

Anti-counterfeiting barcode:



Filing number: 00202020040121525826

Signed by Guangdong Southtianyuan Certified Public Accountants
(general partnership)

Reporting reference number: Southtianyuan Shen Zi (2020) No.164

Client: Havells Guangzhou International Limited

Firm name: Guangdong Southtianyuan Certified Public Accountants
(general partnership)

Report type: Annual audit report (unqualified opinion)

Report date: April 7, 2020

Filing time: 10:41a.m., April 7, 2020

Signing CPA: Wang Enping

Liao Xipeng

Havells Guangzhou International Limited

Audit Report for 2019

Firm name: Guangdong Southtianyuan Certified Public Accountants (general partnership)

Phone: 020-28293578

Fax: 020-37586768

Contact address: Room 2-221, Floor 2, Back Building, No.51 Zhongshan 1st Road, Yuexiu District, Guangzhou City

E-mail: nftycpa@126.com

For any question regarding the above filing information, please feel free to contact the Business Supervision Department of Guangzhou Institute of Certified Public Accountants.

Anti-counterfeiting service phone number: 020-38922363 38922373

Anti-counterfeiting service website: <http://www.gzicpa.org.cn> or <http://www.gdicpa.org>.



Audit report

Southtianyuan Shen Zi (2020)NO.164

To the Shareholders of Havells Guangzhou International Limited:

1. Audit Opinion

We have audited the attached financial statements of Havells Guangzhou International Limited (hereinafter referred to as the "Company"); including the balance sheet as of December 31, 2019, the income statement, the cash flow statement and the explanatory notes to financial statements of 2019.

In our opinion, the financial statements have been prepared by the Company in accordance with the Accounting Standards for Small Enterprises in all major aspects, which fairly reflect the Company's financial conditions as of December 31, 2019, as well as its operating results and cash flow of 2019.

2. Form the Basis of Audit Opinions

We conducted our audit work in accordance with the Standards on Auditing for Certified Public Accountants. The "responsibility of certified public accountants for auditing financial statements" section of the audit report further elaborates our responsibilities under these standards. In accordance with the Code of Ethics for Chinese Certified Public Accountants, we are independent of your company and fulfill other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the publication of audit opinions.

3. Management and Governance layer's Responsibility for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of financial statements, make it fair to reflect, and designing, implementing and maintaining necessary internal control, in order to avoid any material misstatement in these financial statements due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing matters related to continuing operations, and applying the assumption of going concern unless there is no plan to liquidate, terminate operations or have no other realistic options.

The governance layer is responsible for overseeing the company's financial reporting process.

4. Auditor's Responsibility for Auditing Financial Statements

Our goal is to obtain reasonable assurance whether the financial statements are free from any material misstatement due to fraud or error, and to issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but there is no guarantee that audits performed in accordance with auditing standards will always be found in the presence of a material misstatement. A misstatement may be due to fraud or error, and is generally considered significant if it is reasonably expected that the misstatement, individual or aggregate, may affect the economic decisions made by the financial statements' users based on the financial statements.

We exercise professional judgment and maintain professional skepticism as we conduct our audit in accordance with audit standards. At the same time, we also perform the following work:

(1) Identify and assess material misstatement risks in financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as the basis for the issuance of audit opinions. Since fraud may involve collusion, forgery, intentional omission, misrepresentation or overriding internal control, the risk of material misstatement due to fraud is not higher than the risk of not discovering a material misstatement due to an error.

(2) Understand the internal controls relevant to the audit in order to design appropriate audit procedures, but not for the purpose of commenting on the effectiveness of the internal controls.

(3) Evaluate the appropriateness of accounting policies selected by the management and make accounting estimates and the reasonableness of related disclosures.

(4) Draw conclusions about the appropriateness of management's use of the going concern assumption. At the same time, based on the audit evidence obtained, we can draw a conclusion on whether there are significant uncertainties in the matters or situations that may cause significant doubts about your company's ability to continue as a going concern. If we conclude that there is significant uncertainty, the auditing standards require us to draw the attention of statement users to relevant disclosures in financial statements in our audit reports, and a non-unqualified opinion should be published if the disclosure is not sufficient. Our conclusions are based on information available as of the audit report date. However, future events or circumstances may render your company unsustainable.

(5) Evaluate the overall presentation, structure and content of the financial statements (including disclosures) and evaluate whether the financial statements fairly reflect the relevant transactions and events.

