

**EVERSPARK HONG KONG PRIVATE LIMITED**

**FINANCIAL STATEMENTS AS OF  
31ST MARCH, 2016**

**TOGETHER WITH DIRECTORS' AND  
AUDITOR'S REPORT**

**RICHARD ALBUQUERQUE & CO.**

**CERTIFIED PUBLIC ACCOUNTANTS**

# Everspark Hong Kong Private Limited

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# Everspark Hong Kong Private Limited

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## Corporate data

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<b>Directors</b>	Suvamoy Saha Bibhu Ranjan Saha
<b>Company secretary</b>	Legal International Creation Limited
<b>Registered office</b>	1801 Chinachem Hollywood Centre, 1 Hollywood Road, Central, Hong Kong
<b>Auditor</b>	Richard Albuquerque & Co. Certified Public Accountants Rooms A & B, 2/F, Lee Kee Commercial Building, 221-227 Queen's Road Central, Hong Kong

# Everspark Hong Kong Private Limited

## Report of the directors

The directors present to the shareholders their annual report and the audited financial statements for the year ended March 31, 2016.

### **Directors**

The names of persons who were the directors of the Company during the period beginning with the end of the financial year and ending on the date of this report are as set out on page 1.

### **Principal activities**

The Company engages in raw material trading on behalf of the holding company during the year.

### **Permitted indemnity provision**

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of the directors of the Company.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of the directors of the Company.

### **Management contract**

Other than disclosed in note 9 to the financial statements, the Company did not enter into any contract, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

### **Business review**

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

### **Share capital**

Details of the movement in the Company's share capital during the year are set out in note 7 to the financial statements.

### **Debenture issued**

The Company issued no debenture during the year.

### **Equity-linked arrangements**

During the financial year, the Company entered into no equity-linked agreement.

At the end of the financial year, the Company subsisted of no equity-linked agreement.


### **Recommended dividend**

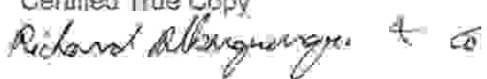
The directors do not recommend the payment of dividend for the financial year.

### **Approval of directors' report**

This report was approved by the directors on **15 APR 2016**.

On behalf of the Board

  
Suvamoy Saha  
Chairman

Certified True Copy  
  
.....  
RICHARD ALBUQUERQUE & CO.  
Certified Public Accountants

## Independent auditor's report to the shareholders of Everspark Hong Kong Private Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Everspark Hong Kong Private Limited ("the Company") set out on pages 5 to 14, which comprise the statement of financial position as at March 31, 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Directors' responsibility for the financial statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, 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.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. 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 the 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 true 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 the reasonableness of accounting estimates made by the directors, 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.

## Independent auditor's report to the shareholders of Everspark Hong Kong Private Limited

(Incorporated in Hong Kong with limited liability)

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### *Opinion*

In our opinion the financial statements give a true and fair view of the financial position of the Company as at March 31, 2016 and of its financial performance and cash flows for the year then ended in accordance with HKFRS for Private Entities and have been properly prepared in compliance with the Hong Kong Companies Ordinance

*Richard Albuquerque & Co.*

Richard Albuquerque & Co.  
Certified Public Accountants  
Rooms A & B, 2/F.,  
Lee Kee Commercial Building,  
221-227 Queen's Road Central,  
Hong Kong

Hong Kong: 15 APR 2016

# Everspark Hong Kong Private Limited

## Statement of comprehensive income

For the year ended March 31, 2016

	Notes	2016 HK\$	2015 HK\$
Turnover	4	46,737,809	66,442,958
Cost of goods sold		<u>(46,737,809)</u>	<u>(66,442,958)</u>
Gross profit		-	-
Other revenue	4	629,049	606,377
Finance costs		(441,422)	(302,066)
Administrative expenses		<u>(187,627)</u>	<u>(304,291)</u>
Loss before taxation	5	-	-
Income tax expense	6	-	-
Loss for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		<u>-</u>	<u>-</u>

*The annexed notes form an integral part of these financial statements.*

# Everspark Hong Kong Private Limited

## Statement of financial position

As at March 31, 2016.

	Notes	2016 HK\$	2015 HK\$
<b>Assets</b>			
<i>Current assets</i>			
Accounts receivable		18,705,478	31,446,323
Amount due from holding company	8	629,447	523,227
Prepayment		11,184	6,538
Cash at bank		5,195,556	5,455,154
		<u>24,541,665</u>	<u>37,431,242</u>
<b>Total assets</b>		<u>24,541,665</u>	<u>37,431,242</u>
<b>Equity and liabilities</b>			
<i>Capital and reserves</i>			
Share capital	7	3,266,604	3,266,604
Accumulated losses		(62,896)	(62,896)
<b>Total equity</b>		<u>3,203,708</u>	<u>3,203,708</u>
<i>Current liabilities</i>			
Trust receipts		15,318,844	25,358,814
Accounts payable		5,919,915	8,719,409
Interest Payable		77,098	127,211
Accrued charges		22,100	22,100
		<u>21,337,957</u>	<u>34,227,534</u>
<b>Total liabilities</b>		<u>21,337,957</u>	<u>34,227,534</u>
<b>Total equity and liabilities</b>		<u>24,541,665</u>	<u>37,431,242</u>

The financial statements on pages 5 to 14 were approved and authorized for issue by the board of directors on 15 APR 2016 and are signed on its behalf by:

Certified True Copy

*Richard Albuquerque & Co.*

RICHARD ALBUQUERQUE & CO.

