Amended Registrar's Copy

Static Control Components Limited

Amended Report and Financial Statements

For the year ended from

23 June 2015 to 30 June 2016

Registered Company Number 09652002

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Static Control Components Limited

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Static Control Components Limited

Company Information

Directors

Mr Wei Yan

Mr Dongjie Wang

Registration Number: 09652002

Registered office

Department 906
196 High Road
Wood Green
London
N22 8HH

Auditors

BDO LLP
Level 12
Thames Tower
Station Road
Reading
Berkshire
RG1 1LX

Static Control Components Limited

Strategic Report for the Period from 23 June 2015 to 30 June 2016

The directors present their strategic report for the period from 23 June 2015 to 30 June 2016.

Principal activity

The principal activity of the company is to manage the investments of its immediate parent company Static Control (Holdings) Limited (SCH) a Hong Kong company, on behalf of Ninestar Corporation (Ninestar) the ultimate parent company which is in turn publicly listed on China's Shenzhen Stock Exchange (Shenzhen stock code 002180). Apex is one of the world's largest supplier of printing cartridge chips.

Fair review of the business

The company was incorporated on 23rd June 2015.

In July 2015, the company acquired the shares of Static Control Components Inc (SCC Inc.). SCC Inc. is one of the world's largest provider of imaging materials and components to the aftermarket printing supplies industry. Headquartered in Sanford, North Carolina in the United States.

In December 2015 the company acquired Static Control Components (Europe) Limited (SCCE) a UK based company and its subsidiaries' from SCC Inc. SCCE acts as SCC Inc.'s distributor in Europe, and offers a complete line of toner cartridge products, components and support services to customers around the world who recycle printer cartridges. SCCE has subsidiaries in Hong Kong, South Africa, Turkey and Dubai.

In December 2015 the company acquired the shares of Apex Print Technology B.V. (APTBV) a company incorporated in the Netherlands from Apex Microelectronics Co. Limited a company incorporated in China and EJM van Donzel Holding B.V. a Netherlands based company. APTBV is the European distributor of Apex products.

The company does not trade and therefore has no turnover. The loss for the year amounted to £3,003,599. The directors have not recommended a dividend.

Key Performance Indicators (KPIs)

The company monitors the values of its investments by closely monitoring the performance of the underlying business in the subsidiaries including sales profitability and cashflow.

The company does not utilise non-financial indicators to monitor the value of its investments.

Principal risks and uncertainties

The directors have considered the position regarding the company's ability to continue as a going concern in view of its financial results. The company made a loss in the year, and the directors have received confirmation from Ninestar that it will continue to provide the company with the necessary support to enable it to continue trading and meet its liabilities as they fall due for a period of at least 12 months from the date of signing of these financial statements.

Approved by the Board on 11/01/2019 and signed on its behalf by:

Mr Dongjie Wang
Director

Static Control Components Limited

Directors' Report for the Period from 23 June 2015 to 30 June 2016

The directors present their report and the financial statements for the period from 23 June 2015 to 30 June 2016.

Incorporation
The company was incorporated on 23 June 2015.

Directors of the company
The directors who held office during the period and up to the date of this report were as follows:

Mr Dongying Wang (appointed 15 June 2015, resigned 15 June 2017)

Mr Dongjie Wang (appointed 23 June 2015)

Mr Wei Yan (appointed 15 June 2017)

Financial instruments

Objectives and policies

The company's directors continue to keep the credit and currency risks to which Static Control Components Limited is exposed under close review and take such steps as they believe will assist the growth of the company's business.

Price risk, credit risk, liquidity risk and cash flow risk

The Company operates in a competitive industry and, therefore faces some price risk. This is mitigated by utilising the group's global purchasing power to negotiate improved pricing from vendors in addition to benefits the company derives from the group's low cost manufacturing facilities.

The global nature of the company's business means that it is exposed to currency risk. The directors monitor the position and are of the opinion that the cost of mitigating the currency risk outweighs the potential benefits. Liquidity and cash flow risk are managed through the parent company's bank facilities, and through support from the group from where the majority of funding is obtained.