We communicate with governance layer on planned audit coverage, timeline, and major audit findings, including the internal control deficiencies that we identified during the audit that are of concern.

Guangdong Southtianyuan Certified Public Accountants
(general partnership)



CHINA · GUANGZHOU

Chinese CPA:



Chinese CPA:



Apr 7th 2020

Balance Sheet

Dec 31, 2019

会小企01表

Unit: RMB

Entity: Havells Guangzhou International Limited

Items	Balance at the end of the period	Balance at the beginning of the period	Items	Balance at the end of the period	Balance at the beginning of the period
Current Assets:			Current liability:		
Bank and Cash	2,253,754.29	1,600,403.74	Short-term loans		
Current Investment			Notes payable		
Notes receivable	523,142.17		Accounts payable		
Account receivable	1,110,161.77	734,835.89	Advance from customers	176,419.24	
Prepayment	230,935.19	25,233.00	Meet the employees pay	298,326.18	19,569.04
Dividend receivable			Taxes and fees due	259,152.82	235,772.15
Interest receivable			Interest payable	173,832.45	256,625.14
Other receivable	250,685.84	180,227.97	Profit payable		
Inventory			Other payable		
of which: raw materials			Other current liability	237,914.68	129,628.26
goods in process					
finished goods					
revolving materials			Total current liability	1,145,645.37	641,594.59
Other current assets	623,935.67	328,896.09	Non-current liability:		
Total current assets	4,992,614.93	2,869,596.69	Long-term loans		
Non-current assets:			Long-term payable		
long-term bond investments			Deferred income		
long-term equity investments			Other non-current liabilities		
Fixed assets-cost	235,177.49	223,549.87			
Less: Accumulated depreciation cost	95,687.71	49,707.86			
Fixed assets book value	139,489.78	173,842.01			
Long-term contract			Total non-current liabilities	-	-
Materials held for construction of fixed assets			Total liability	1,145,645.37	641,594.59
Disposal of fixed assets			Owners' Equity		
Production of biological assets			Paid in capital	477,666.00	477,666.00
Intangible assets			Capital surplus		
Development expenditure			Surplus reserve		
Long-term deferred expense	38,348.92	101,690.55	Retained profits after appropriation	3,547,142.26	2,025,868.66
Other non-current assets					
Total non-current assets	177,838.70	275,532.56	Total Equity	4,024,808.26	2,503,534.66
Total assets	5,170,453.63	3,145,129.25	Total Liability & Equity	5,170,453.63	3,145,129.25

Legal Representative:

Responsible Person in Charge of
Accounting Work:

Profit and Profit Distribution Table

2019

Entity: Havells Guangzhou International Limited

Items	Amount due this period	Amount due last period
Revenue	17,608,469.84	14,008,881.17
Of which: Main Operating Income	17,595,262.31	14,006,994.38
Other Operating Income	13,207.53	1,886.79
Less: Cost of Sales	6,989,139.84	3,795,685.24
Of which : Cost of Main Operation	6,989,139.84	3,795,685.24
Cost of Other Operation		
Sales Tax	67,383.80	12,882.00
Of which: Business Tax		
City maintenance and construction Tax	36,258.59	6,706.76
Resources Tax		
Land appreciation tax		
Urban and town land usage tax, Estate tax, Vehicle and vessel tax, Stamp tax	5,226.20	1,384.70
Education Surtax, Mineral resources compensation fees, sewage charges	25,899.01	4,790.54
Selling & Distribution expense	5,314,512.84	5,013,177.09
Of which: Maintenance of commodity		
Advertisement and propaganda expenses		
G&A expense	2,695,817.99	2,683,603.65
Of which: Organization costs		
Business entertainment expenses	39,810.81	22,369.87
Research expenditure		
Finance expense	69,387.30	-22,792.66
Of which : Interest enpenses (profit list as "-")	-3,166.06	-2,067.50
Add: Investment income (loss list as "-")		
Profit from operation (Loss list "-")	2,472,228.07	2,526,325.85
Add: Non-operating income		
Including: Public subsidy		
Less: Non-operating expense	120,810.54	21,977.71
Including: Bad debt loss	-4,271.84	21,035.17
Uncollectible long-term bond investment loss		
Uncollectible long-term equity investment loss		
Losses from natural disaster		
Tax overdue fine	125,077.26	
Profit before Tax	2,351,417.53	2,504,348.14
Less: Income tax	199,241.91	629,131.75
Net profit	2,152,175.62	1,875,216.39
Add: Undistributed profit at the start of year	2,025,868.66	150,652.27
Other transfer-in	-630,902.02	
Distributive profit	3,547,142.26	2,025,868.66
Less: Extract for statutory surplus reserve		
Extract of discretionary surplus reserve		
Staff bonus and welfare fund*		
Extract for reserve fund*		
Enterprise expansion fund*		
Return investment by profit**		
Distributive profit for investors	3,547,142.26	2,025,868.66
Less: Dividends payable		
Retained earnings	3,547,142.26	2,025,868.66

