

Registered number: 02757753

**KE GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**



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**KE GROUP LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	D R Betts S J Ellis J Y Wang G R Cheng P A Abbott N J Jenkinson
<b>Company secretary</b>	S J Ellis
<b>Registered number</b>	02757753
<b>Registered office</b>	Platt Industrial Estate Maidstone Road Borough Green Kent TN15 8JA
<b>Independent auditor</b>	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH

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**KE GROUP LIMITED**

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## KE GROUP LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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#### INTRODUCTION

The principal activity of the group continues to be the design, engineering and sale of office equipment.

#### BUSINESS REVIEW

It has been another good year for the group. During 2018 focus on our core business in the copier and printer market has been maintained and will remain paramount. Reported turnover has stabilized and we continue to see a growing market share for the business. Turnover for the business shows a decrease of 13.0% year on year due to repositioning of customers within the parent group. We continue to explore opportunities for product diversification both within the UK and worldwide.

Due to the highly competitive nature of the cabinet market any success in winning new business has been at a lower pricing level than enjoyed previously. Gross Profits for 2018 decreased year on year to 27.7% which is in line with 2016. Gross Profits for 2017 were higher at 30.1% due to specific (non-recurring) events.

Volume adjusted distribution costs increased 3% in the year due to the combined effect of US\$ exchange rates and product destination mix.

As in previous years, the business budgeted for the adverse effect of exchange rate movements of the US Dollar and the Euro. The actual net effect of exchange rate fluctuations during the year amounted to only £1,558 (2017: favourable £159,452, 2016: unfavourable £106,204).

The operating profits for the year 2018 were £920,427 (2017 - £1,385,708).

#### Future developments

With the continued effect of cost reductions made since 2016, and the sales volumes which have been secured, the board are confident that, despite the continuing uncertain economic conditions, we can maintain the positive results of the business.

#### PRINCIPAL RISKS AND UNCERTAINTIES

A number of risks face any business and these are reviewed thoroughly and regularly by the board as part of its ongoing corporate governance procedures. This review considers only the principal risks and uncertainties.

- Customer risk - the group supplies a number of different customers on a global basis and there is no dominant customer of the company who could exert undue influence on the group margins. Credit insurance is purchased in all cases.
- Supplier and product risk - the group is at risk from global changes in steel and plastic pricing and where possible enters into long term price agreements with its key suppliers to minimise these risks.
- Foreign currency risk - the group buys and sells in a number of currencies. This risk is mitigated where possible by buying and selling in the same currency which gives a degree of natural hedging.
- Liquidity risk - the group has sufficient credit facilities from its bankers and other sources.

The directors do not anticipate Brexit having a major impact upon the Groups operations but they continue to monitor the developments surrounding Brexit and the potential impact upon the business as guidance is made available from the government and the process moves forward.

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KE GROUP LIMITED

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GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018

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**FINANCIAL KEY PERFORMANCE INDICATORS**

The group's Key Performance Indicators (KPIs) are given below:

- Turnover £11.3m (2017 - £13.0m), being turnover as shown in the profit and loss account;
- Gross margin 27.7% (2017 - 30.1%), being gross profit as a percentage of turnover as shown in the statutory profit and loss account;
- Trading profit of £920,427 (2017 - £1,365,559), being the profit or loss before tax shown in the statutory profit and loss account.

**GOING CONCERN**

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors consider that the going concern basis is appropriate.

In considering the future trading of the group the directors have, in the normal course of business, prepared detailed budgets and plans and reviewed the period up to the end of the next financial year, which is 31 December 2019. Although this period is less than 12 months from the date that these financial statements have been approved, the directors have assessed the period beyond 31 December 2019, and expect the results beyond this period to remain stable or improve.

The group has sufficient financial resources based upon current trading and forecasts. As a consequence, the directors believe that the group is well placed to manage its business and financial risks and believe that the going concern basis is appropriate in preparing the accounts.

This report was approved by the board on 21<sup>st</sup> May 2019 and signed on its behalf.

N J Jenkinson  
Director



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## KE GROUP LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their report and the financial statements for the year ended 31 December 2018.

#### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The profit for the year, after taxation, amounted to £744,554 (2017 - £1,172,277).

