Laxmi Specialty Chenmicals(Shanghai) Co., Ltd.

Auditor's Report

Hu Gaoren (2021) Shen.No.C112

Shanghai Gaoren Certified Public Accountants Partnership
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Auditor's Report

Hu Gaoren (2021) Shen No.C112

To All the Shareholders of Laxmi Specialty Chemicals (Shanghai) Co., Ltd.:

I. Opinion

We have audited the financial statements of Laxmi Specialty Chemicals (Shanghai) Co., Ltd. (hereinafter briefly referred to as "Your company"), which comprise the balance sheet as at March 31,2021, and the income statement, the cash flow statement and the statement of change in equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Your company as at March 31,2021 , and the results of its operations and its cash flows for the year then ended in accordance with the Accounting Standards for Small Business Enterprises.

II. Basis for Opinion

We conducted our audit in accordance with the China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of Your company in accordance with the China Code of Ethics for Certified Public Accountants, and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Responsibility of Management and Those Charged with Governance for the Financial Statements

Management of Your company (hereinafter referred to "Management") is responsible for the preparation of these financial statements in accordance with the Accounting Standards for Small-sized Business Enterprises to achieve a fair presentation of the financial statements, and design, implement and maintain such internal control as management 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, management is responsible for assessing the ability of Your company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Your company, or to cease operations, or has no realistic alternative but to do so.

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

IV. Auditor's Responsibility for the Audit of 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 the auditor's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards 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 the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) 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 the risk of one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal control.

(2) 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 entity's internal control.

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

(4) Conclude on the appropriateness of the management's 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 ability of Your company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the information available to us at the date of the auditor's report. However, future events or conditions may cause Your company to cease to continue as a going concern.

(5) Evaluate an overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated 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 identified in our audit.

English translation is for reference only. Should there be any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

Shanghai Gaoren Certified Public Accountants
(General Partnership)

Chinese Certified Public Accountant

Chinese Certified Public Accountant

Shanghai, China

Date: April 13, 2021

Balance Sheet

2021-3-31

Prepared by: Laxmi Specialty Chemicals (Shanghai) Co., Ltd. Monetary Unit: RMB/Yuan

Items	Notes	Year-end Balances	Year-beg. Balances
Current Assets:			
Monetary funds	Note VI, 1	579,300.95	
Financial assets measured at fair value through profit or loss			
Derivative financial assets			
Accounts receivable			
Advances to suppliers			
Other receivables	Note VI, 2		
Including: Interest receivable			
Dividends receivable			
Inventories			
Assets held for sale			
Non-current assets due within one year			
Other current assets			
Total Current Assets		**579,300.95**	
Non-current Assets:			
Available-for-sale financial assets			
Held-to-maturity Investments			
Long-term receivables			
Long-term equity investments			
Investment properties			
Fixed assets			
Construction in progress			
Productive biological assets			
Oil and gas assets			
Intangible assets			
Expenditures on research and development			
Goodwill			
Long-term prepaid expenses			
Deferred tax assets			
Other non-current assets			
Total Non-current Assets			
Total Assets		**579,300.95**	

Balance Sheet (Continued)

2021-3-31

Prepared by: Laxmi Specialty Chemicals (Shanghai) Co., Ltd. Monetary Unit: RMB/Yuan

Items	Notes	Year-end Balances	Year-beg. Balances
Current Liabilities:			
Short-term borrowings			
Financial liabilities measured at fair value through profit or loss			
Derivative financial liabilities			
Accounts payable	Note VI, 3	270,755.14	
Advances from customers	Note VI, 4	18,522.94	
Employee benefits payable			
Taxes and dues payable	Note VI, 5	16,779.63	
Other payables		12,108.32	
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year			
Other current liabilities			
Total Current Liabilities		**318,166.03**	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bond			
Long-term payables			
Long-term employee benefits payable			
Expected liabilities			
Deferred income			
Deferred tax liabilities			
Other non-current liabilities			
Total Non-current Liabilities			
Total Liabilities		**318,166.03**	
Shareholders' Equity			
Share Capital	Note VI, 6	300,000.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bond			
Capital reserve			
Less: Treasury shares			
Other comprehensive income			
Specialized reserve			
Surplus reserve			
General risk reserve			
Undistributed profit	Note VI, 7	-38,865.08	
Total Shareholders' Equity		**261,134.92**	
Total Liabilities & Shareholders' Equity		**579,300.95**	

Income Statement

2021-3-31

Prepared by: Laxmi Specialty Chemicals (Shanghai) Co., Ltd. Monetary Unit: RMB/Yuan

Items	Notes	Current Year	Prior Year
I. Total Operating Revenue	Note VI, 8	**1,003,441.57**	
Less: Operating cost	Note VI, 8	757,565.41	
Taxes and surcharges	Note VI, 9	3,465.31	
Selling expenses	Note VI, 10	22,947.51	
General and administrative expenses	Note VI, 11	265,326.74	
Research and development expenses			
Finance costs	Note VI, 12	-11,122.23	
Including: Interest expense			
Interest income			
Assets impairment losses			
Add: Other income			
Investment income (with "-" for losses)			
Including: Income from investments in associates and joint ventures			
Income from changes in fair value (with "-" for losses)			
Income from disposal of assets (with "-" for losses)			
II. Operating Profit (with "-" for loss)		**-34,741.17**	
Add: Non-operating revenue			
Less: Non-operating expenses			
III. Total Profit (with "-" for total loss)		**-34,741.17**	
Less: Income tax expense		4,123.91	
IV. Net Profit (with "-" for net loss)		**-38,865.08**	
(I) Net profit from continuing operations (with "-" for net loss)		**-38,865.08**	
(II) Net profit from discontinuing operations (with "-" for net loss)			
V. Other Comprehensive Income, Net of Tax			
(I) Other comprehensive incomes that will not be reclassified to profits or losses			
1.Changes arising from re-measurement of the defined benefit plan			
2.Other comprehensive incomes that cannot be reclassified into profits or losses under the equity method			
(II) Other comprehensive incomes that will be reclassified into profit or loss			
1.Other comprehensive incomes that can be reclassified into profits or losses under the equity method			
2.Gains or losses arising from changes in fair value of available-for-sale financial assets			
3.Gains or losses on reclassification from held-to-maturity financial assets to available-for-sale financial assets			
4.Effective portion of gains or losses on cash flow hedges			
5.Exchange differences on translation of foreign currency financial statements			
6.Other			
VI. Total Comprehensive Income		**-38,865.08**	

