

**ESM MANTENIMIENTO  
INTEGRAL, S.A. DE C.V.  
ESTADOS FINANCIEROS AUDITADOS  
AL 31 DE DICIEMBRE DE 2016  
AUDITED FINANCIAL STATEMENTS  
TO THE DECEMBER 31, 2016**



## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of:

**ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.**

### **Opinion.**

We have audited the accompanying Financial Statements of **ESM MANTENIMIENTO INTEGRAL, S.A. de C.V.**, which comprise the Balance Sheet as of December 31, 2016, the Statement of Comprehensive Results, the Changes in Stockholders' Equity and the of Cash Flow for the period ending on that date, as well as the Notes to the Financial Statements and a Summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial positions of **ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.**, at December 31, 2016, and its Results and its Cash Flow corresponding to the period ended, in accordance with the Mexican Financial Reporting Standards (MFRS).

### **Foundations of opinion.**

We have conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibility under these standards further describes a fund in the section Responsibility of the auditor on the audit of the Financial Statements. We are independent of the company in accordance with ethical requirements relevant to our audit of Financial Statements and we comply without other ethical responsibilities in accordance with these requirements.

Considering that the audit evidence we have obtained provides is sufficient and appropriate basis for our opinion.

### **Responsibility of the Administration in relation to the Financial Statements.**

The Company's management is responsible for the preparation and fair presentation of the accompanying Financial Statements of compliance with the Mexican Financial Reporting Standards, and for such internal control as the company's management considers is necessary to enable the preparation of Financial Statements that are free material misstatement due to fraud or error.



In preparing the Financial Statements, the management is responsible for assessing the company's ability to continue as a going concern, relieving, where appropriate, issues relating to the operating company and using the accounting bases in place unless Management intends to liquidate the company or cease operations, or have no other more realistic alternative to do so.

The management of the company is responsible for overseeing the company's financial reporting process.

**Auditor's responsibility for the audit of the Financial Statements.**

Our responsibility is to express an opinion on the accompanying Financial Statements based on our audits. We have conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

An audit requires the application of procedures to obtain audit evidence about the amounts and information disclosed in the Financial Statements. The procedures selected depend on the judgment of the auditor including the evaluation of risks of material misstatement in the financial statements due to fraud or error. In making such a risk assessment, the auditor considers internal control relevant to the preparation and fair presentation of the Financial Statements by the company in order to design audit procedures that are appropriate to the circumstances and not with the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the adequacy of the accounting policies applied and the reasonableness of accounting estimates made by management.

*Antonio José Matas Vidal*  
Certified Public Accountant  
Number Registration in AGAFF 15949  
January 10, 2016  
MATAS LORENZO, S.C.

## ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.

### BALANCE GENERAL/ Balance Sheet

AL 31 DE DICIEMBRE DE 2016 /As of December 31, 2016

(Cifras en Pesos) (Mexican Pesos)

<b>ACTIVO</b>	<b>Assets</b>	<b>December 2016</b>
<i>ACTIVO CIRCULANTE</i>	<i>CURRENT ASSETS</i>	
Efectivo	Cash	\$ 4,430,985
Cuentas por cobrar	Accounts Receivable	2,900,231
Impuestos a Favor (Nota 4)	Advance Tax (Note 4)	12,998
Total del Activo Circulante	Total for Current Assets	7,344,214
<i>ACTIVO FIJO NETO (Nota 3.3)</i>	<i>NET FIXED ASSETS (Note 3.3)</i>	
Eqpo. De Transporte	Transportation Equipment	506,144
Depreciación Acum.	Accumulated Depreciation	(506,144)
Total Activo Fijo Neto	Total Assets Net Fixed	-
<i>ACTIVO TOTAL</i>	<i>TOTAL ASSETS</i>	<u>7,344,214</u>
<b>PASIVO Y CAPITAL CONTABLE</b>	<b>LIABILITIES AND MEMBERS CONTRIBUTION</b>	
<i>PASIVO A CORTO PLAZO</i>	<i>CURRENT LIABILITIES</i>	
Cuentas por Pagar y pasivos acumulados	Accounts Payable	-
Impuestos por Pagar	Accrued Taxes	367,120
Otros Pasivos	Other Accounts Payable	9,671
<i>PASIVO TOTAL</i>	<i>TOTAL LIABILITIES</i>	<u>376,791</u>
<i>CAPITAL CONTABLE (Nota 5)</i>	<i>MEMBERS CONTRIBUTION (Note 5)</i>	
Capital Social	Members Contribution	5,550,000
Resultado de Ejercicios Anteriores	Accumulated Results	1,023,933
Resultado del Ejercicio	Current Net (Loss) Profit	393,490
<i>CAPITAL CONTABLE TOTAL</i>	<i>TOTAL FOR MEMBERS CONTRIBUTION</i>	<u>6,967,423</u>
<b>PASIVO Y CAPITAL CONTABLE TOTAL</b>	<b>LIABILITIES AND MEMBERS CONTRIBUTION</b>	<u>7,344,214</u>