#### Directors

The directors who served during the year were:

D R Betts  
S J Ellis  
J Y Wang  
G R Cheng  
P A Abbott  
N J Jenkinson

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**KE GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Future developments**

Information required to be shown in the Directors' Report, including the future developments of the group, is included in the Group's Strategic Report in accordance with s414c(11) of the Companies Act 2006.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

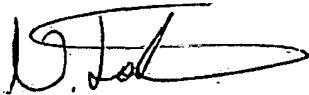
**Auditor**

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

21<sup>st</sup> May 2019

and signed on its behalf.



**N J Jenkinson**  
Director

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## KE GROUP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KE GROUP LIMITED

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#### Opinion

We have audited the financial statements of KE Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2018, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our



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## KE GROUP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KE GROUP LIMITED (CONTINUED)

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knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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**KE GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KE GROUP LIMITED (CONTINUED)**

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Use of our report**

This report is made solely to the Company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

*Crowe U.K. LLP*

**Crowe U.K. LLP**

Statutory Auditor

Riverside House  
40 - 46 High Street  
Maidstone  
Kent

ME14 1JH

Date: 12/6/2019

KE GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover		11,337,144	13,031,225
Cost of sales		(8,197,626)	(9,114,333)
<b>Gross profit</b>		<b>3,139,518</b>	<b>3,916,892</b>
Distribution costs		(972,321)	(1,084,630)
Administrative expenses		(1,246,401)	(1,446,554)
<b>Operating profit</b>		<b>920,796</b>	<b>1,385,708</b>
Interest payable and expenses	8	(369)	(20,149)
<b>Profit before taxation</b>		<b>920,427</b>	<b>1,365,559</b>
Tax on profit	9	(175,873)	(193,282)
<b>Profit for the year</b>		<b>744,554</b>	<b>1,172,277</b>
Gain/(Loss) on translation of foreign subsidiaries		1,963	(3,361)
<b>Total comprehensive income for the year</b>		<b>746,517</b>	<b>1,168,916</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

The notes on pages 16 to 34 form part of these financial statements.

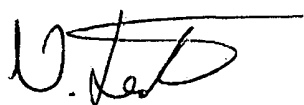
KE GROUP LIMITED

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	10	46,105	5,341
Tangible assets	11	49,259	87,033
		<u>95,364</u>	<u>92,374</u>
<b>Current assets</b>			
Stocks	13	1,676,841	2,518,168
Debtors: amounts falling due within one year	14	1,826,903	1,411,974
Cash at bank and in hand	15	1,198,339	392,531
		<u>4,702,083</u>	<u>4,322,673</u>
Creditors: amounts falling due within one year	16	(2,238,951)	(2,605,124)
<b>Net current assets</b>		<u>2,463,132</u>	<u>1,717,549</u>
<b>Total assets less current liabilities</b>		<u>2,558,496</u>	<u>1,809,923</u>
<b>Provisions for liabilities</b>			
Deferred taxation	18	(3,963)	(2,865)
Other provisions	19	(211,573)	(210,615)
		<u>(215,536)</u>	<u>(213,480)</u>
<b>Net assets</b>		<u><u>2,342,960</u></u>	<u><u>1,596,443</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,022,982	1,022,982
Share premium account	20	550,253	550,253
Foreign exchange reserve	20	(23,244)	(25,207)
Other reserves	20	193,715	193,715
Profit and loss account	20	599,254	(145,300)
		<u>2,342,960</u>	<u>1,596,443</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

N J Jenkinson  
Director



21 May 2019

The notes on pages 16 to 34 form part of these financial statements.

**KE GROUP LIMITED**  
**REGISTERED NUMBER: 02757753**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	12	1,460,010	1,460,010
		<u>1,460,010</u>	<u>1,460,010</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	519,062	519,062
		<u>519,062</u>	<u>519,062</u>
Creditors: amounts falling due within one year	16	(1,036,661)	(1,036,661)
<b>Net current liabilities</b>		<u>(517,599)</u>	<u>(517,599)</u>
<b>Total assets less current liabilities</b>		<u>942,411</u>	<u>942,411</u>
<b>Net assets excluding pension asset</b>		<u>942,411</u>	<u>942,411</u>
<b>Net assets</b>		<u>942,411</u>	<u>942,411</u>
<b>Capital and reserves</b>			
Called up share capital	21	1,022,982	1,022,982
Share premium account	20	550,253	550,253
Other reserves	20	193,715	193,715
Profit and loss account brought forward		(824,539)	(824,539)
Profit and loss account carried forward		<u>(824,539)</u>	<u>(824,539)</u>
		<u>942,411</u>	<u>942,411</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

  
**N J Jenkinson**  
Director

**21 May 2019**

The notes on pages 16 to 34 form part of these financial statements.