Cash Flow Statement

2021-3-31

Prepared by: Laxmi Specialty Chemicals (Shanghai) Co., Ltd. Monetary Unit: RMB/Yuan

Items	Notes	Current Year	Prior Year
I. Cash Flows from Operating Activities:			
Cash receipts from the sale of goods or rendering of services		1,159,009.43	
Refunds of taxes			
Other cash receipts related to operating activities		1,622.87	
Sub-total of cash inflows from operating activities		**1,160,632.30**	
Cash payments for goods purchased and services received		521,122.88	
Cash payments to and on behalf of employees		165,109.77	
Payments of all types of taxes		67,016.21	
Other cash payments related to operating activities		128,082.49	
Sub-total of cash outflows from operating activities	Note VI, 13	**881,331.35**	
Net cash flows from operating activities		**279,300.95**	
II. Cash Flows from Investing Activities:			
Cash receipts from return of investments			
Cash received from return on investments			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Other cash receipts related to investing activities			
Sub-total of cash inflows from investing activities			
Cash paid to acquire fixed assets, intangible assets and other long-term assets			
Cash payments to acquire investments			
Other cash payments related to investing activities			
Sub-total of cash outflows from investing activities			
Net cash flows from investing activities			
III. Cash Flows from Financing Activities:			
Cash received from investments by others		300,000.00	
Cash received from borrowings			
Cash received from issuance of bonds			
Other cash receipts related to financing activities			
Sub-total of cash inflows from financing activities		**300,000.00**	
Cash repayments for debts			
Cash payments for distribution of dividends or profits and interest expenses			
Other cash payments related to financing activities			
Sub-total of cash outflows from financing activities			
Net cash flows from financing activities		**300,000.00**	
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
V. Net Increase in Cash and Cash Equivalents		**579,300.95**	
Add: Cash and cash equivalents at the beginning of the period			
VI. Cash and Cash Equivalents at the End of the Period		**579,300.95**	

Statement of Changes in Shareholders' Equity

2021-3-31

Prepared by: Laxmi Specialty Chemicals (Shanghai) Co., Ltd.

Monetary Unit: RMB/Yuan

Items	Current Year											
	Share Capital	Other Equity Instruments			Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Specialized Reserve	Surplus Reserve	General Risk Reserve	Undistributed Profit	Total Shareholders' Equity
		Preferred Shares	Perpetual Bond	Other								
I. Year-end Balance of the Prior Year												
Add: Changes in accounting policies												
Correction of prior period errors												
Other												
II. Year-beginning Balance for the Current Year												
III. Changes (Increase/Decrease) for the Current Year (with "-" for Decrease)	300,000.00										-38,865.08	261,134.92
(I) Total comprehensive income											-38,865.08	-38,865.08
(II) Capital contributions and reductions by the shareholders	300,000.00											300,000.00
1. Common shares contributed by shareholders	300,000.00											300,000.00
2. Capital contributions by owners of other equity instruments												
3. Amounts of share-based payments recognized in owners' equity												
4. Other												
(III) Profit distribution												
1. Appropriation of surplus reserve												
2. Appropriation of general risk reserve												
3. Distribution to shareholders												
4. Other												
(IV) Transfer within shareholders' equity												
1. Capital reserve converted to paid-in capital (or share capital)												
2. Surplus reserve converted to paid-in capital (or share capital)												
3. Loss made up by surplus reserves												
4. Retained earnings carried forward from changes in defined benefit plans												
5. Other												
(V) Specialized Reserve												
1. Appropriation of specialized reserve for the current period												
2. Use of specialized reserve for the current period												
(VI) Other												
IV. Year-end Balance for the Current Year	300,000.00										-38,865.08	261,134.92

Statement of Changes in Shareholders' Equity (Continued)

2021-3-31

Prepared by: Laxmi Specialty Chemicals (Shanghai) Co., Ltd.

Monetary Unit: RMB/Yuan

Items	Prior Year											
	Share Capital	Other Equity Instruments			Capital Reserve	Less: Treasury Shares	Other Comprehensive Income	Specialized Reserve	Surplus Reserve	△General Risk Reserve	Undistributed Profit	Total Shareholders' Equity
		Preferred Shares	Perpetual Bond	Other								
I. Year-end Balance of the Prior Year												
Add: Changes in accounting policies												
Correction of prior period errors												
Other												
II. Year-beginning Balance for the Current Year												
III. Changes (Increase/Decrease) for the Current Year (with "-" for Decrease)												
(I) Total comprehensive income												
(II) Capital contributions and reductions by the shareholders												
1. Common shares contributed by shareholders												
2. Capital contributions by owners of other equity instruments												
3. Amounts of share-based payments recognized in owners' equity												
4. Other												
(III) Profit distribution												
1. Appropriation of surplus reserve												
2. Appropriation of general risk reserve												
3. Distribution to shareholders												
4. Other												
(IV) Transfer within shareholders' equity												
1. Capital reserve converted to paid-in capital (or share capital)												
2. Surplus reserve converted to paid-in capital (or share capital)												
3. Loss made up by surplus reserves												
4. Retained earnings carried forward from changes in defined benefit plans												
5. Other												
(V) Specialized Reserve												
1. Appropriation of specialized reserve for the current period												
2. Use of specialized reserve for the current period												
(VI) Other												
IV. Year-end Balance for the Current Year												

Please give it your attention: notes to the accounting statements constitute a part of the accounting statement.