Legal Representative:

Responsible Person in Charge of Accounting Work:

Cash Flow Statement

Dec 31, 2019

Entity: Havells Guangzhou International Limited

Unit: RMB

Items	Amount due this period	Amount due last period	Items	Amount due this period	Amount due last period
I. Cash Flow from Operating Activities			Convert net profit to cash flow from operating activities		
Cash from selling commodities or offering labor	15,949,593.08	12,949,588.69	Net profit	2,152,175.62	1,875,216.39
Other cash received related to operating activities	2,743,033.35	2,067.50	Add: Depreciation for fixed assets, productive assets	46,077.11	41,922.30
Cash paid for commodities or labor	8,000,788.76	3,820,918.24	Amortization of intangible assets		-
Cash paid to employees	4,317,854.29	5,160,585.14	Amortization of long-term deferred expenses	64,576.52	343,540.03
Taxes and fees paid	1,986,123.75	1,180,138.72	Loss of disposing fixed assets, intangible assets and other long-term assets(Less: profit)	5.12	942.54
Other cash paid related to operating activities	3,722,779.08	1,806,280.84	Scrap loss of fixed assets		
Cash flow generated from operating activities Net Amount	665,080.55	983,733.25	Financial expenses		-22,792.66
II. Cash Flow from Investing Activities			Investment losses(less: profit)		
Cash from temporary investments, long-term bond investments and long-term equity investments			Decrease of inventory(Less: increase)		
Cash from investment income			Decrease of operation receivables (Less: increase)	-1,285,873.96	-552,098.14
Net cash from disposing fixed assets, intangible assets and other long-term assets			Increase of operation payables (Less: decrease)	326,982.34	-30,459.38
Cash paid for temporary investments, long-term bond investments and long-term equity investments			Others	-638,862.20	-672,537.83
Cash paid for buying fixed assets, intangible assets and other long-term assets	11,730.00	65,449.00	Net Cash from Operating Activities	665,080.55	983,733.25
Cash flow generated from investing activities Net Amount	-11,730.00	-65,449.00			
III. Cash Flow from Financing Activities					
Borrowings					
Cash received from accepting investments					
Cash paid for debt					
Cash paid for interest					
Cash paid for distribute profit					
Cash flow generated from financing activities Net Amount	-	-			
IV. Net Increase of Cash	653,350.55	918,284.25			
Add: Cash beginning balance	1,600,403.74	682,119.49			
V. Cash ending balance	2,253,754.29	1,600,403.74			

Legal Representative:

Responsible Person in Charge of Accounting Work:



Havells Guangzhou International Limited

Notes to Financial Statements

For the Year 2019

Unit: RMB

Article 1 Introduction to the company

Havells Guangzhou International Limited (hereinafter referred to as the “Company”) was registered and obtained its Business License on October 17, 2016, with the approval of Guangzhou Administration for Industry and Commerce of Tianhe district. The registration number is: 91440101MA59FBUR8B; the registered capital is: RMB Five Hundred Thousand only (¥500,000.00); the paid-up capital is: RMB Four Hundred and Seventy-seven Thousand and Six Hundred and Sixty-six only (¥477,666.00); the legal representative is: MAHENDER SINGH BAGRI; office address: Room 905, No.1168 East Xingang Road, Haizhu District, Guangzhou City. The business scope includes: Lamps, decorative items; wholesale; wholesale of household appliances; import and export of commodity (exclude commodity specialize under government control); commission agency; Product information consulting service; (Projects subject to approval according to law, business activities can be carried out after approval by relevant departments).

Article 2 Preparation basis for the financial statements

The Company’s preparation of financial statements is based on the going-concern assumption, according to the actual transactions and affairs, pursuant to the *Accounting Standards for Small Enterprises* (Cai Kuai [2011] No.17) issued by the Ministry of Finance on October 18, 2011 and based on the following significant accounting policies and accounting estimates.