Employment of disabled persons
The Company currently does not have any employees. The group is committed to employment policies which follow best practice, based on equal opportunities for all employees. The group gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employee involvement
Employees are regularly provided information on the sales performance of the business during management team briefings in addition to other matters of interest or concern to them.

Future developments
The company will continue to be the holding company for the Static Control Components global operations in addition to Apex's European distribution business.

Dividends and branches outside the United Kingdom
The company has no overseas branches. Disclosure of information relating to dividends is made in the strategic report.

Static Control Components Limited

Directors' Report for the Period from 23 June 2015 to 30 June 2016

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

During the year the directors appointed BDO LLP as auditors, and BDO LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 11/01/2019 and signed on its behalf by:



Mr Dongjie Wang
Director

Static Control Components Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report To The Members Of Static Control Components Limited

We have audited the financial statements of Static Control Components Limited for the period ended 30 June 2016 which comprise specify the primary statements such as the profit and loss account, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the revised financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the revised financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice seen as at the date the original financial statements were approved; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report To The Members Of Static Control Components Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

BDO LLP

Gavin Crawford (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Reading
Date 11 January 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Static Control Components Limited

Profit and Loss Account for the Period from 23 June 2015 to 30 June 2016

	Note	Total 30 June 2016
Turnover		-
Administrative expenses		(38,183)
Operating loss		(38,183)
Interest Income	3	25,228
Other interest payable and similar charges	4	(2,990,644)
		(2,965,416)
Loss before tax		(3,003,599)
Taxation	5	(-)
Loss for the financial period		(3,003,599)

The above results were derived from continuing operations.

The company has no recognised gains or losses for the period other than the results above.

Static Control Components Limited

(Registration number: 09652002)
Balance Sheet as at 30 June 2016

	Note	2016 $
Fixed assets		
Investments	6	66,256,379
Current assets		
Debtors	7	1,143,537
Cash at bank and in hand		142,704
		1,286,241
Creditors Amounts falling due within one year	9	(62,154,789)
Net current liabilities		(60,868,548)
Total assets less current liabilities		5,387,831
Creditors: Amounts falling due after more than one year	9	(8,391,307)
Net liabilities		(3,003,476)
Capital and reserves		
Called up share capital	10	123
Profit and loss account		(3,003,599)
Total equity		(3,003,476)

Approved and authorised by the Board on 11/01/2019 and signed on its behalf by:

Mr Dongjie Wang
Director

Notes to the Financial Statements for the Period from 23 June 2015 to 30 June 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:
Department 906
196 High Road
Wood Green
London
N22 8HH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Revised financial statements

These financial statements replace the original financial statements for the year ended 30 June 2016 and approved by the directors on 28 July 2016 and filed at Companies House and are now the statutory accounts of the company for the year ended 30 June 2016.

These financial statements have been prepared as at the date of the original annual accounts and not at the date of revision and accordingly do not deal with events between those dates.

The directors believe that the original financial statements were not prepared in accordance with s393 of the Companies Act 2006 and did not give a true and fair view of the financial position of the company as at 30 June 2016. These financial statements have revised the trading activities of the entity for the period ended 30 June 2016. This has had the effect of decreasing the company's net assets by $3,003,599.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared on a going concern basis using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the accounting policies.

The functional and presentational currency is US dollars and is rounded to the nearest $1.

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders..

The Company has taken advantage of the following exemptions:.

- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- The company is exempt from preparing a cash flow statement as it is a qualifying entity and as allowed by para 3.17(d).

Name of parent of group

These financial statements are consolidated in the financial statements of Zhuhai Apex Technology Co. Ltd, (Apex) a company publicly listed on China's Shenzhen Stock Exchange (Shenzhen stock code 002180), and one of the world's largest supplier of printing cartridge chips, acquired SCC Inc. in December 2015. On 26 May 2017 Apex changed its name to Ninestar Corporation (Ninestar) and is the ultimate parent company of SCC Ltd.