I. Fundamental Information about the Company

Laxmi Specialty Chemicals (Shanghai) Co., Ltd. (hereinafter referred to as "the Company" or "Company"), Invested and established by LAXMI ORGANIC INDUSTRIES LIMITED. The unified social credit code of the Company is No. 91310000MA1FWGDQ6D. The company type is a limited liability company (wholly owned by a foreign legal person).The legal representative is HARSHVARDHAN RAVI GOENKA. The registered capital of the Company is RMB300,000.00. The domicile of the Company is located at Room 215-27, Podium 1-2, No.269 Tongxie Road, Changning District, Shanghai, China. The operating period is from September 5, 2019 to September 5, 2049.

Business scope: Wholesale, import and export, commission agency (except auctions) of chemical raw materials and products (except hazardous chemicals, monitoring chemicals, civil explosives, and precursor chemicals), rubber products, plastic products, and textiles, and provide related supporting services . (Business activities required for an approval by law shall not be conducted until they are approved by relevant administrative authorities.)

II. Basis for Preparation of Financial Statements

The Company's financial statements are prepared on a going concern basis by recognizing and measuring actual transactions and events that have occurred in accordance with the Accounting Standards for Business Enterprises - Basic Standards promulgated by the Ministry of Finance (Order No. 33 of MOF promulgated, Order No. 76 of MOF amended) , 42 specific accounting standards, application guidelines on the accounting standards for business enterprises, interpretation for accounting standards for business enterprises, and other relevant regulations (hereinafter collectively referred to as "Accounting Standards for Business Enterprises") promugated and amended on February 15, 2006 and thereafter with reference to the disclosure regulations issued by China Securities Regulatory Commission, such as the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reporting (amended in 2014).

According to the relevant regulations of the Accounting Standards for Business Enterprises, the Company's accounting is based on the accrual basis. Except for certain financial instruments, all the financial statements herein are measured on the basis of historical cost. If an asset is impaired, the corresponding provision for impairment shall be made in accordance with the relevant regulations.

III.Statement of Compliance with Accounting Standards for Business Enterprises

The Company' financial statements have been prepared in accordance with the Accounting Standards for Small Business Enterprises, which give, in all material respects, a true and full view of the company's relevant information on financial position, business performance and cash flows.

IV.Principal Accounting Policies & Accounting Estimates

1. Accounting Period

The Company's accounting period is divided into annual and interim periods. An interim accounting period is a reporting period shorter than a full accounting year. The accounting year of the Company is on the basis of a calendar year, which starts on April 1st to March 31st.

2. Business Cycle

The normal operating cycle refers to the period from the time when the Company purchases or acquire assets for processing to the time when it realizes cash or cash equivalents. The Company takes 12 months as an operating cycle and uses it as the standard for classifying the liquidity of assets and liabilities.

3. Functional Currency

Renminbi (RMB) is the currency in the main economic environment where the Company and its domestic subsidiaries operate their business, and the Company and its domestic subsidiaries use Renminbi as their functional currency. The currency used by the Company in preparing the financial statements is Renminbi (RMB).

4. Recognition Criteria for Cash and Cash Equivalents

Cash and cash equivalents refer to the cash on hand and deposits that are readily withdrawn on demand, as well as short-term, highly liquid investments with original maturities of three months or less from the date of purchase, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5. Foreign Currency Transactions & Translation of Foreign Currency Financial Statements

(1) Foreign transaction translation methods:

A foreign currency transaction of the Company recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate at the date of the transactions (usually referred to as the middle market prices of the exchange rates published by the People's Bank of China at the dates of the transactions, the same as below). However, the Company's foreign currency exchange business or transactions involving foreign currency exchange are translated into the functional currency amount at the exchange rates actually adopted.

(2) Translation methods for foreign currency monetary items and non-monetary items

Foreign currency monetary items are translated using the spot exchange rate at the balance sheet date. Exchange differences arising from the foreign exchange translation are all recognized in the profit or loss for the current period, except for the following conditions: (1) the exchange differences arising from foreign currency borrowings related to the acquisition or construction of qualifying assets are treated according to the Principle of Capitalization of Borrowing Costs; (2) exchange differences arising from changes in the carrying amount of foreign currency monetary items available for sale other than amortized cost are included in other comprehensive income.

Foreign currency non-monetary items measured at historical cost continue to be translated at the spot exchange rates at the dates of the transactions and accounted for in functional currency. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rates at the date of determination of fair value. The differences between the functional currency amount after transaction and the original carrying amount are treated as the changes of fair value (including changes in exchange rates) and recognized in profit or loss for the current period or other comprehensive income.

6. Receivables

Receivables comprise accounts receivable and other receivables, etc.

(1) Recognition criteria for a provision for bad debts

The Company assesses at the balance sheet date the carrying amount of receivables. A provision for impairment is established if there is objective evidence that a receivable is impaired, including: ①significant financial difficulty of the obligor; ②a breach of contract by the borrower, such as a default or delinquency in interest or principal payments; ③it becoming probable that the borrower will enter bankruptcy or other financial reorganization; ④other objective evidence indicating there is an impairment of a receivable.

(2) Methods used in establishment of a provision for bad debts

① Recognition criteria and methods used in establishment of provisions for bad debts of receivables that are individually significant and individually assessed for impairment

The Company determines the receivables over RMB1,000,000.00 as the individually significant receivables.