Article 3 Declaration about compliance with the Accounting Standards for Small Enterprises

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Small Enterprises, which reflect the financial status, operating results, cash flow and other information of the Company truly and completely.

Article 4 Explanation on the principal accounting policies and accounting Estimates

1. Accounting system

The Company adopts the *Accounting Standards for Small Enterprises* and the attached accounting subjects.

2. Accounting year

The accounting year of the Company is from January 1 to December 31 of each calendar year.

3. Bookkeeping currency

The Company uses RMB as bookkeeping currency.

4. Bookkeeping basis and pricing principle

The Company adopts the accrual method as bookkeeping basis and adopts the historical costing system as pricing principle.

5. Confirmation standard for cash & cash equivalent

The cash reflected in the cash flow statement of the Company is the cash on hand and the deposit which can be used for payment at any time.

6. Accounting method and translation method of foreign currency transaction

1) Translation method of foreign currency transaction

In the initial recognition of the foreign currency transaction of the Company, the amount of foreign currency will be converted into RMB based on the spot exchange rate of the transaction date; upon the receipt of foreign currency capital from investors, the capital amount will be converted into RMB based on the spot exchange rate of the transaction date.

2) Treatment of foreign currency monetary item and foreign currency non-monetary item in balance sheet date

Regarding to the foreign currency monetary item, it will be converted into RMB based on the spot exchange rate of balance sheet date. The exchange balance incurred due to the difference between the spot exchange rate of the balance sheet date and that of the initial recognition date or the prior balance sheet date will be recorded in the current profit and loss.

Regarding to the foreign currency non-monetary item which is priced as historical costing, it will be converted into RMB based on the spot exchange rate of transaction date without changing the amount of bookkeeping currency.

3) Translation method of foreign currency financial statement

The Company converts all the items contained in the foreign currency balance sheet, income statement and cash flow statement by adopting the spot exchange rate of balance sheet date.

7. Receivables and bad debt losses

The Company's recognition standards for bad debt losses are as follows: the debtor is declared bankruptcy, close or dissolution by laws or the debtor's business license is canceled or revoked by laws, while his liquidation property is insufficient for the settlement of debts; the debtor is dead or declared missing or dead by laws, while his property or heritage is insufficient for the settlement of debts; the debtor fails to pay off his debts for more than three overdue years, and there is unquestionable evidence to prove that he is unable to recover the debt; after a debt reorganization agreement between the Company and the debtor is reached or after the court approves the bankruptcy restructuring plan, it is impossible to demand payment of the debt; it is impossible to recover the debt



due to force majeure, such as natural disaster and war; other conditions specified by the competent department for finance or taxation of the State Council.

The bad debt losses of receivables shall be recorded in non-business expenditure and charged against the receivables when they are actually incurred.

8. Inventories

The Company's inventories include raw materials, commodity stocks and so on. The acquired inventories are recorded at actual cost, and the issued inventories are priced in weighted average method. The inventory system of the Company is perpetual inventory system.

9. Fixed assets

The fixed assets of the Company refer to the tangible assets which are related to production, labor service, rental or operating management with a useful life over one year. The fixed assets are recorded generally at actual cost on acquisition. The depreciation of fixed assets is calculated in straight-line method, and the depreciation rate is based on the balance by subtracting the net salvage from the original value and the expected useful life of each class of fixed assets. The classified depreciation rate is as follows:

Fix asset class	Expected net salvage rate (%)	Expected useful life (year)	Annual depreciation rate (%)
Office equipment & others	5	5	19

10. Long-term deferred expense

The company's long-term deferred expenses refer to the expenses that the company has incurred but should be shared by the current and future periods with amortization period of more than one year (excluding one year). Long-term deferred expenses are recorded at actual expenditure, and are amortized over the period of amortization using the straight-line method, which is included in the cost of related assets or management expense.

11. Revenue recognition principle

1) Recognition method of sales revenue

In general, the Company will recognize the sales revenue after it transfers the goods and receives the payment for goods or the proceeds right. In addition, the Company will recognize the amount of sales revenue according to the contract or agreement price received or receivable from purchasers.

2) Recognition method of revenue from providing labor service

The Company will recognize the realization of labor service income under completion percentage method as the result of labor service transaction can be estimated in a reliable way on the balance sheet date. The Company will recognize the realization of labor service income as the labor service income can be confirmed in a reliable way; relevant costs can be measured reliably; or revenue amount can be calculated reliably.

