

**Reliance Do Brasil Indústria E Comércio
De Produtos Têxteis, Químicos,
Petroquímicos E Derivados Ltda.**

Independent Auditor's Report

To the Quotaholders and Management of
**Reliance Do Brasil Indústria E Comércio
De Produtos Têxteis, Químicos, Petroquímicos
E Derivados Ltda.**

We have audited the accompanying financial statements of Reliance Do Brasil Indústria E Comércio De Produtos Têxteis, Químicos, Petroquímicos E Derivados Ltda., which comprise the balance sheet as at December 31, 2014, and the income statement, statement of changes in equity and cash flow statement for the year then ended.

1. Management Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting standards applicable in Brazil, 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.

2. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Reliance Do Brasil Indústria E Comércio De Produtos Têxteis, Químicos, Petroquímicos E Derivados Ltda. as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil.

São Paulo, March 2, 2015.

Magalhães Andrade S/S
Auditores Independentes
CRC2SP000233/O-3
(independent auditors)

Guy Almeida Andrade
Partner
Accountant CRC1SP116758/O-6

Balance Sheet as at December 31, 2014 and 2013

(amounts in Brazilian reais)

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	15,390.90	8,683.34
Accounts receivable from related companies (note 3.a)	79,300.00	51,537.20
Tax credits (note 4)	-	5,054.85
Travel expenses advances	-	17,554.37
TOTAL OF ASSETS	<u><u>94,690.90</u></u>	<u><u>82,829.76</u></u>
LIABILITIES AND QUOTAHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable	9,100.00	8,100.00
Labor accruals (note 5)	1,482.92	1,457.49
Tax payable (note 6)	8,156.96	7,146.72
Provision for income tax and social contribution (note 7)	-	1,322.55
Accounts payable to management, net	31,454.33	-
TOTAL OF LIABILITIES	<u>50,194.21</u>	18,026.76
QUOTAHOLDERS' EQUITY		
Subscribed capital (note 8)	1,600,000.00	1,600,000.00
Unpaid capital	<u>(121,038.00)</u>	<u>(121,038.00)</u>
Paid up capital	1,478,962.00	1,478,962.00
Accumulated losses	<u>(1,434,465.31)</u>	<u>(1,414,159.00)</u>
TOTAL OF QUOTAHOLDERS' EQUITY	<u>44,496.69</u>	<u>64,803.00</u>
TOTAL OF LIABILITIES AND QUOTAHOLDERS' EQUITY	<u><u>94,690.90</u></u>	<u><u>82,829.76</u></u>

See accompanying Notes to Financial Statements

Income Statement for the year ended December 31, 2014 and 2013

(amounts in Brazilian reais)

	<u>2014</u>	<u>2013</u>
REVENUE	362,495.57	320,511.02
Less service tax	18,124.76	16,025.54
NET REVENUE	344,370.81	304,485.48
OPERATIONAL EXPENSES		
General and administrative (note 9)	356,501.24	269,944.99
Taxes	1,738.83	4,351.35
	358,240.07	274,296.34
PROFIT (LOSS) BEFORE FINANCIAL RESULT	(13,869.26)	30,189.14
FINANCIAL RESULT		
Financial revenue	98.29	907.38
Financial expenses	6,535.34	7,102.61
	(6,437.05)	(6,195.23)
PROFIT (LOSS) BEFORE INCOME TAX	(20,306.31)	23,993.91
Social contribution on income (note 10)	-	(1,511.62)
Income tax (note 10)	-	(2,519.36)
	-	(4,030.98)
NET PROFIT/(LOSS) FOR THE YEAR	(20,306.31)	19,962.93

See accompanying Notes to Financial Statements

Statement of Change in equity for the year ended December 31, 2014 and 2013

(amounts in Brazilian reais)

	<u>Capital</u>	<u>Accumulated Losses</u>	<u>Total</u>
Balance at 31st December 2012	1,478,962.00	(1,435,625.58)	43,336.42
Prior year adjustment	-	1,503.65	1,503.65
Profit for the year	-	19,962.93	19,962.93
Balance at 31st December 2013	1,478,962.00	(1,414,159.00)	64,803.00
Loss for the year	-	(20,306.31)	(20,306.31)
Balance at 31st December 2014	<u><u>1,478,962.00</u></u>	<u><u>(1,434,465.31)</u></u>	<u><u>44,496.69</u></u>

See accompanying Notes to Financial Statements

Cash Flow Statement for the year ended December 31, 2014 and 2013

(amounts in Brazilian reais)

	<u>2014</u>	<u>2013</u>
CASH FLOW FROM OPERATIONS		
Profit (Loss) for the year	(20,306.31)	19,962.93
(Increase) Decrease of asset accounts		
Accounts receivable	(27,762.80)	6,157.07
Tax credit	5,054.85	6,935.97
Travel expenses advance to management	17,554.37	(16,050.72)
Increase (Decrease) of liability accounts		
Accounts payable	1,000.00	600.00
Labor accruals	25.43	26.71
Provision for income tax and social contribution	(1,322.55)	1,322.55
Taxes	1,010.24	3,762.00
Net cash flow from operation	(24,746.77)	22,716.51
CASH FLOW ASSOCIATED WITH FINANCING		
Expenses paid by manager	31,454.33	-
Amount reimbursed to manager	-	(15,807.85)
Net cash from finance operations	31,454.33	(15,807.85)
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,707.56	6,908.66
CASH AND CASH EQUIVALENTS		
At the beginning of year	8,683.34	1,774.68
At the end of year	15,390.90	8,683.34
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,707.56	6,908.66

See accompanying Notes to Financial Statements

Notes to Financial Statements for the year ended December 31, 2014

(amounts in Brazilian reais)

1. OPERATIONAL CONTEXT

The Reliance do Brasil Indústria e Comércio de Produtos Têxteis, Químicos, Petroquímicos e Derivados Ltda. (Company) is a limited company, constituted under the Brazilian legislation. The Company's business are (a) the promotion of sales of textiles products, chemical, petrochemical and their derivatives produced by associated companies; (b) consultancy in the areas of textiles products, chemical and petrochemical, importing and the exportation of telecommunications products; and (c) the investment in other companies in Brazil or abroad as a shareholder or quotaholder.