The Company assesses the individually significant receivables. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets for which an impairment loss is individually recognized shall not be included in a collective assessment of impairment.

② Recognition criteria and methods used in establishment of provisions for bad debts of receivables on the basis of groups with similar credit risk characteristics

A. Recognition criteria for groups with similar credit risk characteristics

The Company groups the receivables that are not individually significant and that are significant but not impaired through individual assessment on the basis of the similarity and relevance of credit risk characteristics. These credit risks usually reflect the borrower's ability to repay all amounts due in accordance with the contractual terms of such assets, and are related to the estimation of future cash flows of the assets under assessment.

The basis for determining different groups:

Items	Basis for Determining the Groups
Aging analysis group	Except for the related party group and the guarantee fund group, the receivables are included into the aging analysis group.
Deposit and guarantee fund group	Receivables between the related parties
Employee petty cash group	Deposits and petty cash, etc. with the nature of deposits

B. Methods used in establishment of a provision of bad debts on the basis of groups with similar credit risk characteristics

When an impairment loss is collectively assessed, the amount of provision for bad debts is determined on the basis of receivables' grouping structure and similar credit risk characteristics (debtor's ability to repay debts according to the contractual terms) in accordance with the historical loss experience, the current economic status and the evaluation of existed losses in the group of expected receivables.

Methods used in establishment of provision for bad debts based on different groups

Items	Methods Used in Establishment of Provision
Aging analysis group	Provisions for bad debts are established according to aging analysis.
Deposit and guarantee fund group	No provision for bad debts is normally established.
Employee petty cash group	No provision for bad debts is normally established.

In the group, aging analysis is used in establishment of a provision for bad debts.

Age of Accounts	Provision Ratio for Accounts Receivable (%)	Provision Ratio for Other Receivables (%)
Within 1 year (including 1 year, the same below)	5	5
1-2 years	10	10
2-3 years	30	30
3-4 years	50	50
4-5 years	80	80
Over 5 years	100	100

③Receivables that are not individually significant but for which a provision for bad debts is individually established

For a receivable that is not individually significant but has the following characteristics, the Company assesses the receivable individually for impairment and recognize the amount of impairment in profit or loss according to the difference between the present value of its future cash flows and its carrying amount if there is objective evidence of impairment.

(3) Reversal of a provision for bad debts

If there is objective evidence of a recovery in value of the account receivable which can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reserved and recognized in profit or loss. However, the reversal shall not result in a carrying amount of the account receivable that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed.

7. Inventories

(1) Classification of inventories

Inventories mainly comprise raw materials, packaging materials, goods on hand, project cost, etc.

(2) Valuation methods for inventories on acquisition and issuance

Inventories are recorded at their historical cost when they are acquired. The cost of inventories comprises all cost of purchase, costs of conversion and other costs. The cost of raw materials and packaging materials on requisition and issuance is assigned by using the weighted average method. The cost of finished products on issuance is assigned by using the weighted average method.

(3) Recognition for net realizable value of inventories and provision for inventory write-down

Net realizable value is the estimated selling price in the ordinary course of operation activities less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The net realizable value of inventories is determined based on the demonstrably evidences obtained with consideration of the purposes of holding the inventories and the effects of the events after the balance sheet date.

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. A provision for inventory write-down is established for any difference between the cost and the lower net realizable value. A provision for inventory write-down is normally determined on an item-by-item basis. For the inventories with large quantity and relatively low unit prices, a provision for inventory write-down is established based on categories of inventories. For the items of inventories relating to a product line that is produced and marketed in the same geographical area, have the same or similar end uses or purposes, and cannot be practicably evaluated separately from other items, a provision for inventory write-down is determined on an aggregate basis.

After a provision for inventory write-down is established, if the circumstances that previously caused inventories to be written down below cost no longer exist, thus resulting in the net realizable value higher than its carrying amount, the provision for inventory write-down can be reversed within the previously appropriated amount. The amount of the reversal is included in profit or loss for the current period.

(4) Inventory system of inventories is perpetual inventory system.

(5) Amortization method for low-valued consumable supplies and packages

Low-valued consumables on requisition are amortized in full amount.

8. Long-term Equity Investment

The long-term equity investment herein refers to the long-term equity investment where the Company has control, joint control or significant influence over the investee, as well as the long-term equity investment where the Company does not have control, joint control or significant influence over the investee.

Joint control is the agreed-upon sharing of control over an activity, and exists only when the decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power of the Company to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

(1) Recognition of investment cost

The cost of a long-term equity investment acquired by paying cash is determined based on the actual purchase price that has been paid by the Company. The investment cost also includes those costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment.

(2) Subsequent measurement and recognition for profits or losses

A long-term equity investment is accounted for using the equity method where the Company can exercise joint control (excluding the joint ventures) or significant influence over the investee. In addition, the financial statements of the Company are accounted for using the cost method where the Company can exercise control over the investee.

① Long-term equity investment accounted for using the cost method

Under the cost method, a long-term equity investment is measured at its initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Except for the actual purchase price paid when acquiring the investment or cash dividends or profits included in the consideration which have been declared but not yet distributed, the investment income in the current period is recognized according to the cash dividends or profit distribution declared by the investee

② Long-term equity investment accounted for using the equity method

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Company recognizes its share of the net profits or losses and other comprehensive income made by the investee as investment income or losses and other comprehensive income respectively, and adjust the carrying amount of the investment accordingly. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributed to the investing enterprise. The Company adjusts the carrying amount of the long-term equity investment for other changes in owners' equity of the investee (other than net profits or losses, other comprehensive income and profit distributions), and includes the corresponding adjustments in capital reserve.