3) Recognition method of revenue from assignment of right to use assets

The Company will recognize the realization of royalty revenue from assignment of right to use assets when



the related economic benefits can come into its business and the revenue amount can be calculated reliably.

12. Income tax

The income tax of the Company is prepaid quarterly and paid off during annual final settlement. In annual final settlement, the underpaid income tax amount will be paid off within the next year; the overpaid income tax amount will be deducted for income tax within the next year.

Article 5 Major taxes:

Categories of taxes	Tax rate	Tax base
Value-added tax	13%, 6%	Sales revenue
Urban construction and maintenance tax	7%	Paid turnover tax
Education surcharge	3%	Paid turnover tax
Local education surcharge	2%	Paid turnover tax
Enterprise income tax	25%	Taxable income

Article 6 Explanation on changes in accounting policies and accounting estimates and accounting error correction

1. There is no change in accounting policies of the Company in the current year.
2. There is no change in accounting estimates of the Company in the current year.
3. There is change in accounting errors in the previous of the year and the amount of correction are as follows:

- (1) The company's service for HAVELLS INDIA LIMITED does not apply to the scope of "Cross-border services exempt from VAT"; In April 2019, company make a supplementary payment amount RMB 182,466.39 for the value-added tax service fee of income from July to December 2017, amount RMB 21,895.98 for the related tax surcharge. In December 2019, for the 2017 income tax correction declaration, apply for a refund of income tax of RMB 19,783.85; the above subtotal reduced the 2017 net profit by RMB 184,578.52.
- (2) For the same reason, the company repaid the value-added tax of HAVELLS INDIA LTMITED service fee income of RMB 509,161.14 from January to December 2018 in April 2019, and the related tax surcharge of RMB 61,099.36. In June 2019, company adjusted the transfer cost of input tax related to export orders in 2018 RMB -7,960.18. After the settlement and payment in May 2019 and the declaration of income tax correction for 2018 in December 2019, company apply for a refund of the additional income tax of RMB 115,976.82, The above subtotal reduced 2018 net profit by RMB 446,323.50.

Due to the correction of the previous accounting errors mentioned above, the undistributed profit at the beginning of 2019 was reduced by RMB 630,902.02.



Article 7 Notes to relevant data in financial statements (the following monetary unit is RMB, unless otherwise specified)

1. Monetary capital

Items	Balance at the ending of the period	Balance at the beginning of the period
Cash	273.63	86.28
Bank deposit	2,253,480.66	1,600,317.46
Total	2,253,754.29	1,600,403.74

2. Notes Receivable

1) Balance at ending of the year

Items	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
LC	523,142.17	100.00		
Total	523,142.17	100.00		

2) Top 5 of notes receivable

Customer name	Amount	Percentage (%)
AL BALAGH TRADING AND CO. W.L.L.	275,340.15	52.63
SINGHAGIRI PVT LTD	247,802.02	47.37
Total	523,142.17	100.00

3. Accounts receivable

1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	1,110,161.77	100.00	734,835.89	100.00
Total	1,110,161.77	100.00	734,835.89	100.00

2) Top 5 of accounts receivable

Customer name	Amount	Percentage (%)
Havells India	1,110,161.77	100.00
Total	1,110,161.77	100.00

4. Advances to Vendors

1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	230,935.19	100.00	25,233.00	100.00
Total	230,935.19	100.00	25,233.00	100.00



2) Details of advances to vendors

Customer name	Amount	Percentage (%)
Guangdong HONGZHI Intelligent Technology Co., Ltd	196,514.00	85.09
Heshan Hengkai Electric Co., Ltd	11,500.00	4.98
Foshan Nanhai Chaodi Electric Appliance Co., Ltd	22,921.19	9.93
Total	230,935.19	100.00

5. Other receivables

1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	101,412.71	40.45	13,358.91	92.59
1-2 years	149,273.13	59.55	166,869.06	7.41
Total	250,685.84	100.00	180,227.97	100.00

2) Top 5 of other receivables

Customer name	Amount	Percentage (%)
Rental Deposit	131,208.00	52.34
Export tax refund receivable	95,365.05	38.04
International Call Deposit	8,000.00	3.19
CIIC Guangzhou Economic & Technical Co., Ltd	6,165.13	2.46
Ping An Health Insurance Co., Ltd	5,339.97	2.13
Total	246,078.15	98.16

6. Other current assets

Items	Balance at the ending of the period	Balance at the beginning of the period
Amount of input tax to be deducted	623,935.67	328,896.09
Total	623,935.67	328,896.09

