

Global Appliance UK Holdco Limited

Company Registration Number 10891700

Report and Financial Statements

Period 31 July 2017 to 31 December 2018

Brown Butler
Chartered Accountants
Leeds



Global Appliance UK Holdco Limited
Report and Financial Statements
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Global Appliance UK Holdco Limited
Report and Financial Statements
Company Information

Director	Xuning Wang
Registered office	Suite 1, 3rd Floor 11-12 St James's Square London SW1Y 4LB
Company number	10891700
Statutory auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds LS1 2JT

The director presents his strategic report for the period 31 July 2017 to 31 December 2018.

Incorporation and principal activity

The company was incorporated on 31 July 2017.

The principal activity of the company is that of an investment holding company.

Fair review of the business

During the year the company acquired the entire issued equity share capital of Global Appliance Inc. as part of the acquisition of the Euro-Pro Group of companies by Compass Cayman SPV, Ltd, the parent company of Global Appliance UK Holdco Limited.

The company has not traded during the period since incorporation.

Approved by the Board on ... 21/5/19 and signed on its behalf by:



Xuning Wang
Director

The director presents his report and the audited financial statements for the period 31 July 2017 to 31 December 2018.

Directors of the company

Xuning Wang (appointed 31 July 2017)

Dividends

No dividends were paid by the company in the year.

The director does not propose the payment of a final dividend.

Disclosure of information to the auditors

So far as the director is aware, there is no information relevant to the audit of which the company's auditors are unaware. The director has taken the necessary steps to ensure that he himself is aware of all relevant audit information and made sure that the company's auditors are also aware of that information.

Approved by the Board on 21/5/19 and signed on its behalf by:

Xuning Wang
Director



Global Appliance UK Holdco Limited
Report and Financial Statements
Statement of Director's Responsibilities

The director is responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial period. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Opinion

We have audited the financial statements of Global Appliance UK Holdco Limited (the "company") for the period 31 July 2017 to 31 December 2018, which comprise the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, 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 company's affairs as at 31 December 2018 and of its results for the period 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 of 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 director is 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 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 require that fact.

We gave nothing to report in this regard.

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Opinions 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 Strategic Report and the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report.

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's 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 Statement of Director's Responsibilities set out on page 4, the director is 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 director determines 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 director is responsible for assessing the 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 director either intends to liquidate the company or cease operations, or have no realistic alternative but to do so.

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. This description forms part of our auditor's report.

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Use of our report

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.



Robert M Solyom (Senior Statutory Auditor)
For and on behalf of Brown Butler
Chartered Accountants and Statutory Auditor
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT

Date: 28/5/19

	Note	31 December 2018 \$
Fixed assets		
Investments	3	810,841,987
Current assets		
Cash at bank and in hand		132
Net assets		<u>810,842,119</u>
Capital and reserves		
Called up share capital	4	144
Share premium account	5	788,341,975
Profit and loss account	5	<u>22,500,000</u>
		<u>810,842,119</u>

These financial statements were approved and authorised for issue by the director on ... 24/5/19.

Xuning Wang
Director



The notes on pages 11 to 14 form an integral part of these financial statements.

Global Appliance UK Holdco Limited
 Report and Financial Statements
 Statement of Changes in Equity for the period 13 July 2017 to 31 December 2018

	Share capital \$	Share premium \$	Profit and loss account \$	Total \$
Share capital issued in the period	144	810,841,975	-	810,842,119
Transfer to reduce share premium	-	(22,500,000)	22,500,000	-
At 31 December 2018	<u>144</u>	<u>788,341,975</u>	<u>22,500,000</u>	<u>810,842,119</u>

On 11 June 2018 a written resolution was passed by the company's shareholder whereby the company's share premium account was reduced by \$22,500,000.

The resolution authorised the director to arrange for the capital so reduced to be credited to a reserve which, pursuant to Article 3(2)(b) of the Companies (Reduction of Share Capital) Order 2008, is treated for the purposes of Part 23 of the Companies Act 2006 as realised profits.

The notes on pages 11 to 14 form an integral part of these financial statements.

Global Appliance UK Holdco Limited
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 Statement of Cash Flows for the period 13 July 2017 to 31 December 2018

	Note	31 July 2017 to 31 December 2018 \$
Cash flows from operating activities		
Result for the period		-
Net cash flow from operating activities		-
Cash flows from investing activities		
Acquisition of subsidiaries	3	(810,841,987)
Cash flows from financing activities		
Proceeds from issue of ordinary shares, net of issue costs		810,842,119
Net increase in cash and cash equivalents		132
Cash and cash equivalents on incorporation		-
Cash and cash equivalents at 31 December 2018		<u>132</u>

The notes on pages 11 to 14 form an integral part of these financial statements.

1 General information

Global Appliance UK Holdco Limited is a private company limited by shares and incorporated in England and Wales under company number 10891700.