The Company discontinue recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of the investor's net investment in the investee are reduced to zero. In addition, if the Company has incurred obligations to assume additional losses, such expected obligations are recognized as expected liabilities and charged to the investment loss for the current period. Where the investee makes net profits subsequently, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

9. Fixed Assets

(1) Recognition criteria for fixed assets:

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. A fixed asset is initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered accordingly.

(2) Depreciation for all classes of fixed assets:

Fixed assets are depreciated using the straight-line method from the month following that in which they reach their usable conditions. The useful lives, estimated residual values, and annual depreciation rates used for each class of fixed assets are shown as follows:

Categories	Depreciation Methods	Depreciable Lives (Years)	Residual Value Percentages (%)	Annual Depreciation Rates (%)
Buildings and structures	Straight-line method	20	5	4.75%
Vehicles	Straight-line method	5	5	19.00%
Office and electronic equipment	Straight-line method	3-5	0	20.00%-33.33%
Other equipment	Straight-line method	5	5	19.00%

Estimated net residual value of a fixed asset is the estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(3) Methods used for an impairment test and establishment of a provision for impairment of fixed assets:

For the methods used for an impairment test and establishment of a provision for impairment of fixed assets, please refer to Note IV, No. 13, Impairment of Long-term Assets.

(4) Other statements:

Subsequent expenditures incurred for a fixed asset, if it is probable that economic benefits associated with the asset will flow to the enterprise and the cost of the asset can be measured reliably, are included in the cost of the fixed asset, and the carrying amount of the replaced part is derecognized. Other subsequent expenditures other than those mentioned above are recognized in profit or loss in the period in which they are incurred.

The carrying amount of a fixed asset is derecognized when it is on disposal or no future economic benefits are expected to be generated from its use or disposal. When a fixed asset is sold, transferred, retired or damaged, the Company recognizes the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes in profit or loss for the current period.

The Company reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each financial year-end. If any change takes place, it should be accounted for as a change in an accounting estimate.

10. Borrowing Costs

Borrowing costs include interest, amortization of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings. The capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset can commence when expenditures for the asset are being incurred, borrowing costs are being incurred, and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. The amounts of other borrowing costs incurred are recognized as an expense in the period in which they are incurred.

The amount of interest to be capitalized shall be the actual interest expense incurred on the specific-purpose borrowing for the current period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. The amount of interest to be capitalized on general-purpose borrowings is determined by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

During the capitalization period, exchange differences on a specific-purpose borrowing denominated in foreign currency is capitalized as part of the cost of the qualifying asset. Exchange differences on a specific-purpose borrowing denominated in foreign currency is recognized in profit or loss for the current period.
Qualifying assets are assets (fixed assets, investment property, inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months before the acquisition, construction or production is resumed.

11. Intangible Assets

(1) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance owned or controlled by the Company.

An intangible asset is measured initially at cost. An expenditure related to an intangible asset is included in the cost of the intangible asset if it is possible that the economic benefits associated with the asset flow to the Company and the cost of the asset can be measured reliably. Other expenditures on an intangible item other than those mentioned above are recognized in profit or loss in the period in which it is incurred.

A land use right acquired is usually accounted for as an intangible asset. For the self-constructed plant, buildings and structures, relevant expenditures on the land use right and cost of construction on the buildings and structures are accounted for respectively as intangible assets and fixed assets. For the purchased buildings and structures, relevant purchase prices are allocated reasonably between the land use right and buildings. When it is difficult to allocate them reasonably, all of them are treated as fixed assets.

The depreciable amount of an intangible asset with a finite useful life is allocated over its estimated useful life using the straight-line method or production method starting from the time in which the asset is available for use. The depreciable amount of an intangible asset is its original value less estimated residual value and accumulated impairment losses for which provisions have been made accordingly. An intangible asset with an indefinite useful life is not amortized.

For an intangible asset with a finite useful life, the Company usually reviews the useful life and amortization method at the end of each accounting period. If any change incurs, a change should be made accordingly to the accounting estimates. In addition, for an intangible asset with an indefinite useful life, the Company reassess the useful life of the asset. If there is evidence indicating that the period during which that intangible asset brings economic benefits to the Company is predictable, its useful life is estimated and amortized in accordance with the amortization policy for intangible assets with a finite useful life.

(2) Expenditures on research and development

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Expenditure on the research phase is recognized in profit or loss in the period in which it is incurred.

Expenditure on the development phase is recognized as an intangible asset only when the Company can meet all the following conditions, otherwise the expenditure on the development phase is included in the profit or loss in the period in which it is incurred.

① The technical feasibility of completing the intangible asset so that it will be available for use or sale;

② The intention to complete the intangible asset and use or sell it;

③ How the intangible asset will generate economic benefits. Among other factors, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

④ The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;

⑤ Its ability to measure reliably the expenditure attributable to the intangible asset during its development phase.

If the Company cannot classify expenditure on the research phase and expenditure on the development phase, all the expenditures on research and development incurred are included in the profit or loss in the period in which they are incurred.

(3) Methods used for an impairment test and a provision for impairment of an intangible asset

For an impairment test and a provision for impairment of an intangible asset, please refer to Note IV, 13. Impairment of Long-term Assets

12. Long-term Prepaid Expenses

Long-term prepaid expenses are all the expenditures that have been incurred but should be amortized over the reporting period and subsequent periods with the amortization period over one year. Long-term prepaid expenses are amortized during the expected beneficial periods using the straight-line method.

13. Impairment of Long-term Assets

For non-current, non-financial assets such as fixed assets, construction in progress, intangible assets with a finite useful life, investment properties measured at cost, and long-term equity investments in subsidiaries, joint ventures, and associates, the Company assesses at balance sheet date whether there is any indication that an asset is impaired. If any indication exists that an asset may be impaired, the Company will estimate the recoverable amount of the asset and conduct a test for impairment of assets. Goodwill and an intangible asset with an indefinite useful life and an intangible asset that has not reached its working condition for its intended use are tested for impairment annually, irrespective of whether there is any indication that the asset may be impaired.

