

IIFL Private Wealth Hong Kong Limited

**Directors' report
and
Financial statements**

For the year ended

31 March 2020

Joseph K.H. Ng & Co.
Certified Public Accountants
Hong Kong

IIFL Private Wealth Hong Kong Limited
Directors' report and financial statements
For the year ended 31 March 2020

Table of Contents

1. Directors' report	3
2. Business Review	4
3. Independent auditor's report.....	5
4. Statement of comprehensive income.....	7
5. Statement of financial position	8
6. Statement of changes in equity.....	9
7. Statement of cash flow	10
8. Notes to financial statements	11

IIFL Private Wealth Hong Kong Limited
Directors' report

The sole director herewith submits the annual report together with the audited financial statements for the year ended 31 March 2020.

Principal activities

The company's principal activities were (i) Dealing in Securities; and (ii) Advising on Securities. Company surrendered its license in 2019 and is currently in the process of winding up.

Financial result

The financial result of the company for the year ended 31 March 2020 and the financial position as at 31 March 2020 are set out in the financial statements on pages 7 to 19.

Directors

The directors during the financial period and up to the date of this report are:

GARG Amit

In accordance with article 100 of the company's articles of association, the director continues to hold office.

Directors' interests in contracts

No contract of significance in relation to the company's business to which the company, any of its holding companies or fellow subsidiaries was a party, and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

Arrangements to acquire shares or debentures

At no time during the year was the company, any of its subsidiaries a party to any arrangement to enable the directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

Business Review

The Business Review of the Company is set out on page 4.

Auditors

These financial statements have been audited by Messrs. Joseph K. H. Ng & Co., Certified Public Accountants who retire and, being eligible, offer themselves for re-appointment.

By order of the board



GARG Amit
Chairman

Singapore

13 MAY 2020

IIFL Private Wealth Hong Kong Limited Business Review

The directors herewith present the business review of IIFL Private Wealth Hong Kong Limited (the Company) for the year ended 31 March 2020.

The Company was established in 4th June 2010 and obtain license to conduct following regulated activities on 4th June 2012 (i) Dealing in Securities; and (ii) Advising on Securities. For Dealing in Securities activity, the Company shall not conduct business other than a) to dealing in collective investment schemes b) introducing persons to IIFL Wealth Management Ltd in order that they may effect dealing in securities in India. The service was provided only to “professional investors” is as defined in the Securities and Futures Ordinance. The Company was regulated by the Securities and Futures Commission in Hong Kong. The Company has surrendered its licence and cease to perform regulated activity from January 2019

The Company is wholly owned subsidiary of IIFL Wealth Management Limited (IIFLW), a public limited company incorporated in India.

For the year ended 31 March 2020, the revenue of the Company is HK\$ 5,707 and the financial position of the Company as at that date is as follows:

Period	Year ended 31 March 2020
Other Income	5,707
Operating Expenses	32,500
Income Tax Refund (of past period)	(2,478)
Loss for the year	(24,315)

The Company has made a loss of HK\$ 24,315 for the year under audit. No new clients were procured, no fees are earned from any clients.

The director would like to intimate of the following events that has occurred during the financial year ending March 31, 2020 in relation to the Company:

- (i) The director confirmed that the Company has no clients and has not been involved in any regulated activities during the audit period
- (ii) The directors have decided to wind up the Company and accordingly the winding up activities shall be initiated upon conclusion of audit of the books of the Company.
- (iii) The Company had lease a serviced office in Central and now has moved to the office of FAS Limited who are our company secretary and all records will be stored at FAS Limited.
- (iv) During the period under audit, the directors opined that the Company followed applicable laws, rules and regulations.



**Independent auditor's report to the sole shareholder of
IIFL Private Wealth Hong Kong Limited**
(Incorporated in Hong Kong with limited liability)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IIFL Private Wealth Hong Kong Limited set out on pages 7 to 19, which comprise the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of change in equity and statement of cash flow for then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2020 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis of Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

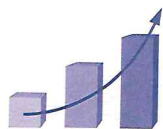
The directors are responsible for the other information. The other information comprises the directors' report and business review, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.



In preparing the financial statements, the directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibility 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.