The financial statements of Zhuhai Apex Technology Co., Ltd., a company incorporated in China, and publicly listed on China's Shenzhen stock exchange may be obtained from Zhuhai Apex Technology Co., Ltd. have been translated into English and be made available at the registered office of Static Control Components (Europe) Limited.

Exemption from preparing group accounts

The company has taken exemption from preparing group accounts under section 401 of the Companies act as it is included in consolidated accounts for a larger group which are drawn up as full consolidated audited accounts.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Investments

Investments in subsidiaries are measured at cost and reviewed regularly for impairment. Impairment losses are recognised through the Statement of Comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to Profit or Loss over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign currency balances and transactions
Foreign currency transactions are translated at the ruling rate when the transaction occurred. Foreign currency monetary assets and liabilities are translated at the balance sheet date. Exchange differences are taken into account in arriving in the operating profit and loss in the period in which they arise.

Profit and loss account
The profit and loss account represents profit and losses, net of dividends paid and other adjustments.

Called up 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. Called up share capital represents the nominal value of shares issued.

Related parties
The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Judgements in applying accounting policies
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairments of debtors
The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtors, the ageing profile of debtors and historical experience.

Impairment of investments
The company is required to assess whether there are any indicators of impairment on investments. The recoverable amount is determined based on value in use. The value in use requires the estimation of future cash flows and the discount rate in order to calculate the present value of the cash flows.

3 Interest income

	2016 $
Interest income	25,228

4 Other interest payable and similar charges

	2016 $
Other interest payable & similar charges	(2,990,644)

5 Taxation

Tax charged/(credited) in the income statement

	2016 $
Current taxation	
UK corporation tax	-

The charge for the year can be reconciled to the profit per the income statement as follows:

Loss for the period	(3,003,599)
Tax on loss at standard UK tax rate of 20%	(600,720)
Effects of:	
Expenses not deductible	263,692
Amounts not recognised	337,028
Tax charge for the period	-

6 Investments in subsidiaries, joint ventures and associates

	2016 $
Investments in subsidiaries	66,256,379

Subsidiaries	$
Cost	
Additions	66,256,379
Carrying amount	
At 30 June 2016	66,256,379

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2016
Subsidiary undertakings			
Static Control Components (Europe) Limited	United Kingdom	Ordinary Shares	100%
Static Control Components (Hong Kong) Limited	Hong Kong	Ordinary Shares	100%
Static Control Components (South Africa) (Proprietary) Limited	South Africa	Ordinary Shares	100%
On Green Limited	Hong Kong	Ordinary Shares	100%
Zhuhai SCC Trading Company Limited	China	Ordinary Shares	100%
Static Control Components Turkey Elektronik Yedek Parca Ticaret Anonim Sirketi	Turkey	Ordinary Shares	100%
Static Control Components Imaging Middle East LLC	UAE	Ordinary Shares	49%
Static Control Components, Inc.	United States of America	Ordinary Shares	100%
Santronics, Inc.	United States of America	Ordinary Shares	100%
Lee Avenue Properties, Inc.	United States of America	Ordinary Shares	100%
SC Components Canada, Inc.	United States of America	Ordinary Shares	100%
SC Components Canada, ULC	Canada	Ordinary Shares	100%
Apex Print Technology B.V.	The Netherlands	Ordinary Shares	100%

Shares in Static Control Components Inc., Static Control Components (Europe) Limited and Apex Print Technology B.V. are directly held by Static Control Components Limited.

The remainder are indirectly held.

Static Control Components Imaging Middle East LLC was established on 28th September 2015 jointly by Static Control Components (South Africa) (Proprietary) Limited (SCC ZA) and Shuraa Turnkey Projects LLC (Shura). SCC ZA acquired 49% of the share capital but according to the memorandum and articles has overall control of the subsidiary.

The cost of the investment in Static Control Components (Hong Kong) Limited is $13 and Static Control Components (South Africa) (Proprietary) Limited is ZAR100 ($7).

