



广州华拓会计师事务所有限公司
Guangzhou HuaTuo Certified Public Accountants Co., Ltd

电话: 020-66630978 38106867

传真: 66630978-999

Audit Report

HSZ(2017)D041

ECU WORLDWIDE (GUANGZHOU) LIMITED of Directors:

We have audited the attached financial statement of ECU WORLDWIDE (GUANGZHOU) LIMITED (hereinafter referred to as the "Company"), including the balance sheet on Dec. 31st 2016, the income statement, profit and loss account and the notes to financial statement of 2016.

I. Responsibilities of Management for the Financial Statement

It's the responsibilities of the management of the Company to prepare the financial statement according to the Accounting Standards and the "Enterprise Accounting System", including (1) design, implementation and maintenance of the internal controls related to the preparation of the financial statement in order to avoid major mistakes in the financial statement because of fraud or errors; (2) choosing and using appropriate accounting policies; (3) making reasonable accounting estimates.

II. Responsibilities of Certified Public Accountants

It is our responsibility to give audit opinions on the financial statement on the basis of the implementation of audit work. We have conducted the audit work according to the regulations of Chinese Certified Public Accountants Auditing Standards. The Chinese Certified Public Accountants Auditing Standards require us to abide by professional ethics, design and implement the audit work using whether the financial statement is free of major mistakes as the reasonable assurance.

ECU WORLDWIDE (GUANGZHOU) LIMITED

For the Year Ended 31 December 2016

BALANCE SHEET

RMB

ASSETS	Bal.E/P	LIABILITIES AND OWNERS' EQUITY	Bal.E/P
CURRENT ASSETS :		CURRENT LIABILITIES:	
Monetary fund	6,557,915.73	Short-term loans	
Short term investments		Note payable	
Note receivable		Creditors(Accounts payable)	15,344,454.71
Interest receivable		Accruals of Inoives to be received	27,941,223.35
Debtors(Accounts receivable)	39,575,319.47	Accrued expense	3,281,863.47
Less: provision for bad debts	-317,221.65	Other payables	193,951.75
Other receivables	2,592,194.13	Receipts in Advance	111,034.53
Accruals of Inoives to be made	3,482,869.64	Dividend	
Prepayments	450.00	Salary payable	3,790,055.39
Deferred charges	1,070,208.86	Welfare payable	
Advances to subsidiaries	24,599,596.99	Advances from ShareHolders	
Inventories		Taxes payable	590,011.45
Total current assets	77,561,333.17	Total current Liabilities	51,252,594.65
Long-term investments		Long-term accounts payable	
Long-term share		Long-term loans payable	
rights investment		Other long-term liabilities	
Fixed assets:		Total long term liabilities	
Fixed assets at cost	1,969,115.43	Total Liabilities	51,252,594.65
Less:Accumulated depreciation	1,440,846.60		
Net value of fixed assets	528,268.83		
Disposal of fixed assets			
		OWER'S EQUITY :	
Construction in Progress			
Unsettled G/L on fixed assets		Issued and Paid up Capital	10,569,468.48
		Capital surplus	
Total Fixed Assets	528,268.83	Surplus reserve	
		Undistributed profit	16,267,538.87
Intangible assets			
Long-term deferred expense			
Total intangible assets		Total ower's equity	26,837,007.35
and long-term deferred expense			
TOTAL ASSETS	78,089,602.00	TOTAL LIABILITIES AND OWER'S EQUITY	78,089,602.00

Attachment

Name of Enterprise: ECU WORLDWIDE (GUANGZHOU) LIMITED

I. Basic Information of Enterprise:

A: Total institutions basic situation

1. ECU WORLDWIDE (GUANGZHOU) LIMITED was founded on 1 Sep. 2005 , with the business operation period of 20 years. ECU WORLDWIDE (GUANGZHOU) LIMITED has gained the business registration license, the reference code is No. 91440101717855284Y. The legal representative: UDAYA KUMAR.

2. The registered capital RMB10.5 million , By the parties:

Name of Investors	Investment	Investment proportion
ECU WORLDWIDE (HONG KONG) LTD.	10.5million	100%
Total	10.5million	100%

3. Business scope: Undertake transportation by sea, land and air transportation agency of import and export of goods, international business including sales, booking space, warehousing and storage, baggage, transfer, container FCL and LCL, settlement, customs declaration, quarantine, insurance, correlative short-distance transportation service and transportation services. No ship carrying . (laws and regulations may not prohibit the operation, involving the licensed business operating permits).