The address of its registered office is:
Suite 1, 3rd Floor
11-12 St James's Square
London
SW1Y 4LB

2 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 (2015) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The presentation currency is US\$.

The significant accounting policies applied in the preparation of these financial statements are set out below.

Summary of disclosure exemptions

Group financial statements not prepared.

The company has not prepared group financial statements as it is exempt from doing so by Section 401 of the Companies Act 2006. The company is a wholly owned subsidiary of a non-EEA company. *It and its subsidiary undertakings are included in the audited consolidated financial statements of Compass Cayman SPV, Ltd, its parent company.*

The address of the registered office of Compass Cayman SPV, Ltd is c/o Maples Corporate Services Ltd, Uglan House, South Church Street, Georgetown, Grand Cayman, KY1-1104, Cayman Islands.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

3 **Fixed asset investments**

	31 December 2018 \$
Investment in subsidiary undertaking	810,841,987
	<u>810,841,987</u>
	\$
Cost	
Additions	810,841,987
At 31 December 2018	810,841,987
	<u>810,841,987</u>
Carrying amount	
At 31 December 2018	810,841,987
	<u>810,841,987</u>

In the opinion of the director, the aggregate value of the company's investment in the subsidiary undertaking is no less than the amount included in the balance sheet.

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:

	Country of incorporation	Proportion of holding	Principal activity
Subsidiary undertaking – Direct holding			
Global Appliance Inc.	USA	100%	Investment holding company
Subsidiary undertakings – Indirect holdings			
Euro-Pro Holdco, LLC	USA	100%	Investment holding company
EP Midco LLC	USA	100%	Investment holding company
Euro-Pro International Holding Company	USA	100%	Investment holding company
Euro-Pro Europe Ltd	England & Wales	100%	Manufacture and sale of home appliance products
SharkNinja co, Ltd	Japan	100%	Manufacture and sale of home appliance products
UK Euro-Pro Limited	England & Wales	100%	Manufacture and sale of home appliance products
Euro-Pro Hong Kong Limited	Hong Kong	100%	Home appliances research and development, import and export business, equity investment
Euro-Pro Suzhou Technical Advisory Services Co Ltd	China	100%	Provision of design services, technical consulting services and strategic planning services

3 Fixed asset investments (continued)

Subsidiary undertakings – Indirect holdings (continued)

	Country of incorporation	Proportion of holding	Principal activity
SharkNinja Operating LLC	USA	100%	Manufacture and sale of home appliance products
SharkNinja Management Company	USA	100%	Manufacture and sale of home appliance products
SharkNinja Sales Company	USA	100%	Retailing of home appliance products
SharkNinja (Hong Kong) Company Limited	Hong Kong	100%	Home appliances research and development, import and export business, equity investment
Euro-Pro Commerce Consulting (Shenzhen) Co Ltd	China	100%	Manufacture and sale of home appliance products, marketing, supply chain management, consultancy
Shenzhen SharkNinja Technology Co Ltd	China	100%	Manufacture and sale of home appliance products, marketing, supply chain management, consultancy
Suzhou SharkNinja Technology Co Ltd	China	100%	Manufacture and sale of home appliance products, marketing, supply chain management, consultancy
Hangzhou SharkNinja Commerce Consulting Co Ltd	China	100%	Manufacture and sale of home appliance products, marketing, supply chain management, consultancy
SharkNinja UK Ltd	England & Wales	100%	Investment holding company
SharkNinja EPE Ltd	England & Wales	100%	Investment holding company

All shareholdings relate to ordinary share capital.

4 Share capital

Allotted, called up and fully paid shares

	31 December 2018	
	No	\$
Ordinary shares of \$1.32	<u>109</u>	<u>143.88</u>

New shares allotted

On incorporation 100 Ordinary shares having a nominal value of £1 (\$1.32) each were allotted for an aggregate consideration of £100 (\$132).

On 29 September 2017 9 Ordinary shares having a nominal value of £1 (\$1.32) were allotted for an aggregate consideration of £605,269,218 (\$810,841,987). The consideration in excess of the nominal value was credited to share premium account.

The company's issued share capital is 109 Ordinary shares of £1 each, converted to US\$ at the balance sheet date.

5 Reserves

Share premium account – this reserve records the amount above the nominal value received for shares issued.

Profit and loss account – this reserve represents the company's realised accumulated profits.

6 Contingent liabilities

The company is guarantor for borrowings of its immediate subsidiary Global Appliance Inc. and its subsidiaries. A charge dated 29 September 2017 was registered at Companies House on 16 October 2017 in favour of JP Morgan Chase Bank, NA. A further charge dated 9 February 2018 in favour of JP Morgan Chase Bank, NA was registered at UK Companies House on 14 February 2018.

7 Controlling party

The company's immediate parent is Compass Cayman SPV, Ltd, a company incorporated in the Cayman Islands.

In the opinion of the director the ultimate parent company is Hezhou Limited Partnership, a company incorporated in China. This company is controlled by Xuning Wang by virtue of his 61.85% shareholding.