If the result of an impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment loss shall be made according to the difference and included in the impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. An asset's fair value is the price in a sale agreement in an arm's length transaction. If there is no sale agreement but an asset is traded in an active market, fair value shall be determined according to the seller's price of the asset. If there is no sale agreement or active market for an asset, fair value shall be based on the best information available. Cost of disposal include legal costs related to the disposal of the asset, related taxes, costs of removing the asset and direct costs to bring the asset into the condition of its sale. The present value of expected future cash flows of an asset is determined by estimating the future cash flows to be derived from continuing use of the asset and from its ultimate disposal and applying the appropriate discount rate to those future cash flows. A provision for impairment of assets is estimated and recognized on the basis of the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company shall determine the recoverable amount of the asset group to which the asset belongs. An asset group is the smallest asset portfolio that can independently generate cash inflows.

For the goodwill presented separately in the financial statements, when tested for impairment, the carrying amount of goodwill shall be allocated to the asset groups or sets of asset groups that are expected to benefit from the synergies of the business combination. If the result of an impairment test indicates that the recoverable amount of the asset group or set of asset groups to which the goodwill is allocated is less than its carrying amount, a provision for impairment loss shall be made accordingly. The amount of impairment loss shall first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of other assets (other than goodwill) within the asset group or set of asset groups, pro rata on the basis of the carrying amount of each asset.

Once an impairment loss is recognized, the restored value shall not be reserved in a subsequent period.

14. Employee Benefits

The Company's employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits, of which:

Short-term employee benefits include: employee wages or salaries, bonuses, allowances and subsidies; staff welfare; social security contributions such as premiums or contributions on medical insurance, work maternity insurance and injury insurance; housing funds; union running costs and employee education costs; non-monetary benefits, etc. In the accounting period in which an employee has rendered service to the Company, the Company recognizes the short-term employee benefits that have actually occurred as a liability and charged to the profit or loss for the current period or as the cost of relevant assets, among which non-monetary benefits are measured at fair value.

Post-employment benefits mainly include defined contribution plans and defined benefit plans. The defined contribution plans mainly include the basic pension insurance, unemployment insurance and annuities, etc. The corresponding amounts payable shall be included in the cost of relevant assets or charged to the profit or loss in the period in which they are incurred.

When the Company terminates the employment relationship with employees before the end of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, the employee benefits arising from termination benefits are recognized as a liability in the profit or loss for the current period at the earlier date of when the Company recognizes the costs related to restructuring of the payments for termination benefits and when the Company cannot unilaterally withdraw from the termination plan or the redundancy offer. However, if the termination benefits are not expected to be fully paid within twelve months after the annual reporting period comes to an end, they are treated as other long-term employee benefits.

Employee internal retirement plans are handled by applying the same principles as above for the termination benefits. The Company will calculate the salaries and social security funds, etc. of internally retired personnel for the period from the date when the employees stop rendering services to the normal retirement date, which will be included in the profit or loss (termination benefits) for the current period when the recognition criteria for the estimated liabilities are met.

If the other long-term employee benefits provided by the Company to the employees are applied to the defined contribution plans, the accounting treatment shall be carried out in accordance with the defined contribution plans, otherwise they shall be accounted for in accordance with the defined benefit plans.

15.Revenue

(1) Revenue from software development services

This revenue comes from special software design and development made by the Company to meet the user's actual needs after the Company makes full of field survey of the user's business according to the professional development service contracts signed with the customers. Therefore, the software developed is not universal. The software development services are in essence the rendering of services and applied to the recognition principles for revenues from rendering of services in the standard of revenues.

For the software project which is started and completed within the same accounting year, the revenue is recognized when the use right of software results have been provided and payments are received or while the evidences of payments are obtained.

For the software project which is started and completed in different accounting years, the revenue from software is recognized using the percentage of completion method when total revenue of contracts and the stage of completion of the project can be measured reliably, it is probable that the payments associated with the project can flow to the Company, and the costs incurred and to be incurred for the completion of software can be measured reliably.

When the outcome of the custom-made software project involving the software development cannot be estimated reliably at the balance sheet date, different accounting treatments are adopted depending on the following circumstances: if the costs incurred are expected to be recoverable, revenue is recognized to the extent of costs incurred [that are expected to be recoverable] and an equivalent amount is charged to profit or loss as service costs; if the costs incurred are not expected to be entirely recoverable, revenue is recognized to the extent of costs that are expected to be recoverable, and the costs incurred are charged to profit or loss as service costs, and the difference between the lower revenue recognized and the costs incurred is recognized as a loss. If the costs incurred are not expected to be recoverable, the costs incurred are recognized in profit or loss for the current period and no service revenue shall be recognized.

(2) Revenue from system integration

The computer software and hardware products of the Company's system integration business are mainly provided according to the customer's needs. After relevant products are delivered to the customers and the receipts signed by the customers are received, the revenue from system integration business is recognized when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer; the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be reliably measured; it is probable that the economic benefit associated with the transaction will flow to the Company; and the relevant costs incurred or to be incurred can be measured reliably.

(3) Revenue from technical services

This type of business is mainly involved in providing customers with services such as system maintenance, performance optimization, hardware maintenance and updating of spare parts, technology and application consulting, and product upgrading, etc. The specific method of revenue recognition is: if the terms and conditions on service content, service period, total revenue, collection of payment and period, etc. are clearly set forth and agreed upon on the service contract signed by the Company, the revenue is recognized in installments within the service period according to the contract.