Lic. Verónica Valdes López  
Legal Representative

Las notas adjuntas son parte integrante de los Estados Financieros  
The attached notes are part of these financial statements

**ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.**

ESTADOS DE RESULTADOS/Profit and Loss Statements

POR EL PERIODO TERMINADO AL 31 DE DICIEMBRE DE 2016/ for the period ended december 31, 2016

(Cifras en Pesos)/ (Mexican Pesos)

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		December 2016
<b>INGRESOS:</b>	<b>Revenue:</b>	
Ingresos por servicios	Revenues for rendered services	27,100,492
Descuentos y Bonificaciones Sobre Ventas	Sales discounts and bonuses	<u>(226,127)</u>
		26,874,365
<b>GASTOS GENERALES:</b>	<b>General Expenses:</b>	
Gastos Generales	General expenses	26,562,114
Participación de los Trabajadores en las Utilidades	Employee profit sharing	<u>10,376</u>
<i>Total Gastos generales</i>	<i>Total General Expenses</i>	26,572,490
<b>UTILIDAD (PERDIDA) DE OPERACIÓN</b>	<b>Profit (Loss) on operation</b>	<u>301,875</u>
<b>OTROS INGRESOS (GASTOS)</b>	<b>Other Income (expenses)</b>	
Otros Ingresos	Other income	14,928.00
Otros Gastos	Other expenses	-
<b>RESULTADO INTEGRAL DE FINANCIAMIENTO:</b>	<b>Financial Cost</b>	
Intereses Ganados	Interest cattles	55,677
Ganancia (Pérdida) Cambiaria	Exchange Gain or (loss)	21,010
Resultado Integral de Financiamiento Neto	Financial Cost Net	<u>76,687</u>
<b>RESULTADO ANTES DE IMPUESTOS</b>	<b>NET PROFIT BEFORE TAXES</b>	<u>393,490</u>
Impuesto Sobre la Renta	Income Tax	-
<b>UTILIDAD (PERDIDA) NETA</b>	<b>Net Profit (Loss)</b>	<u><u>393,490</u></u>

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**ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.****ESTADOS DE VARIACIONES EN EL CAPITAL CONTABLE/Variations in Members Contribution Statements****POR EL PERIODO TERMINADO AL 31 DE DICIEMBRE DE 2016 / For the period ended December 31, 2016****(Cifras en Pesos)/ (Mexican Pesos)**

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	CAPITAL SOCIAL Members Contribution (Note 5)	RESULTADO DEL EJERCICIO Accumulated Results	RESULTADO DE EJERCICIOS ANTERIORES Current Net Loss	TOTAL CAPITAL CONTABLE Total for Members Contribution
SALDOS AL 1 DE ENERO DE 2016/ Balance as of January 1, 2016	5,550,000		1,023,933	6,573,933
Aplicación del Resultado del Ejercicio Anterior / Appliance last year result		-	-	-
Resultado del Ejercicio/ Current Net Loss		393,490		393,490
SALDOS AL 31 DE DICIEMBRE DE 2016/ Balance as of december 31, 2016	<u>5,550,000</u>	<u>393,490</u>	<u>1,023,933</u>	<u>6,967,423</u>

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**ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.****ESTADO DE FLUJO DE DE EFECTIVO EN LA SITUACION FINANCIERA/ Cash Flow Statements****POR EL PERIODO TERMINADO AL 31 DE DICIEMBRE DE 2016/ For the period ended December 31, 2016****(Cifras en Pesos)/ (Mexican Pesos)**

		<b>December 2016</b>
Utilidad (Perdida) Neta	Current Net (Loss) Profit	393,490
Depreciación	Depreciation	21,089
Ingresos Financieros	Finance income	<u>(55,677)</u>
		358,902
Aumento de Cuentas por Cobrar	Increase in accounts receivable	1,341,679
Aumento Impuestos y Pagos Anticipados	Increase in Taxes	(2,941)
Activo no Circulante	Non-current assets	-
Aumento de Proveedores	Increase in accounts payable	248,502
Flujos Netos de Efectivo de Actividades de Operación	Net cash (used in) generated by operating activities	<u>1,946,143</u>
Actividades de Inversión	Cash flows from investing activities	55,677
Adquisiciones de Activo Fijo	Fixed Assets acquisition	-
Flujos Netos de Efectivo de Actividades de Inversión	Net cash generated by investing activities	<u>-</u>
Aumento de Efectivo	Increase in cash flow	<u>2,001,820</u>
Efectivo al Principio del Periodo	Cash flow at the begginig of the period	2,429,165
Efectivo al Final del Periodo	Cash flow at the end of the period	<u><u>4,430,985</u></u>

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Legal Representative

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## **ESM Mantenimiento Integral, S.A. de C.V.**

Notes to the Financial Statements  
For the period ending on December 31, 2016

### **1. Company's constitution and corporate purpose**

**ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.** was constituted on 17th February 2006, and its corporate purpose, among others, is purchase, sale, import, export, manufacture, maintenance, contract manufacturing, and general commerce of all kinds of legally commercial items.