KE GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2018	1,022,982	550,253	(25,207)	193,715	(145,300)	1,596,443
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	744,554	744,554
Loss on foreign exchange	-	-	1,963	-	-	1,963
<b>Other comprehensive income for the year</b>	-	-	1,963	-	-	1,963
<b>Total comprehensive income for the year</b>	-	-	1,963	-	744,554	746,517
<b>At 31 December 2018</b>	<b>1,022,982</b>	<b>550,253</b>	<b>(23,244)</b>	<b>193,715</b>	<b>599,254</b>	<b>2,342,960</b>

The notes on pages 16 to 34 form part of these financial statements.

KE GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Share premium account	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2017	1,022,982	550,253	(21,846)	193,715	(1,317,577)	427,527
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	1,172,277	1,172,277
Loss on foreign exchange	-	-	(3,361)	-	-	(3,361)
<b>Other comprehensive income for the year</b>	-	-	(3,361)	-	-	(3,361)
<b>Total comprehensive income for the year</b>	-	-	(3,361)	-	1,172,277	1,168,916
At 31 December 2017	1,022,982	550,253	(25,207)	193,715	(145,300)	1,596,443

The notes on pages 16 to 34 form part of these financial statements.

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KE GROUP LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018

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	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2018	1,022,982	550,253	193,715	(824,539)	942,411
Other comprehensive income for the year	-	-	-	-	-
At 31 December 2018	1,022,982	550,253	193,715	(824,539)	942,411

The notes on pages 16 to 34 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2017	1,022,982	550,253	193,715	(824,539)	942,411
Other comprehensive income for the year	-	-	-	-	-
At 31 December 2017	1,022,982	550,253	193,715	(824,539)	942,411

The notes on pages 16 to 34 form part of these financial statements.



**KE GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	744,554	1,172,277
<b>Adjustments for:</b>		
Amortisation of intangible assets	5,341	5,341
Depreciation of tangible assets	50,617	51,625
Loss on disposal of tangible assets	-	(28,840)
Interest paid	369	20,149
Taxation charge	175,873	193,282
Decrease/(increase) in stocks	841,327	(1,105,013)
(Increase)/decrease in debtors	(469,808)	368,685
(Decrease) in creditors	(333,917)	(181,811)
Increase in provisions	958	210,615
Corporation tax (paid)/received	(160,264)	-
Foreign exchange losses / (gains)	10,073	59,568
<b>Net cash generated from operating activities</b>	<b>865,123</b>	<b>765,878</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	-	(32,006)
Sale of intangible assets	-	34,824
Purchase of tangible fixed assets	(58,946)	-
<b>Net cash from investing activities</b>	<b>(58,946)</b>	<b>2,818</b>

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**KE GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	2018 £	2017 £
<b>Cash flows from financing activities</b>		
Movements on invoice discounting	-	(576,189)
Interest paid	(369)	(20,149)
<b>Net cash used in financing activities</b>	<u>(369)</u>	<u>(596,338)</u>
<b>Net increase in cash and cash equivalents</b>	<b>805,808</b>	<b>172,358</b>
Cash and cash equivalents at beginning of year	<b>392,531</b>	<b>220,173</b>
<b>Cash and cash equivalents at the end of year</b>	<u><b>1,198,339</b></u>	<u><b>392,531</b></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>1,198,339</b>	<b>392,531</b>
	<u><b>1,198,339</b></u>	<u><b>392,531</b></u>

The notes on pages 16 to 34 form part of these financial statements.

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## KE GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. ACCOUNTING POLICIES

##### 1.1 Company Information

The principal activity of the group continues to be the design, engineering and sale of office equipment.