2. FINANCIAL STATEMENTS PRESENTATION

The financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (CPC), as well as the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

All references to the Pronouncements of the CPC shall also be understood as references to the corresponding IFRS Pronouncements, and vice versa, and it should be noted that, in general, the early adoption of revisions or new IFRSs is not available in Brazil.

The main bases of evaluation used in the accounting estimates are here summarized:

a) Cash and cash equivalent

Cash and cash equivalents are presented at fair value.

b) Accounts receivable

The balance refers to representation services receivable in the following year. Any bad debt is considered for the constitution of a provision. Management considers that there are no risk of doubtful accounts.

c) Revenue and expenses

Service revenues and expenses are recorded on the accrual basis.

3. RELATED PARTY TRANSACTIONS

a) Accounts receivable from related companies

The Company is a subsidiary of Recron (Malaysia) Sdn. Bhd., for whom it provides contract services with prospective customers and receives fees for such. The related party transactions described below were carried out on terms, conditions and prices negotiated and agreed between the parties.

In 2014, the invoices issued by the Company against Recron (Malaysia) Sdn. Bhd. totaled R\$ 362,495.57 (R\$ 320,511.02 in 2013).

As on 31st December, the balance in accounts receivable with its related party was as follows:

	2014	2013
Recron (Malaysia) Sdn. Bhd.	79,300.00	51,537.20

b) Economic dependence

Recron (Malaysia) Sdn. Bhd. is the only customer of the Company and the Company is entirely dependent on this contract.

4. TAX CREDITS

	2014	2013
Social Contribution on net profit to be offset	-	3,297.01
Corporate income tax to be offset	-	1,757.84
	-	5,054.85

Note to Financial Statements for the year ended December 31, 2014

(amounts in Brazilian reais)

5. LABOR ACCRUALS

Balance consists of an accrued labor charge on Management fees.

6. TAX PAYABLE

The stated balance refers to the Service Tax calculated on Service Revenue and is related to services rendered in December of each year with due date in the following January.

7. PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

Due to the loss for the period, there is no income tax to be paid. The related tax credit is not accrued due to the uncertainty related with the Company's capacity to recover it.

8. CAPITAL

As on 31st December 2014 and 2013, the subscribed capital of R\$ 1,600,000.00 consists of 1,600,000 shares with a nominal value of R\$ 1.00 each, that belongs to Recron (Malaysia) Sdn. Bhd and Reliance Global Business BV, as shown below. The unpaid capital of R\$ 121,038.00 will be paid until January 7, 2017.

		2014		2013	
	Quotas	Value	Quotas	Value	Value
Paid Capital					
Recron (Malaysia) Sdn. Bhd.	1,478,962	1,478,962.00	1,478,962	1,478,962.00	1,478,962.00
Total paid in capital	1,478,962	1,478,962.00	1,478,962	1,478,962.00	1,478,962.00
Unpaid Capital					
Reliance Global Business B.V.	10	10.00	10	10.00	10.00
Recron (Malaysia) Sdn. Bhd.	121,028	121,028.00	121,028	121,028.00	121,028.00
Total unpaid capital	121,038	121,038.00	121,038	121,038.00	121,038.00
Total capital	1,600,000	1,600,000.00	1,600,000	1,600,000.00	1,600,000.00

9. GENERAL AND ADMINISTRATIVE EXPENSES

	2014	2013
Management fees	72,000.54	72,000.20
Outsourced services (note 9.a)	26,705.29	76,924.64
Travel expenses (note 9.b)	94,700.97	65,287.40
School (note 9.c)	93,481.00	25,730.00
Telephone and communication expenses	26,212.32	20,626.72
Medical assistance (note 9.d)	25,942.00	-
Lease	3,220.00	3,088.00
Other	14,239.12	6,288.03
	356,501.24	269,944.99

Note to Financial Statements for the year ended December 31, 2014

(amounts in Brazilian reais)

a) Outsourced services

Refers to services provided by third parties relating to accounting and auditing fees. The balance in 2013 includes legal assistance also.

b) Travel expenses

Refer to expenses incurred by management in sales prospecting.

c) School expenses

According to the employment contract entered into, the Company pays the costs of the manager child's education. In 2014, the Company paid R\$ 37,205 related to a difference in the school fees of 2013.

d) Medical assistance

The amount refers to medical assistance to manager and his family.

10. INCOME TAX AND SOCIAL CONTRIBUTION

Income tax is calculated at the rate of 15% of basis for calculation of income tax, plus 10% on the amount of profit exceeding R\$ 240 thousand. Social Contribution is calculated at the rate of 9% on the same basis for calculation..

Reconciliation between profit (loss) for the year and the basis for calculation of income tax

	<u>2014</u>	<u>2013</u>
Profit (Loss) for the year, before income tax	-	23,993.91
Non-deductible expenses	-	-
Accumulated loss compensation	-	(7,198.17)
Basis for calculation of income tax and social contribution	-	16,795.74
Social contribution on income – 9% of basis for calculation	-	1,511.62
Income tax – 15% of basis for calculation	-	2,519.36
Income tax and social contribution for the year	<u>-</u>	<u>4,030.98</u>