,00	0,00
Negative foreign exchange differences	13,22	311,97
Other	0,00	0,00
	<u>13,22</u>	<u>311,97</u>

18. Extraordinary profits and losses

There were no extraordinary profits or losses.

19. Income tax

19.1. Settlement of main items differing the taxable baase from the grooss financial result

	12 months up to 31 st March 2017	12 months up to 31 st March 2016
	PLN	PLN
Gross profit/loss	(506,05)	(459,59)
Non-tax revenue	0,00	0,00
including:		
Positive Exchange rate differences	0,00	0,00
Evaluation of receivables	0,00	0,00
Revenues from previous years representing the current year income tax	0,00	0,00
Costs which are not revenue earning costs	3,59	305,79
including:		
Other operating costs	0,00	0,00
Negative Exchange rate differences	3,59	305,79
Costs of previous years that are deductible expenses in the current year		
including:	0,00	0,00
Taxable income (Tax loss)	(502,46)	(153,80)
Items deductible from income		
including:		
- losses from previous years	0,00	0,00
Total deductions	0,00	0,00
Taxable base (Tax loss)	(502,46)	(153,80)
Income tax (19%)	0,00	0,00
Net profit/loss	(506,05)	(459,59)

20. Events which occurred after the balance sheet date and where not taken into consideration in the financial statement

After the balance sheet date and before signing the financial statement there did not occur any significant events which could affect the Company's asset or financial situation.

21. Significant events which occurred in previous years recognised in the financial statement for the current accounting year

In previous years haven't occurred any significant events which should be recognized in the financial statement for the current accounting year.

22. Changes of the accounting principles (policies), including valuation methods and changes of the manner of preparing the financial statement made during the accounting year, if they affect significantly the Company's asset or financial situation and financial result, theirs reasons and the amount of financial result and equity capital caused by changes.

Accounting principles (policies) adopted by Company were applied consistently and are compliant with the Accounting Law applied in previous accounting year.

23. Transactions with related companies with capital, which are not included in the consolidated financial statement.

There were no transactions with related companies with capital.

24. Remuneration, including payment of profits, paid or due to members of the management board and the supervisory board

No remuneration for member of the Management Board were paid in the current year.

25. Loans and similar benefits granted to members of the management board and the supervisory board.

No loans were granted and no other similar performances were made with regard to members of the Management Board and the Supervisory Board.

President of the Management Board
Remco Blaauw

Person responsible for keeping the books of accounts
Elzbieta Szustkowska

Wrocław, 30th June 2017