The company is a private limited company (registered number 02757753), which is incorporated and domiciled in England and Wales. The address of the registered office is:

Platt Industrial Estate  
Maidstone Road  
Borough Green  
Kent  
TN15 8JA

##### 1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 2).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 1.3 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### 1.4 Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

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**KE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised when the company no longer retains the risks and rewards of ownership. This is either at the point of despatch or delivery to the customer, depending on the terms of the contract.

**1.6 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Software assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**1.7 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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## KE GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Plant & machinery	-	10% straight line
Fixtures & fittings	-	10% to 20% straight line
Other fixed assets	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

##### 1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Further details can be found in note 2.

##### 1.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 1.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 1.12 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks

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KE GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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1. ACCOUNTING POLICIES (CONTINUED)

1.12 Financial instruments (continued)

and other third parties, loans to related parties and investments in non-puttable ordinary shares.

1.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.14 Foreign currency translation

**Functional and presentation currency**

The company and group's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

1.15 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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**KE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.16 Pensions**

**Defined contribution pension plan**

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**1.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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**KE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

**Stock provision**

The company regularly reviews stock for indications of impairment. Provisions are made against old or slow moving lines. If slow moving lines are identified, these are provided for at a rate of between 10% and 100% depending on the age of the stock.

**Dilapidation provision**

The company has included within the financial statements a provision for dilapidation of the offices which it currently operates from. This has been calculated based upon the Directors' estimates of, or the cost of, complying with the dilapidation requirements of the lease. The expected costs are based upon the cost of similar work.



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KE GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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3. TURNOVER

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Sale of goods	11,337,144	13,031,225
	<u>11,337,144</u>	<u>13,031,225</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	415,112	172,230
Rest of Europe	3,643,541	3,059,858
Rest of the world	7,278,491	9,799,137
	<u>11,337,144</u>	<u>13,031,225</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	50,617	51,625
Exchange differences	1,556	(159,452)
Amortisation of intangible assets, including goodwill	5,341	5,341
Operating leases	103,000	102,000
Defined contribution pension cost	19,699	28,226
	<u>100,213</u>	<u>137,740</u>

5. AUDITOR'S REMUNERATION

	2018 £	2017 £
Fees payable to the auditor and its associates for the audit of the Group's annual accounts and taxation compliance	33,000	33,000
	<u>33,000</u>	<u>33,000</u>

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KE GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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6. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £	Group 2017 £
Wages and salaries	530,213	835,516
Social security costs	53,678	64,690
Cost of defined contribution scheme	19,699	28,226
	<u>603,590</u>	<u>928,432</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Factory	1	1
Office	12	13
	<u>13</u>	<u>14</u>

The parent Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL)

7. DIRECTORS' REMUNERATION

	2018 £	2017 £
Directors' emoluments	256,287	334,874
Company contributions to defined contribution pension schemes	8,829	13,420
	<u>265,116</u>	<u>348,294</u>

During the year retirement benefits were accruing to 4 directors (2017 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £87,174 (2017 - £88,236).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,800 (2017 - £289).

Key management personnel are considered to be the directors.

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**KE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018 £	2017 £
Bank interest payable	369	15,674
Other loan interest payable	-	4,475
	<u>369</u>	<u>20,149</u>

**9. TAXATION**

	2018 £	2017 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	174,301	77,995
Adjustments in respect of previous periods	474	-
	<u>174,775</u>	<u>77,995</u>
<b>Total current tax</b>	<u>174,775</u>	<u>77,995</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,817	115,287
Adjustments in respect of prior periods	(467)	-
Effect of tax rate change on opening balance	(252)	-
<b>Total deferred tax</b>	<u>1,098</u>	<u>115,287</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>175,873</u>	<u>193,282</u>

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KE GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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9. TAXATION (CONTINUED)

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%) The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	920,427	1,365,559
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	174,881	262,829
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	1,319	809
Movement on unrecognised deferred tax asset	-	(70,697)
Unrelieved losses in US subsidiary	132	2,755
Adjustment in respect of prior periods	7	-
Differences due to DT rate being lower than standard CT rate	(466)	(2,414)
<b>TOTAL TAX CHARGE/(CREDIT) FOR THE YEAR</b>	<b>175,873</b>	<b>193,282</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

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KE GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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10. INTANGIBLE ASSETS