Certified Public Accountants

*Suvamoy Saha*

Director

Suvamoy Saha

*Bibhu Ranjan Saha*

Director

Bibhu Ranjan Saha

*The annexed notes form an integral part of these financial statements.*



# Everspark Hong Kong Private Limited

## Statement of changes in equity

For the year ended March 31, 2016

	Share capital HK\$	Accumulated losses HK\$	Total HK\$
Balance at March 31, 2014	1,696,627	(62,896)	1,633,731
Allotment of new shares on November 24, 2014	387,510	-	387,510
Allotment of new shares on February 4, 2015	1,182,467	-	1,182,467
Total comprehensive loss for the year	-	-	-
Balance at March 31, 2015	3,266,604	(62,896)	3,203,708
Total comprehensive loss for the year	-	-	-
Balance at March 31, 2016	<u>3,266,604</u>	<u>(62,896)</u>	<u>3,203,708</u>

*The annexed notes form an integral part of these financial statements.*

# Everspark Hong Kong Private Limited

## Statement of cash flows

For the year ended March 31, 2016

	<u>2016</u> HK\$	<u>2015</u> HK\$
<b>Operating activities</b>		
Loss before taxation	-	-
Adjustments for:-		
Decrease/(Increase) in Accounts receivable	12,740,845	(29,424,429)
Increase in Amount due from the holding company	(106,220)	(407,233)
Increase in Prepayment	(4,646)	(2,424)
(Decrease)/Increase in Accounts payable	(2,799,494)	7,844,794
Decrease in Accrued charges	-	(8,444)
(Decrease)/ Increase in Interest Payable	(50,113)	127,211
Net cash used in operating activities	<u>9,780,372</u>	<u>(21,870,525)</u>
<b>Investing activities</b>		
Increase in Share capital	-	<u>1,569,977</u>
Net cash generated from investing activities	-	<u>1,569,977</u>
<b>Financing activities</b>		
Net cash outflow from financing activities	<u>(10,039,970)</u>	<u>25,358,814</u>
<b>Net increase in cash and cash equivalents</b>	(259,598)	5,058,266
<b>Cash and cash equivalents at beginning of the year</b>	<u>5,455,154</u>	<u>396,888</u>
<b>Cash and cash equivalents at end of the year</b>	<u><u>5,195,556</u></u>	<u><u>5,455,154</u></u>
<b>Analysis of cash and cash equivalents</b>		
Cash at bank	<u><u>5,195,556</u></u>	<u><u>5,455,154</u></u>

*The annexed notes form an integral part of these financial statements*

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## Notes to the financial statements

For the year ended March 31, 2016

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### 1) *General*

#### a) *Definition*

In these reporting documents, the following terms shall have the following meanings:

The Company	Everspark Hong Kong Private Limited
Hong Kong Companies Ordinance	Hong Kong Companies Ordinance (Cap. 622) which came into operation on March 3, 2014
Predecessor Companies Ordinance	Predecessor Hong Kong Companies Ordinance (Cap. 32) as in force from time to time before the commencement date of the Hong Kong Companies Ordinance
HKICPA	Hong Kong Institute of Certified Public Accountants
HKFRS	Hong Kong Financial Reporting Standard issued by HKICPA
HKFRS for Private Entities	Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants
SME-FRS	Small and Medium-sized Entity Financial Reporting Standard

#### b) *Corporate Information*

Everspark Hong Kong Private Limited is a private company incorporated in Hong Kong under the Predecessor Companies Ordinance with limited liability. At the date of issue of these financial statements, the registered office of the Company is disclosed in the "Corporate data" section to this annual report. The Company engages in raw material trading on behalf of the holding company during the year.

#### c) *Reporting currency*

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars.

### 2) *Basis of preparation*

#### a) *Statement of compliance*

These financial statements comply with all applicable sections of HKFRS for Private Entities and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

#### b) *Basis of measurement*

The measurement bases used in preparing these financial statements are set out in note 3 to financial statements.

## Notes to the financial statements (continued)

For the year ended March 31, 2016

### 2) Basis of preparation (continued)

#### c) Critical accounting judgments and key sources of estimation uncertainty

The Company's management makes assumptions, estimates and judgments in the process of applying the Company's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRS for Private Entities. The assumptions, estimates and judgments are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgments, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

Assumption and estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out as follows:

##### i) Estimated allowance for doubtful debts

The Company makes allowance for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires the use of judgment and estimates. Where the expectation on the recoverability of trade and other receivables is different from the original estimate, such difference will impact carrying value of trade and other receivable and doubtful debt expenses in the years in which such estimate has been changed.

