

THE STYLE MERCHANTS LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2012

(RMB)

GOODWILL	6,503,032
INTANGIBLE FIXED ASSETS	
Brand Name	3,641,786
Reacquired Right -Franchisee	1,436,703
Contract with Miss Sun- License Fee	2,078,450
FIXED ASSETS	
Leasehold improvement and props	3,067,335
Furniture & fixtures	265,761
Office equipment	1,023,467
Computer hardware	563,131
Computer software	561,008
Less: accumulated depreciation	(4,158,255)
	<u>1,322,447</u>
CURRENT ASSETS	
Inventory control	8,138,344
Provision for obsolete stock	(3,268,239)
A/C receivable	335,712
Prov. for bad & doubtful debt	(29,566)
Rental deposits (Included shop and office)	1,508,885
Utility and other deposits	298,520
Other receivables	284,489
Procurement deposits	472,563
Prepayment	154,879
Prepayment - AP	77,657
Bank	770,365
Petty cash	30,169
Total current assets	<u>8,773,776</u>
CURRENT LIABILITIES	
A/C payable	3,819,117
Other payables	1,577,723
Short term loans	1,245,550
Accrual expenses	5,691,383
Accrued salary	238,265
Franchisee deposits	1,360,000
Receipt in advance	6,763,141
VAT payables	326,466
Total current liabilities	<u>21,021,645</u>
NET CURRENT ASSETS / (LIABILITIES)	(12,247,869)
NON - CURRENT LIABILITIES	
Shareholders' loan	4,391,026
NET ASSETS / (LIABILITIES)	<u>(1,656,476)</u>
SHARE CAPITAL AND RESERVES	
Share capital	57,865,401
Reserves	(51,443,495)
	<u>6,421,906</u>
Non-Controlling Interersts	(9,866,188)
Deferred Taxation	1,787,805
	<u>(1,656,476)</u>