7. Fixed assets and accumulated depreciation

Items	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the ending of the period
1. Original value of fixed assets				
Including: office equipment and others	223,549.87	11,730.00	102.38	235,177.49
Total	223,549.87	11,730.00	102.38	235,177.49
2. Accumulated depreciation				

Items	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the ending of the period
Including: office equipment and others	49,707.86	46,077.11	97.26	95,687.71
Total	49,707.86	46,077.11	97.26	95,687.71
3. Book value of fixed assets				
Including: office equipment and others	173,842.01			139,489.78
Total	173,842.01			139,489.78

8. Long-term deferred expense

Items	Original value	Balance at the beginning of the period	Increase during the period	Amortized during the period	Balance at the ending of the period
Fire engineering	42,500.00	18,888.80		14,166.72	4,722.08
Renovation costs	60,440.20	66,520.84		50,409.80	16,111.04
ICP rental	109,066.65	16,280.91	177,934.40	177,699.51	16,515.80
Parking management fee and rent	1,000.00		1,000.00		1,000.00
Total	213,006.85	101,690.55	178,934.40	242,276.03	38,348.92

9. Accounts Payable

1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	176,419.24	100.00		
Total	176,419.24	100.00		

2) Main creditors of accounts payable

Customer name	Amount	Percentage (%)
Zhejiang Tianxi Kitchen Appliance Co., Ltd	143,221.24	81.18
Shanghai Geling International Trading Co., Ltd	33,198.00	18.82
Total	176,419.24	100.00

10. Advances from Customers

1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	281,955.13	94.51	16,105.87	82.30
1-2 years	16,371.05	5.49	3,463.17	17.70
Total	298,326.18	100.00	19,569.04	100.00



2) Main creditors of advance receipts

Customer name	Amount	Percentage (%)
SRS TRADING ASSOCIATES LLP	243,594.95	81.65
Build Connect Limited	16,354.31	5.48
Purple Electricals	14,657.00	4.91
RIVA GLOBAL FZE	13,889.61	4.66
HBC TRADING LIMITED	9,490.49	3.18
Total	297,986.36	99.88

11. Employee Payable

Items	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the ending of the period
Payroll, bonus, allowance, and subsidy	235,772.15	3,261,636.07	3,238,255.40	259,152.82
Staff welfare expenses		668,825.62	668,825.62	
Total	235,772.15	3,930,461.69	3,907,081.02	259,152.82

12. Tax payable

Items	Applicable tax rate	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the ending of the period
Value-added tax	13%/6%	4,144.83	386,114.96	353,019.80	37,239.99
Urban construction and maintenance tax	7%	290.14	27,028.04	24,711.38	2,606.80
Education surcharge	3%	124.34	11,583.46	10,590.60	1,117.20
Local education surcharge	2%	82.90	7,722.29	7,060.39	744.80
Individual income tax		69,760.89	308,907.73	321,783.39	56,885.23
Corporate income tax	25%	182,222.04	364,678.34	471,661.95	75,238.43
Total		256,625.14	1,106,034.82	1,188,827.51	173,832.45

13. Other Payable

1) Balance at ending of the year

Account age	Balance at the ending of the period		Balance at the beginning of the period	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	108,286.42	45.51	129,628.26	100.00
1-2 years	129,628.26	54.49		
Total	237,914.68	100.00	129,628.26	100.00



2) Top five creditors of other payable:

Name	Amount	Percentage (%)
BAGRI	71,056.00	29.87
Guangzhou Bocheng Consulting Service Center	47,394.00	19.92
Export Freight	28,119.20	11.82
SINGH	25,059.62	10.53
Li Pei Xiong	14,274.93	6.00
Total	185,903.75	78.14

14. Paid-up capital

Investor	Balance at the beginning of the period	Shareholding ratio %	Increase during the period	Decrease during the period	Balance at the ending of the period	Shareholding ratio %
HAVELLS INDIA	477,666.00	100.00			477,666.00	100.00
Total	477,666.00	100.00			477,666.00	100.00

15. Undistributed profit

Item	Amount due this period
Undistributed profit at the start of the year	2,025,868.66
Add: Net profit this year	2,152,175.62
Previous year's profit and loss adjustment	-630,902.02
Distributable profit	3,547,142.26
Less: Statutory surplus reserve	
Withdraw any surplus reserve	
Undistributed profit at the end of the year	3,547,142.26

The reasons for the previous year's profit and loss adjustment are shown in 6-3.