16. Government Grants

Government grants are transfer of monetary assets or non-monetary assets from the government to the Company at no consideration, excluding capital contributions from the government as an owner to the Company. Government grants are classified into government grants related to assets and government grants related to income. Government grants related to assets are government grants whose primary condition is that the Company qualifying for them shall purchase, construct or otherwise acquire long-term assets. Government grants related to income are government grants other than those related to assets. If the government documentation does not specify the targets of government grants, government grants are divided into government grants related to income and government grants related to assets by adopting the following methods: (1) If the government documentation has specified the specific projects a government grant targets, a division shall be made according to the relative proportion of the expenditure amount of the asset formed in the budget and the expenditure amount included in the expenses. The proportion of such division shall be reviewed at each balance sheet date and may be changed if necessary. (2) If the government documentation only makes a general statement to the usage of the grant and does not specify any specific projects, the grant is regarded as a government grant related to income.

If a government grant is in the form of a transfer of a monetary asset, the item is measured at the amount received or receivable. If a government grant is in the form of a transfer of non-monetary asset, the item is measured at fair value. If fair value is not reliably determinable, the item is measured at a nominal amount. A government grant measured at a nominal amount is directly included in the profit or loss for the current period.

The Company usually recognizes and measures the government grants at the actual amounts received when they are actually received. However, at the end of the period, if there is demonstrably evidence indicating that it is expected that the financial support funds applying with the relevant conditions stipulated by the financial support policies can be received, the government grants are measured at the receivable amounts. A government grant measured at the receivable amount shall also meet the following conditions: (1) The amount of the grant receivable has been confirmed with the official documentation issued by the government authorities concerned, or it can be reasonably calculated in accordance with the relevant regulations of the officially published financial fund administration measures, and it is expected that there will be no significant uncertainty in the amount; (2) The basis is the administration measures on financial support projects and financial funds officially published by the local financial authorities and proactively disclosed in accordance with the Regulations on Government Information Disclosure, and such management measures should be inclusive (any qualifying enterprises in compliance with the regulations can apply), not specifically formulated for specific enterprises. (3) The payment period for the grant has been clearly specified in the relevant grant's approval documentation, and the payment for the grant is guaranteed by the corresponding financial budget, so it can be reasonably assured that the grant can be received within the specified period; (4) According to the specific situation of the Company and the grant, other relevant conditions (if any) should be satisfied.

A government grant related to an asset is recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset. A government grant related to income, if the grant is a compensation for related expenses or losses to be incurred by the Company in subsequent periods, the grant is recognized as deferred income on acquisition, and recognized in profit or loss over the periods in which the related costs are recognized. If the grant is a compensation for related expenses or losses already incurred by the Company, the grant is recognized immediately in profit or loss for the current period.

For the repayment of a government grant already recognized, if there is any related deferred income, the repayment is offset against the carrying amount of the deferred income, and any excess is recognized in profit or loss for the current period. If there is no related deferred income, the repayment is recognized immediately in profit or loss for the current period.

17.Significant Changes in Accounting Policies and Accounting Estimates

None.

V. Taxes

1. Main Tax Categories & Tax Rates

Tax Categories	Description of Tax Rates
Value Added Tax (VAT)	The output VAT for the taxable revenue is calculated at the rate of 13%, and the value-added tax (VAT) shall be paid according to the difference after deducting the deductible input VAT for the current period.
Urban maintenance and construction tax	Calculated and paid at 7% of turnover tax actually paid.
Educational fee	Calculated and paid at 3% of turnover tax actually paid.

Tax Categories	Description of Tax Rates
Local educational fee	Calculated and paid at 2% of turnover tax actually paid.
Enterprise income tax	Calculated and paid at 25% of taxable income.

VI. Notes to the Main Items of Financial Statements (unit: RMB yuan)

1. Monetary Funds

Items	Year-end Balance	Year-beginning Balance
Cash on hand		
Cash in bank	579,300.95	
Other monetary funds		
Total	579,300.95	

2.Other receivables

(1) Other receivables presented according to aging analysis

Ages of Accounts	Year-end Balance	Year-beginning Balance
Within 1 year	-	
Total	-	

(2) Top 5 of the year-end balances of receivables aggregated according to the targets receivables

The total amount of the year-end balances of top 5 accounts receivables aggregated according to the targets receivables is RMB --, accounting for 100.00% of the total year-end balances of receivables. The top 5 accounts receivables are listed as follows:

Units	Balances	Ages
House rental fee	-	Within 1 year
Input tax to be deducted	-	Within 1 year
Total	-	

3. Accounts Payable

(1) Accounts payable presented according to aging analysis

Ages of Accounts	Year-end Balance	Year-beginning Balance
Within 1 year	270,755.14	
Total	270,755.14	

(2) Top 5 of the year-end balances of payables aggregated according to the targets payable

The total amount of the year-end balances of top 5 accounts payable aggregated according to the targets payable is RMB 141,083.71, accounting for 100.00% of the total year-end balances of payables. The top 5 accounts payable are listed as follows:

Units	Balances	Ages
LAXMI ORGANIC INDUSTRIES LIMITED	270,755.14	Within 1 year
Total	270,755.14	

4. Advances from Customers

(1) Presentation of advances from customers

Items	Year-end Balance	Year-beginning Balance
Advances for goods	18,522.94	
Total	18,522.94	

(2) Ages of significant advances from customers over 1 year: None.