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, in accordance with section 405 of the Hong Kong Companies Ordinance (Cap.622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Joseph K. H. Ng & Co.
Certified Public Accountants

Hong Kong, 19 MAY 2020

**Statement of comprehensive income
for the year ended 31 March 2020**

	Note	2020 HK\$	2019 HK\$
Turnover	3	-	600,000
Other income	3	5,707	6,859
Operating expenses		(32,500)	(670,293)
Loss before tax	4	<u>(26,793)</u>	<u>(63,434)</u>
Income tax expense	6	<u>2,478</u>	<u>31,718</u>
Loss for the year		<u><u>(24,315)</u></u>	<u><u>(31,716)</u></u>

The notes on pages 11 to 19 are part of these financial statements.

Statement of financial position as at 31 March 2020

	Notes	2020 HK\$	2019 HK\$
Current assets			
Cash and cash equivalents		7,498,813	7,575,032
Other receivable		2,478	-
		<u>7,501,291</u>	<u>7,575,032</u>
Current liabilities			
Accrued charges		25,000	74,426
		<u>25,000</u>	<u>74,426</u>
Net current assets		<u>7,476,291</u>	<u>7,500,606</u>
NET ASSETS		<u>7,476,291</u>	<u>7,500,606</u>
EQUITY			
Issued share capital			
6,476,324 ordinary shares, fully paid		6,476,324	6,476,324
Retained earnings		999,967	1,024,282
TOTAL EQUITY		<u>7,476,291</u>	<u>7,500,606</u>

Approved and authorised for issue by the sole director on 13 MAY 2020



GARG Amit

The notes on pages 11 to 19 are part of these financial statements.

Statement of changes in equity for the year ended 31 March 2020

	Share capital HK\$	Retained earnings HK\$	Total HK\$
At 1 April 2018	6,476,324	1,055,998	7,532,322
Loss for the year	-	(31,716)	(31,716)
At 31 March 2019	6,476,324	1,024,282	7,500,606
Loss for the year	-	(24,315)	(24,315)
At 31 March 2020	6,476,324	999,967	7,476,291

The notes on pages 11 to 19 are part of these financial statements.

Statement of cash flow for the year ended 31 March 2020

	2020	2019
	HK\$	HK\$
Cash flows from operating activities		
Loss before tax	(26,793)	(63,434)
Adjustments for:		
- Interest received	(5,707)	(6,859)
- Depreciation of property, plant and equipment	-	104
- Loss on disposal of fixed assets	-	2,021
Operating loss before working capital changes	<u>(32,500)</u>	<u>(68,168)</u>
Decrease in deposits and prepayments	-	97,316
Increase in other receivables	(2,478)	-
Decrease in accrued charges	(49,426)	(46,916)
Cash used in operations	<u>(84,404)</u>	<u>(17,768)</u>
Income tax refund	2,478	57,723
<i>Net cash from (used in) operating activities</i>	<u>(81,926)</u>	<u>39,505</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(3,125)
Proceeds from disposal of property, plant and equipment	-	1,000
Interest received	5,707	6,859
<i>Net cash from investing activities</i>	<u>5,707</u>	<u>4,734</u>
Net increase/(decrease) in cash and cash equivalents	(76,219)	44,239
Cash and cash equivalents at beginning of the year	<u>7,575,032</u>	<u>7,530,793</u>
Cash and cash equivalents at end of the year	<u>7,498,813</u>	<u>7,575,032</u>
Analysis of cash and cash equivalents		
Bank balances	<u>7,498,813</u>	<u>7,575,032</u>

The notes on pages 11 to 19 are part of these financial statements.

Notes to financial statements for the year ended 31 March 2020

1. General information

IIFL Private Wealth Hong Kong Limited is a limited liability company incorporated in Hong Kong. The address of its registered office is located at Room 902, Wilson House, 19-27 Wyndham Street, Central, Hong Kong. Its principal activities are advising clients in securities and referring clients to fund managers. The functional and presentation currencies of the financial statements are Hong Kong dollars.