16. Business income and cost

1) Main business income and cost

Item	Main business income		Main business cost	
	Amount of current period	Amount of last period	Amount of current period	Amount of last period
Service fee income	7,996,339.44	8,486,019.15		
Domestic sales income	8,898,715.56	3,873,421.94	6,538,042.42	2,752,573.51
Export sales income	700,207.31	1,647,553.29	451,097.42	1,043,111.73
Total	17,595,262.31	14,006,994.38	6,989,139.84	3,795,685.24

**2) Other business income and cost**

Item	Other business income		Other business cost	
	Amount of current period	Amount of last period	Amount of current period	Amount of last period
Re-inspection fee income	13,207.53	1,886.79		
Total	13,207.53	1,886.79		

17. Taxes & Surcharges

Item	Amount of current period	Amount of last period
Urban construction and maintenance tax	36,258.59	6,706.76
Education surcharge	15,539.42	2,883.96
Local education surcharge	10,359.59	1,906.58
Stamp tax	5,226.20	1,384.70
Total	67,383.80	12,882.00

18. Sales expenses

Items	Amount of current period	Amount of last period
Business entertainment	2,952.00	8,555.00
Travel expenses	777,947.21	749,304.67
Courier fee	1,763.11	6,667.84
Social insurance	490,751.89	450,037.47
Employee's salary	3,380,146.33	3,145,315.88
Employee welfare	279,845.62	223,954.00
Housing funds	237,405.10	206,994.40
Cell phone fee	31,211.17	29,742.25
Transportation fee	114.00	11,323.50
Others	609.00	6,116.76
Office expenses	2,613.64	5,673.00
Customs clearance fee	60,570.03	60,600.60
Export freight	20,543.00	18,546.75
Freight	8,342.55	
Sample fee	1,438.00	85,722.45
Transportation expenses	6,350.00	4,622.52
Storage and destruction cost	3,209.43	
Third-party testing fee	8,700.76	
Total	5,314,512.84	5,013,177.09

19. Administrative expenses

Items	Amount of current period	Amount of last period
Asset depreciation costs	46,077.11	41,922.30
Administrative expense	45,770.73	54,373.04
Utility fee	6,347.40	6,542.20



Items	Amount of current period	Amount of last period
Travel expense	42,900.05	68,533.31
Rental fee	397,806.19	376,854.84
Business entertainment fee	39,810.81	22,369.87
Vehicle usage fee	307,036.00	319,982.80
Wages	657,485.00	631,571.00
Social insurance	84,322.39	105,355.19
Employee welfare	467,588.47	397,357.20
Agent employment fee	157,227.09	359,079.62
Consultant fee	196,768.57	
Property management fee	108,246.60	118,087.20
Fire engineering fee	14,166.72	20,666.72
Cell phone fee	2,741.94	
Phone charge	31,889.33	45,447.50
Transportation fee		682.00
Repair fee	50,409.80	55,947.12
Others	3,375.00	19,564.74
Courier fee	18,700.79	2,363.00
Rent LLOYD	11,648.00	31,884.00
Cleaning fee	5,500.00	5,020.00
Total	2,695,817.99	2,683,603.65

20. Financial expenses

Items	Amount of current period	Amount of last period
Interest expense	1,138.27	
Bank service charges	34,652.72	16,328.65
Exchange gain or loss (Less revenue)	36,762.37	-37,053.81
Less: Interest revenue	3,166.06	2,067.50
Total	69,387.30	-22,792.66

21. Non-operating expenses

Items	Amount of current period	Amount of last period
Tax overdue fine, other fines and penalty	125,077.26	
Bad debts	-4,271.84	21,035.17
Loss on disposal of fixed assets	5.12	942.54
Total	120,810.54	21,977.71

22. Income Tax

Items	Amount of current period	Amount of last period
Income tax of current period	199,241.91	626,087.04
Previous annual income tax adjustment		3,044.71
Total	199,241.91	629,131.75

**Article 8 Related party relation and trade****(1) Related party with control relationship**

1. Economic nature or type, name, legal representative, registered address and main business

Related Party Name	Registered address	Main business	Registered Capital	Shareholding Ratio to the Company %
HAVELLS INDIA LTMITED	904, 9th Floor, Surya Kiran Building, Kasturba Gandhi Marg, Connaught Place New Delh	Electric cable, wire, electrical machine and household appliances production and sale		100%

2. Related party open credit balance

Related party name	Related transaction content	Balance at the ending of the period
HAVELLS INDIA LTMITED	Accounts receivable	1,110,161.77

Article 9 Explanation on contingency

There is no contingency of the Company for the year.