For the year ending 31 December 2015 the subsidiary Static Control Components Turkey Elektronik Yedek Parca Ticaret Anonim Sirketi was entitled to exemption from audit.

The financial period end for all subsidiaries is 31 December 2015.

The profit for the financial period of Static Control Components (Europe) Limited was $520,040 and the aggregate amount of capital and reserves at the end of the period was $6,267,579.

The profit for the financial period of Static Control Components (Hong Kong) Limited was $394,947 and the aggregate amount of capital and reserves at the end of the period was $(1,948,203).

The profit for the financial period of Static Control Components (South Africa) (Proprietary) Limited was $26,108 and the aggregate amount of capital and reserves at the end of the period was $227,203.

The loss for the financial period of On Green Limited was $6,308 and the aggregate amount of capital and reserves at the end of the period was $(169,473).

The loss for the financial period of Zhuhai SCC Trading Limited was $1,207,203 and the aggregate amount of capital and reserves at the end of the period was $(3,424,995).

The profit for the financial period of Static Control Components Turkey Elektronik Yedek Parca Ticaret Anonim Sirketi was $4,296 and the aggregate amount of capital and reserves at the end of the period was $13,307.

The profit for the financial period of Static Control Components Imaging Middle East LLC was $Nil and the aggregate amount of capital and reserves at the end of the period was $Nil.

The profit for the financial period of Static Control Components, Inc. was $1,245,134 and the aggregate amount of capital and reserves at the end of the period was $36,509,321.

The profit for the financial period of Santronics Inc. was $70,796 and the aggregate amount of capital and reserves at the end of the period was $59,409.

The profit for the financial period of Lee Avenue Properties Inc. was $Nil and the aggregate amount of capital and reserves at the end of the period was $Nil.

The profit for the financial period of SC Components Canada Inc. was $Nil and the aggregate amount of capital and reserves at the end of the period was $Nil.

The profit for the financial period of SC Components Canada ULC was $7,397 and the aggregate amount of capital and reserves at the end of the period was $54,572.

The loss for the financial period of Apex Print Technology B.V. was $39,610 and the aggregate amount of capital and reserves at the end of the period was $1,318,967.

7 Debtors

	2016 $
Amounts owed by group undertakings	1,143,537
Total current trade and other debtors	1,143,537

8 Cash and cash equivalent

	2016 $
Cash at bank	142,704

9 Creditors

	2016 $
Due within one year	
Amounts due to group undertakings	57,509,131
Other payables	4,645,658
	62,154,789
Due after one year	
Other payables	8,391,307

10 Share capital

New share allotted
During the period 100 Ordinary Shares having an aggregate nominal value of $123 was allotted for an aggregate consideration of $123.

The share is denominated in Pounds Sterling with a nominal value of £1.

11 Related party transactions

	$
Amounts due from group undertakings	1,154,292
Amounts due to group undertakings	57,509,131

During the year, amounts totalling $1,154,291 were due from Static Control Components, Inc. and is included within amounts due from group undertakings.

During the year, amounts totalling $55,246,018 were due to Static Control Holdings Limited and is included within amounts due to group undertakings.

During the year, amounts totalling $3,146 were due to Apex Microtech Limited and is included within amounts due to group undertakings.

During the year, amounts totalling $1,181,811 were due to Apex Microelectronics Co. Ltd and is included within amounts due to group undertakings.

During the year, amounts totalling $869,600 were due to Static Control Components, Inc. and is included within amounts due to group undertakings.

During the year, amounts totalling $208,555 were due to Static Control Holdings Limited and is included within amounts due to group undertakings.

Terms for the loans

Amounts due from group undertakings have no annual payments and may be made at the discression of the Company with a final payment due of the remaining balance in 2020. The amounts due have fixed interest rate of 2.5%.

Amounts due from group undertakings are repayable on demand.

12 Parent and ultimate parent undertaking

The company's immediate parent is Static Control Holdings Limited, incorporated in Hong Kong.

The ultimate parent is Ninestar Corporation, incorporated in China.