2. Basis of preparation and accounting policies

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Institute and accounting principles generally accepted in Hong Kong. These financial statements have been prepared under the historical cost convention and the break-up basis that the company will be voluntarily winding up by members.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company’s accounting policies. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Institute has issued certain new/revised HKFRSs after 31 March 2019 and up to the date of approval of the financial statements. The company anticipates that application of the revised HKFRS will have no significant impact on the results and the financial position of the company.

a. Property, plant and equipment

Property, plant and equipment and are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for them to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The rate of depreciation is 20% per annum.

2. Basis of preparation and accounting policies (continued)

a. Property, plant and equipment (continued)

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gain or loss arising from the de-recognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

b. Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

c. Financial instruments

Financial assets and financial liabilities are recognized in the statements of financial position when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value and transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The company's other financial assets, including receivables and cash and bank balances, are subsequently measured at amortized cost using the effective interest method, less identified impairment charges as the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial liabilities include payables and other monetary liabilities. All financial liabilities are subsequently measured at amortized cost using the effective interest method.

d. Impairment of financial assets

The company recognizes charges for impaired receivables promptly where there is objective evidence that impairment of a receivable has occurred. The impairment of a receivable carried at amortized cost is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the receivable's original effective interest rate. Impairment charges are assessed individually for significant receivables.

2. Basis of preparation and accounting policies (continued)

d. Impairment of financial assets (continued)

The carrying amount of the receivables is reduced through the use of provision for impairment account. Changes in the carrying amount of the provision for impairment account are recognized in profit or loss. When the receivable is considered uncollectible, it is written off against the provision for impairment account.

If, in a subsequent period, the amount of an impairment charge decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment charge is reversed by reducing the provision for impairment account, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. The amount of any reversal is recognized in profit or loss.

e. De-recognition of financial assets and liabilities

Financial assets are derecognized when the contractual rights to receive the cash flows of the financial assets expire; or where the company transfers the financial assets and either (i) it has transferred substantially all the risks and rewards of ownership of the financial assets or (ii) it has neither transferred nor retained substantially all the risks and rewards of ownership of the financial assets but has not retained control of the financial assets. Financial liabilities are derecognized when they are extinguished, i.e. when the obligation is discharged, cancelled or expires.

f. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and deposits with banks and other financial institutions having a maturity of three months or less at acquisition.

g. Income tax

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. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and 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 period.

h. Employee benefit obligations

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2. Basis of preparation and accounting policies (continued)

i. Related parties

A related party is a person or entity that is related to the company.

(i) A person or a close member of that person's family is related to the company if that person:

(a) has control or joint control over the company;

(b) has significant influence over the company; or

(c) is a member of the key management personnel of the company or of a parent of the company.

(ii) An entity is related to the company if any of the following conditions applies:

(a) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) 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 company is itself such a plan, the sponsoring employers are also related to the company.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

j. Revenue recognition

Revenue is recognized in profit or loss provided it is probable that the economic benefits will flow to the company and revenue can be measured reliably.

i) One-time set up fee income

One-time set up fee income is recognized when set up process is completed and the income is received.

ii) Referral fee income

Referral fee income is recognised when the clients referred to by the company open accounts and start investing in the funds to which such clients are referred by the company.

iii) Interest income

Interest income is recognised using the effective interest method.

k. Foreign currency translation

Items included in the financial statements of the company are measured using the currency of the primary environment in which the company operate respectively (the functional currency).

2. Basis of preparation and accounting policies (continued)

k. Foreign currency translation (continued)

These financial statements are presented in Hong Kong dollars, which is the company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency at the exchange rates ruling at the transaction dates. Monetary items denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All exchange differences are recognized in profit or loss.

Foreign exchange gains and losses that relate to 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 income" or "other expenses".

3. Revenue

	2020	2019
	HK\$	HK\$
Referral fees income	-	600,000
Bank interest income	5,707	6,859
	<u>5,707</u>	<u>606,859</u>

4. Loss before tax

Loss before tax is arrived at after charging:

	2020	2019
	HK\$	HK\$
Auditors' remuneration	25,000	50,000
Depreciation of property, plant and equipment	-	104
Loss on disposal of property, plant and equipment	-	2,021
Loss on exchange	-	5,303
Office rent	-	232,730
	<u>-</u>	<u>232,730</u>

5. Directors' remuneration

Director's remuneration disclosed pursuant to section 383(1) of Companies Ordinance (Cap.622) is as follows:

	2020	2019
	HK\$	HK\$
Other emoluments	-	258,115
MPF contribution	-	4,500
Benefits in kind	-	28,600
	<u>-</u>	<u>291,215</u>

6. Income tax expense

Hong Kong profits tax is not provided as the Company incurred loss during the year.