5.Taxes and Dues Payable

Items	Year-end Balance	Year-beginning Balance
Value added tax	13,563.66	
Corporate income tax	2,266.51	
Urban maintenance and construction tax	949.46	
Total	16,779.63	

6.Share Capital

Items	Beginning Balance	Increase and Decrease of the Changes (+,-)					Ending Balance
		Issuance of New Shares	Bonus Shares	Provident Funds Converted into Shares	Other	Subtotal	
Total shares	300,000.00						300,000.00

7.Undistributed Profit

Items	Current Year	Prior Year
Undistributed profit at the end of prior year before adjustments		
Adjustments of total undistributed profit at the beginning of the year (increase +, decrease -)		
Undistributed profit at the beginning of the year after adjustments		
Add: Net profit attributable to shareholders of the parent company for the current year	-38,865.03	
Less: Appropriation of statutory surplus reserve		
Appropriation of discretionary surplus reserve		
Appropriation of general risk reserve		
Common stock dividends payable		
Common stock dividends converted into share capital		
Undistributed profit at end of the year	-38,865.03	

8. Operating Revenue & Operating Cost

Items	Current Year		Prior Year	
	Revenue	Cost	Revenue	Cost
Revenue of main operations	1,003,441.57	757,565.41		

Items	Current Year		Prior Year	
	Revenue	Cost	Revenue	Cost
Revenue of main operations	1,003,441.57	757,565.41		
Revenue of other operations				
Total	1,003,441.57	757,565.41		

9. Taxes and Surcharges

Items	Current Year	Prior Year
Urban maintenance and construction tax	2,158.14	
Education surcharge	1,035.90	
Local education surcharge	271.27	
Total	3,465.31	

10.Selling Expenses

Items	Current Year	Prior Year
Rental expenses		
Shipping fee	22,947.51	
Total	22,947.51	

11. General and Administrative Expenses

Items	Current Year	Prior Year
Employee benefits	188,364.00	
Office expenses	43,032.28	
Travel fee	5,137.66	
Social security fee	28,792.80	
Total	265,362.74	

12. Finance Costs

Items	Current Year	Prior Year
Interest expense		
Less: Interest income	-1,072.87	
Handling charges	4,123.70	
Exchange gains and losses	-14,173.06	
Total	-11,122.23	

13. Supplementary Information to the Cash Flow Statement

(I) Supplementary Information to the Cash Flow Statement

Supplementary Information	Current Year	Prior Year
1. Reconciliation of net profit to cash flows from operating activities		

Supplementary Information	Current Year	Prior Year
Net profit	-38,865.08	
Add: Provision for impairment of assets		
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets		
Amortization for intangible assets		
Amortization for long-term prepaid expenses		
Losses on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)		
Losses on scrapping of fixed assets ("-" for gains)		
Losses on changes in fair value ("-" for gains)		
Finance costs ("-" for gains)		
Investment losses ("-" for gains)		
Decrease in deferred tax assets ("-" for increase)		
Increase in deferred tax liabilities ("-" for decrease)		
Decrease in inventories ("-" for increase)		
Decrease in operating receivables ("-" for increase)		
Increase in operating payables ("-" for decrease)	318,166.03	
Other		
Net cash flows from operating activities	279,300.95	
2. Significant investing and financing activities that do not involve cash receipts and payments		
Conversion of debts into capital		
Convertible company bonds due within one year		
Fixed assets under finance lease		
3. Net change in cash and cash equivalents		
Cash at the end of the year	579,300.95	
Less: Cash at the beginning of the period		
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase in cash and cash equivalents	579,300.95	

(II) Makeup of Cash and Cash Equivalents

Items	Year-end Balance	Year-beginning Balance
1. Cash	579,300.95	
Including: Cash on hand		
Bank deposit that can be used for payment at any time	579,300.95	
Other monetary funds that can be used for payment at any time		
Deposits with central banks available for payment		
Due to banks		

Items	Year-end Balance	Year-beginning Balance
Due from banks		
2.Cash equivalents		
Including: Bond investment due within three months		
3.Balances of cash and cash equivalents at the end of the period	579,300.95	
Including: Cash and cash equivalents with restrictions of use by the parent company or subsidiaries within the group		

VII.Related Parties and Related Party Transactions

1. Actual Controller of the Company

The controlling shareholder and actual controller of the Company is HARSHVARDHAN RAVI GOENKA.

2. Subsidiaries of the Company

None.

3. Joint ventures and associates of the Company

None.

4. Other Related Parties

Name of Other Related Parties	Relationship with the Company
LAXMI ORGANIC INDUSTRIES LIMITED	Shareholder

5. Related Party Transactions

(1) Sales of goods/rendering of services

None.

(2) Purchase of goods/receiving services

Related Party	Content of Transaction	Current Period	Prior Period
LAXMI ORGANIC INDUSTRIES LIMITED	Purchase goods	757,565.41	

6. Receivables & Payables of the Related Parties

(1) Receivable items

None.

(2) Payable items

Item Name	Ending Balance	Year-beginning Balance
Accounts payable:		
LAXMI ORGANIC INDUSTRIES LIMITED	270,755.14	
Total	270,755.14	

VIII.Commitments & Contingencies

1. Significant Commitments

As at March 31 , 2021, the Company has no significant commitments required to be disclosed.

2. Contingencies

As at March 31, 2021 , the Company has no significant contingencies required to be disclosed.

IX. Events after the Balance Sheet Date

As at the reporting date, the Company has no other events after the balance sheet date required to be disclosed.

X. Other Significant Events:

As at March 31, 2021, the Company has no other significant events incurred.

Laxmi Specialty Chemicals (Shanghai) Co., Ltd.
Date: April 13, 2021

营业执照

统一社会信用代码

91310115586792817H

证照编号：41000000202006080045

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中国（上海）自由贸易试验区

名　　称　上海高仁会计师事务所（普通合伙）

类　　型　普通合伙企业

执行事务合伙人　高龙伟

经营范围　审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记帐；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。
【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】

成立日期　2011年12月02日

合伙期限　2011年12月02日至 不约定期限

主要经营场所　中国（上海）自由贸易试验区祖冲之路1559号2幢1002室

登记机关

2020年06月08日

国家市场监督管理总局监制

国家企业信用信息公示系统网址：http://www.gsxt.gov.cn