Group

	Software £	Goodwill £	Total £
<b>COST</b>			
At 1 January 2018	-	159,766	159,766
Additions	46,105	-	46,105
At 31 December 2018	46,105	159,766	205,871
<b>AMORTISATION</b>			
At 1 January 2018	-	154,425	154,425
Charge for the year	-	5,341	5,341
At 31 December 2018	-	159,766	159,766
<b>NET BOOK VALUE</b>			
At 31 December 2018	46,105	-	46,105
At 31 December 2017	-	5,341	5,341

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**KE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**11. TANGIBLE FIXED ASSETS**

**Group**

	Plant & machinery £	Fixtures & fittings £	Other fixed assets £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2018	16,794	197,736	120,813	335,343
Additions	-	12,841	-	12,841
Transfers between classes	-	(71,544)	71,544	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	16,794	139,033	192,357	348,184
<b>DEPRECIATION</b>				
At 1 January 2018	10,439	186,599	51,272	248,310
Charge for the year	4,631	15,635	30,351	50,617
Transfers between classes	-	(91,632)	91,632	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	15,070	110,602	173,255	298,927
<b>NET BOOK VALUE</b>				
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	1,724	28,431	19,102	49,257
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	6,355	11,137	69,541	87,033
	<hr/>	<hr/>	<hr/>	<hr/>

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**KE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**12. FIXED ASSET INVESTMENTS**

**DIRECT SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Kentintal Engineering Limited	Ordinary	100 %	Design, engineering and sale of office equipment
Borough Green Manufacturing Limited	Ordinary	100 %	Dormant
KE Americas Limited	Ordinary	100 %	Holding company
Unice Engineering Limited	Ordinary	100 %	Dormant

The registered office of Kentintal Engineering Limited, Borough Green Manufacturing Limited, KE Americas Limited and Unice Engineering Limited is:

Platt Industrial Estate  
Maidstone Road  
Borough Green  
Kent  
TN15 8JA

**INDIRECT SUBSIDIARY UNDERTAKINGS**

The following were indirect subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
KE Americas Members Inc	Ordinary	100 %	Holding company
KE Group Americas LLC	Ordinary	80 %	Sale of office equipment

<b>Name</b>	<b>Registered office</b>
KE Americas Members Inc	2463 East Main Street Suite 106, Snelville, GA, 30078, USA
KE Group America's LLC	2463 East Main Street Suite 106, Snelville, GA, 30078, USA

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**KE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**12. FIXED ASSET INVESTMENTS (CONTINUED)**

The aggregate of the share capital and reserves as at 31 December 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Kentintental Engineering Limited	2,692,838	745,250
Borough Green Manufacturing Limite	151,521	-
KE Americas Limited	100	-
Unice Engineering Limited	2	-
KE Americas Members Inc	3,402	-
KE Group Americas LLC	36,113	4,645
	<u>2,883,976</u>	<u>749,895</u>

**Company**

	Investments in subsidiary companies £
<b>COST OR VALUATION</b>	
At 1 January 2018	1,460,010
At 31 December 2018	<u>1,460,010</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>1,460,010</u>
At 31 December 2017	<u>1,460,010</u>



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**KE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**13. STOCKS**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>
Finished goods and goods for resale	1,676,841	2,518,168
	<u>1,676,841</u>	<u>2,518,168</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £8,178,992 (2017: £9,080,547).

Included in stock is a provision of £28,391 (2017: £62,712) against slow moving and obsolete stock and a provision of £18,000 (2017: £nil) for the write down of irrecoverable costs included in the stock value.

**14. DEBTORS**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Trade debtors	1,757,247	1,323,079	-	-
Amounts owed by group undertakings	-	-	519,062	519,062
Other debtors	13,810	7,979	-	-
Prepayments and accrued income	55,846	80,916	-	-
	<u>1,826,903</u>	<u>1,411,974</u>	<u>519,062</u>	<u>519,062</u>

**15. CASH AND CASH EQUIVALENTS**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>
Cash at bank and in hand	1,198,339	392,531
	<u>1,198,339</u>	<u>392,531</u>

**KE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**16. CREDITORS: Amounts falling due within one year**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	1,508,487	2,082,099	-	-
Amounts owed to group undertakings	-	-	1,035,796	1,035,796
Corporation tax	92,506	77,995	-	-
Taxation and social security	14,503	14,970	-	-
Other creditors	118,088	70,762	865	865
Accruals and deferred income	505,367	359,296	-	-
	<u>2,238,951</u>	<u>2,605,122</u>	<u>1,036,661</u>	<u>1,036,661</u>

The company's invoice discounting facility is secured upon the associated trade debtors.