7. Property, plant and equipment

Office equipment

	2020	2019
	HK\$	HK\$
<i>Cost:</i>		
At beginning of the year	-	948
Additions	-	3,125
Disposals	-	(4,073)
At end of the year	<u>-</u>	<u>-</u>
<i>Accumulated depreciation:</i>		
At beginning of the year	-	948
Charge for the year	-	104
Disposals	-	(1,052)
At end of the year	<u>-</u>	<u>-</u>
<i>Net carrying amount:</i>		
At end of the year	<u>-</u>	<u>-</u>

8. Financial instruments by category

	2020	2019
	HK\$	HK\$
Financial assets at amortized cost:		
Tax repayable	-	-
Cash and cash equivalents	<u>7,498,813</u>	<u>7,575,032</u>
Financial liabilities at amortized cost:		
Accrued charges	<u>25,000</u>	<u>74,426</u>

Cash and cash equivalents comprise bank balances at savings account and current account.

The maturity profile of financial liabilities based on the contracted undiscounted payment, is as follows:

	2020	2019
	HK\$	HK\$
Within 90 days:		
Accrued charges	<u>25,000</u>	<u>74,426</u>

The carrying amounts of financial instruments at amortized cost at the end of the reporting period approximate their fair values.

9. Financial risk management

Financial instruments mainly consist of investments, receivables, cash and bank balances and payables and accruals. The company carries as little risk from financial instruments as practicable. The company are exposed to various financial risks which are discussed below:

(a) Interest rate risk

The company's exposure to interest rate fluctuations is mainly limited to interest receivable on its savings account. Directors consider the company have limited exposure to interest rate risk relating to the savings accounts as the changes in the interest rate of the savings accounts over the period until the end of the next annual reporting period are expected to be minimal. Any fluctuation in the prevailing levels of market interest rates will have an impact on the interest income alone as the company did not borrow any interest bearing loans. The company manage the interest rate risk by monitoring closely the movements in interest rates in order to limit potential adverse impact on interest income.

9. Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company have designed their credit policies with an objective to minimize their exposure to credit risk. One-time set up fee income and referral income are derived from immediate holding company and a fellow subsidiary respectively, the directors considered that there is no question of credit risk.

The company's surplus cash has been deposited with a reputable and creditworthy bank. Directors consider there is minimal risk associated with the investments and bank balances.

(c) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The company manages liquidity risk by maintaining adequate reserves. The company performs periodically cash flow forecasts to monitor future cash flows. The current financial strength of the company poses no threat of liquidity to the company.

(d) Foreign exchange risk

The company are not exposed to any material foreign currency risk as the majority of the transactions, monetary assets and monetary liabilities are denominated in Hong Kong dollars.

10. Capital management

The company's objectives when managing capital are:

- (a) to safeguard the company's ability to continue as a going concern to enable its obligations under the Securities and Futures Ordinance and the Companies Ordinance are fulfilled; and
- (b) to provide capital for the purpose of strengthening the company's operational efficiency.

The company regularly reviews and manages its capital to ensure adequacy for both operational and capital needs. The share capital and reserves are increased and maintained to ensure sufficient financial resources are available to fulfill the Financial Resources Rules and company's working capital requirement.

11. Related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the company had the following material related party transactions during the year:

	2020	2019
	HK\$	HK\$
Referral fee income from a fellow subsidiary	-	600,000
Manpower support fee payable to a fellow subsidiary	-	9,808

The manpower support fee payable to fellow subsidiary is included in accrued charges. All the transactions with related party were negotiated at arm-length basis and in accordance with common commercial terms in the same manner as other external customers.

12. Ultimate holding company and immediate holding company

The directors regard that IIFL Wealth Management Limited which is incorporated in India is the immediate as well as ultimate holding company.