The company has no employees and all administrative technical services are provided by Elsamex International, S. L. Company affiliated with.

### **2. Basis of preparation of the financial statements**

Mexican Financial Reporting Standards (MexFRS or NIF by its initials in Spanish)  
The Financial Statements are prepared under Mexican Financial Reporting Standards (MexFRS or NIF by its initials in Spanish) issued by the Mexican Board for Researching and Development of Financial Reporting standards (CINIF by its initials in Spanish).

#### Currency of record, functional and report.

In accordance with the provisions of the Financial Information Norm B-15 at December 31, 2016, the company has identified the Mexican peso as currency of record, functional and report, so that was not necessary to make any conversion process.

### **3. Main accounting policies.**

The Financial Statements and their notes have been authorized for publication on February 10, 2017, by Mrs. Veronica Valdez Lopez, C.E.O. with legal power to authorize financial statements and notes thereof.

#### **3.1 Historical value.**

The Financial Statements are prepared on the historical cost basis, therefore, the effects of inflation on financial information in accordance with the guidelines contained in the NIF B-10 "Effects of inflation" of MexFRS are not incorporated, issued by the Mexican Board for Researching and Development of Financial Reporting standards, (CINIF by its initials in Spanish) which do not have fiscal effects.

#### **3.2 Cash flow**

Starting from the 1st January 2008, the company adopted the NIF B-2 "Cash Flow" which replaces bulletin B-12 "Statement of changes in financial position"; also it requires, among other, show the main concepts of cash receipts and



payments in gross terms, in very specific cases are allowed NET movements, also, it must be the creation of cash.

### **3.3. Fixed assets and depreciation**

The Furniture and equipment are valued at their acquisition cost, depreciation is calculated by the method of straight line.

### **4. Refundable taxes.**

The line of refundable taxes is made up as follows

	<b>December</b>	<b>2016</b>
Recoverable income tax 2010	\$	702
Recoverable value added tax 2010		913
Recoverable income tax 2011		379
Flat rate corporate tax 2012		624
Recoverable income tax 2014		2,886
Recoverable income tax 2015		3,060
Employment subsidy		190
Bank tax withheld income 2016		4,244
Total	\$	<u>12,998</u>

### **5. Stockholders' equity.**

The Stockholders' equity of the company is variable, with a fixed minimum non withdrawal of fifty thousand pesos, Mexican currency, fully subscribed and paid.

Dated November 30, 2006 was held a general Assembly extraordinary, where it was agreed to increase social capital in its variable part in the amount of five million five hundred thousand pesos, Mexican pesos, which will be represented by eleven thousand stocks with nominal value of five hundred pesos, Mexican peso, each.

Dated January 10, 2008, was held a general Assembly where they authorized the sale of action in favour of Elsamex, S.A.

The day 16 of May of the 2011, an action transaction was realized where, Elsamex International, S.L. sold to Grusamar Ingenieria and Consulting, S.L., 70 actions in the fixed part and 7,700 shares to the part variable giving a total of 7,770 shares.

As of March 2016, Corporate Capital is \$ 5,550,000 (Five Million five hundred fifty thousand Mexican pesos) and is made up as follows:

Stockholders	No. of Shares Fixed	Capital		Total Capital
		Fixed	Variable	
Elsamex Internacional	3,329	14,500	1,650,000	1,664,500
Grusamar Ingeniería y Consulting S.L.	7,770	35,000	3,850,000	3,885,000
Sociedad Limitada Elsamex, S.A.	1	500		500
	100	50,000	5,500,000	5,550,000

## 6. Accrued Earnings.

6.1. In accordance with the General Law of Business Corporations the income for the year is subject at least to 5% application, to increase the legal reserve until it is equal to 20% of the share capital.

6.2. Under Income tax law provisions, the Corporations may issuing dividends from the Net Tax Income Account. The amount that is distributed as dividend must not exceed distributive accounting utilities, as laid down in General Law of Business Corporations.

The dividends that are paid to stockholders on an account other than the aforementioned in the previous paragraph will pay 30% of tax, over the result of multiplying the paid dividend by the rate of 1.4286 if it is paid during fiscal year 2016.

## 7. Balances and transactions carried out with related parties:

During the period subject to review transactions were realized by related parts.

	Income	Expense
Mantenimiento Y Conservación De Vialidades, S.A. de C.V.	\$ 4,782,237	\$ 20,676,846
Elsamex Internacional, S.A.		5,090,000

### Outstanding Loan Balance Intercopaña:

Elsamex Internacional, S.A.	\$ 2,032,659	\$ -
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The company as each year will be at the close of the present year, the study of transfer prices for the operations carried out, with its related parties, issued by a specialist in the field, which prevents a contingency in fiscal matters.

These notes forming part of the financial statements.