Other creditors include a loan from KE International of £55,935 (2017: £56,108). KE International is a company with common shareholders and directors.

**17. FINANCIAL INSTRUMENTS**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
<b>FINANCIAL ASSETS</b>				
Financial assets that are debt instruments measured at amortised cost	<u>3,051,663</u>	<u>1,331,058</u>	<u>519,062</u>	<u>519,062</u>
<b>FINANCIAL LIABILITIES</b>				
Financial liabilities measured at amortised cost	<u>(2,131,935)</u>	<u>(2,725,457)</u>	<u>(1,036,751)</u>	<u>(1,036,751)</u>

Financial assets measured at amortised cost comprise cash at bank, trade debtors, amounts owed to group undertakings and other debts expected to be settled in cash.

Financial liabilities measured at amortised cost comprise trade creditors, loans and overdrafts, amounts owed to group undertakings and other creditors and accruals expected to be settled in cash.

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**KE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**18. DEFERRED TAXATION**

**Group**

	2018 £	2017 £
At beginning of year	(2,865)	112,422
Charged to the profit or loss	(1,098)	(115,287)
<b>AT END OF YEAR</b>	<b>(3,963)</b>	<b>(2,865)</b>

The provision for deferred taxation is made up as follows:

	Group 2018 £	Group 2017 £
Accelerated capital allowances	(15,944)	(15,751)
Short term timing differences	11,981	12,886
	<b>(3,963)</b>	<b>(2,865)</b>

**19. PROVISIONS**

**Group**

	Dilapidation provision £
At 1 January 2018	210,615
Charged to profit or loss	958
<b>AT 31 DECEMBER 2018</b>	<b>211,573</b>

The provision included within the accounts relates to returning the property which the group currently rents to its original state, as required by the rental agreement, which expires in 2022. Amounts provided for are calculated up to the break date in December 2020.

The provision is based on management's estimates of the costs required to remove fittings at the property, calculated by the cost of similar historic works and estimated quotes from third parties for the works to be undertaken.

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KE GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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20. RESERVES

**Share premium account**

Share premium represents the excess amount received by the company over the par value of the shares issued.

**Foreign exchange reserve**

The foreign exchange reserve represents gains and losses on foreign exchange on translation of subsidiary undertakings.

**Other reserves**

Other reserves relate to a capital redemption reserve created upon a historical reduction in share capital.

21. SHARE CAPITAL

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
10,000,000 (2017 - 10,000,000) A Ordinary shares of £0.10 each	1,000,000	1,000,000
229,820 (2017 - 229,820) Called up share capital shares of £0.10 each	22,982	22,982
	<u>1,022,982</u>	<u>1,022,982</u>

22. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	103,000	103,000
Later than 1 year and not later than 5 years	103,000	206,000
	<u>206,000</u>	<u>309,000</u>

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**KE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**23. RELATED PARTY TRANSACTIONS**

At the year end, a balance of £nil (2017: £163) was owed to KE International Limited, a company which has some common shareholders and directors of KE Group Limited.

KE International Limited has provided a loan of £55,935 (2017 - £56,108) to Kentinental Engineering Limited. Interest of £369 (2017 - £1,922) has been paid in the year.

Manta International Holdings Limited- the 100% parent company of KE Group Limited - is part of a group of companies together referred to as Mantal. Manta refers to the following companies:

Manta International Industries Limited  
Manta Electric (Chongqing) Limited  
Manta Electric (Shenzhen Limited)  
Manta International Holdings Limited

Kentinental Engineering Limited paid Manta £7,287,843 (2017 - £10,148,050) for the purchase of goods. At the year end, a balance of £1,325,760 (2017 - £1,931,143) was owed by Kentinental Engineering Limited to Manta.

**24. CONTROLLING PARTY**

The ultimate parent undertaking and controlling party is Manta International Industries Limited Hong Kong.

The address of the ultimate controlling party is:

Manta International Industries Limited  
18F, Cigna Tower, 482 Jaffe Road,  
Causeway Bay  
Hong Kong