### 3) Summary of significant accounting policies

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements:

#### a) Revenue recognition

on the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

#### b) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxation profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

## Notes to the financial statements (continued)

For the year ended March 31, 2016

### 3) Summary of significant accounting policies (continued)

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries,

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realized. Deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in other comprehensive income.

#### c) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- I) A person or a close member of that person's family is related to the Company if that person:
  - (i) is a member of the key management personnel of the Company or of a parent of the Company;
  - (ii) has control over the Company; or
  - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- II) An entity is related to the Company if any of the following conditions applies:
  - (i) the entity and the Company are members of the same company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) either entity is an associate or joint venture of the other entity (or of a member of a company of which the other entity is a member);
  - (iii) both entities are joint ventures of a third entity;
  - (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan;
  - (vi) the entity is controlled or jointly controlled by a person identified in (i);
  - (vii) a person identified in (i) (i) has significant voting power in the entity.

## Notes to the financial statements (continued)

For the year ended March 31, 2016

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### 3) Summary of significant accounting policies (continued)

#### d) Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when there is a legal or benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### e) Foreign currency transactions

##### i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements are presented in Hong Kong dollars, which is the Company's functional presentation currency.

##### ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other revenue" or "administrative and operating expenses".

#### f) Share capital

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### g) Accounts receivable

Accounts receivable are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

# Everspark Hong Kong Private Limited

## Notes to the financial statements (continued)

For the year ended March 31, 2016

### 3) Summary of significant accounting policies (continued)

#### f) Accounts payable

Accounts payable are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

#### g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

### 4) Turnover and other revenue

Turnover represents gross invoiced value of goods sold less discounts and returns during the year. An analysis of turnover and other revenue is as follows:-

	<u>2016</u> HK\$	<u>2015</u> HK\$
Turnover		
- Sales	<u>46,737,809</u>	<u>66,442,958</u>
Other revenue		
- Exchange gain	-	-
- Liabilities written back	-	801
- Sundry income	<u>629,049</u>	<u>605,576</u>
	<u>629,049</u>	<u>606,377</u>
Total revenue recognized during the year	<u>47,366,858</u>	<u>67,049,335</u>

### 5) Loss before taxation

Loss before taxation is arrived at after charging the following:-

	<u>2016</u> HK\$	<u>2015</u> HK\$
Audit fee	20,000	20,000
Business registration fee	1,709	1,517
Professional fees	<u>17,028</u>	<u>22,594</u>

### 6) Income tax expense

No provision for taxation has been made since the Company has made no assessable profits for the year (2015: Nil).

No provision has been made for deferred taxation as the Company does not have material deductible or taxable temporary differences.

# Everspark Hong Kong Private Limited

## Notes to the financial statements (continued)

For the year ended March 31, 2016

### 7) Share capital

	<u>2016</u> HK\$	<u>2015</u> HK\$
Issued and fully paid Ordinary shares	<u>3,266,604</u>	<u>3,266,604</u>

### 8) Amount due from a holding company

Amount due from a holding company pursuant to section 383(1) of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

<u>Name of holding company</u>	<u>Dr / (Cr.) Balance at 31/3/2016</u> HK\$	<u>Dr / (Cr.) Balance at 31/3/2015</u> HK\$	<u>Maximum debit balance outstanding during the year</u> HK\$
Eveready Industries India Limited, India	<u>629,447</u>	<u>523,227</u>	<u>629,447</u>

The amount due is unsecured, non-interest bearing and without fixed terms of repayment.

### 9) Related party transactions

In addition to the transactions and balances detailed elsewhere in these financial statements, the company had the following transactions with related party:

	<u>2016</u> HK\$	<u>2015</u> HK\$
Sales to Eveready Industries India Limited	<u>46,737,809</u>	<u>66,442,958</u>

### 10) Directors' remuneration

There was no Director's remuneration paid and payable pursuant to section 383(1) to the Hong Kong Companies Ordinance (Cap.622).



# Everspark Hong Kong Private Limited

## Detailed profit and loss statement

For the year ended March 31, 2016

For information of management only

	<u>2016</u> HK\$	<u>2015</u> HK\$
<b>Turnover</b>		
Sales	<u>46,737,809</u>	<u>66,442,958</u>
<b>Cost of goods sold</b>		
Purchases	<u>46,737,809</u>	<u>66,442,958</u>
<b>Gross profit</b>	<u>-</u>	<u>-</u>
<b>Other revenue</b>		
Liabilities written back	-	801
Sundry income	<u>629,049</u>	<u>605,576</u>
	<u>629,049</u>	<u>606,377</u>
<b>Administrative expenses</b>		
Audit fee	20,000	20,000
Bank charges	147,152	223,750
Banking processing fees	-	31,000
Business registration fee	1,709	1,517
Professional fees	17,028	22,594
Sundry expenses	1,737	2,871
Exchange Loss	-	2,559
	<u>187,627</u>	<u>304,291</u>
<b>Finance Costs</b>		
Bank Interest	<u>441,422</u>	<u>302,086</u>
<b>Loss before taxation</b>	<u>-</u>	<u>-</u>

**Richard Albuquerque & Co.**

CERTIFIED PUBLIC ACCOUNTANTS