Article 10 Other explanation after the balance sheet date

There is no balance sheet future event that need to be disclosed this year.

Article 11 Other matters for explanation

There is no other matter of the Company for the year which needs special explanation.



营业执照

(副本) 编号 S0452014006665 (1-1)

统一社会信用代码 914401047889167341

名 称 广东南方天元会计师事务所(普通合伙)

类 型 合伙企业(普通合伙)

主要经营场所 广州市越秀区中山一路51号后座二楼2-221房

执行事务合伙人 王恩平

成 立 日 期 2006年05月25日

合 伙 期 限 2006年05月25日 至 长期

经 营 范 围 商务服务业(具体经营项目请登录广州市商事主体信息公示平台查询。依法须经批准的项目,经相关部门批准后方可开展经营活动。)



登记机关 广州市越秀区工商行政管理局

2017 年 9 月 3 日



证书序号: 0002735

说明

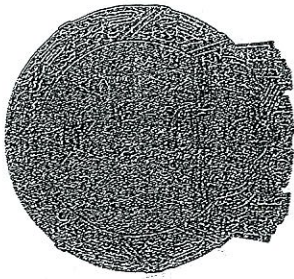
- 1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。
- 2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。
- 3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。



发证机关:

二〇〇六年三月十六日

中华人民共和国财政部制



会计师事务所 执业证书

名称: 广东南方天元会计师事务所(普通合伙)
 首席合伙人: 王恩平
 主任会计师:
 经营场所: 广州市越秀区中山一路51号后座二楼2-221房



组织形式: 普通合伙
 执业证书编号: 44010130
 批准执业文号: 粤财会[2006]56号
 批准执业日期: 2006年05月12日



姓名 王恩平
 Full name
 性别 男
 Sex
 出生日期 1984-04-07
 Date of birth
 工作单位 广州同杞合伙会计师事务所
 Working unit
 身份证号码 240503540407003
 Identity card No.

证书编号: 440100340003
 No. of Certificate

批准注册协会: 广东省注册会计师协会
 Authorized Institute of CPAs

发证日期: 一九九二年十一月十七日
 Date of Issuance 2011年4月30日换发



年度检验登记
 Annual Renewal Registration

本证经检验合格，继续有效一年。
 This certificate is valid for another year after this renewal.



王恩平(440100340003)，已通过广东省注册会计师协会2019年任职资格检查。通过文号：粤注协〔2019〕94号。



440100340003

注册会计师工作单位变更事项登记
 Registration of the Change of Working Unit by a CPA

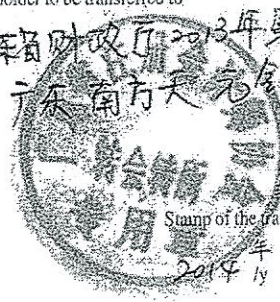
同意调出
 Agree the holder to be transferred from

事务所
 CPAs

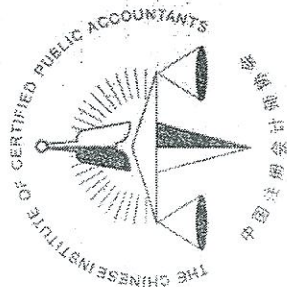
转出协会盖章
 Stamp of the transfer-out Institute of CPAs
 年 月 日
 /y /m /d

同意调入
 Agree the holder to be transferred to

根据广东省财政厅2013年第50号公告
 更名为 广东南方天冠会计师事务所 CPAs



转入协会盖章
 Stamp of the transfer-in Institute of CPAs
 2019年 1月 日
 /y /m /d



姓名	廖喜鹏
Full name	
性别	男
Sex	
出生日期	1968-11-14
Date of birth	
工作单位	广东南方天元会计师事务所
Working unit	(普通合伙)
身份证号码	440511196811140070
Identity card No.	



廖喜鹏(441100030003), 已通过广东省注册会计师协会2019年任职资格检查, 通过文号: 粤注协(2019) 94号。



证书编号: 441100030003
No. of Certificate

批准注册协会: 广东省注册会计师协会
Authorized Institute of CPAs

发证日期: 1995 年 08 月 21 日
Date of issuance /y /m /d

2019年4月换发