4. Duration of operation: since 01.Sep. 2005 to 01.Sep. 2025.

B: Branches basic situation

1. ECU WORLDWIDE (GUANGZHOU) LIMITED SHENZHEN BRANCH was founded on 01 Feb 2008 , with the business operation period of 18 years. ECU WORLDWIDE (GUANGZHOU) LIMITED SHENZHEN BRANCH has gained the business registration license, the reference code is No. 91440300671877815J. The legal representative: Udaya Kumar. Business scope: Undertake transportation by sea, land and air transportation agency of import and export of goods, international business including sales, booking space, warehousing and storage, baggage, transfer, container FCL and LCL, settlement, customs declaration, quarantine, insurance, correlative short-distance transportation service and transportation services. (laws and regulations

transfer, container FCL and LCL, settlement, customs declaration, quarantine, insurance, correlative short-distance transportation service and transportation services. No ship carrying. Duration of operation: since 27.Sep.2010 to 01.Sep.2025.

5. ECU WORLDWIDE (GUANGZHOU) LIMITED NINGBO BRANCH was founded on 15 Oct.2010 ,with the business operation period of 16 years. ECU WORLDWIDE (GUANGZHOU) LIMITED NINGBO BRANCH has gained the business registration license, the reference code is No. 91330203563850017K. The legal representative: Udaya Kumar. Business scope: Undertake transportation by sea, land and air transportation agency of import and export of goods, international business including sales, booking space, warehousing and storage, baggage, transfer, container FCL and LCL, settlement, customs declaration, quarantine, correlative short-distance transportation service and transportation services. No ship carrying. (laws and regulations may not prohibit the operation, involving the licensed business operating permits). Duration of operation: since 15.Oct.2010 to 01.Sep.2025.

6. ECU WORLDWIDE (GUANGZHOU) LIMITED QINGDAO BRANCH was founded on 20 Oct 2010 ,with the business operation period of 16 years. ECU WORLDWIDE (GUANGZHOU) LIMITED QINGDAO BRANCH has gained the business registration license, the reference code is No. 91370200561186052H. The legal representative: UDAYA KUMAR. Business scope: No ship carrying (non-vessel shipping business qualification certificate valid until May 18 2016). Undertake transportation by sea, land and air transportation agency of import and export of goods, international business including sales, booking space, warehousing and storage, baggage, transfer, container FCL and LCL, settlement, customs declaration, quarantine, insurance, correlative short-distance transportation service and transportation services. (laws and regulations may not prohibit the operation, involving the licensed business operating permits). Duration of operation: since 20.Oct.2010 to 01.Sep.2025.

7. ECU WORLDWIDE (GUANGZHOU) LIMITED WUHAN BRANCH was founded on 01 Dec 2011 ,with the business operation period of 15 years. ECU WORLDWIDE (GUANGZHOU) LIMITED WUHAN BRANCH has gained the business registration license, the reference code is No. 420103500001351. The legal representative: UDAYA KUMAR. Business scope: Undertake transportation by sea, land and air transportation agency of import and export of goods, international business including sales, booking space, warehousing and storage, baggage, transfer, container FCL

ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. All exchange differences are dealt with in the income statement.

5. Bad debt of trade receivables

Provision is made against trade receivables to the extent they are considered to be doubtful. Trade receivables in the balance sheet are stated net of such provision.

6. Fixed Assets: Pricing and depreciating method of fixed assets

Valuation of Fixed Assets and Depreciation Method: Fixed assets depreciation calculated using the straight-line method on average. The depreciated rate and classified depreciated rate, which are confirmed according to balance (10% of original value) calculated with the original cost and estimating leaving using age, are as follow:

Sort	Using Age	Annual Depreciation Rate
furniture	5	18%
Electronic equipment	3	30%

7. Revenue recognition:

Revenue from the sale of goods or services is recognized on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods or services are delivered to customers and title has passed.

III. Taxes:

The taxes are calculated according to the related tax law and regulation of PRC, the details tax rate are as follow.

Business Tax:	5%
Income tax:	25%
VAT:	6%

IV. Notes to Major Items of Accounting Statements

(I) Notes to Major Items of Balance sheet

1. Monetary Fund:

There-into: Cash in hand

Bank Deposit

Ending Balance

RMB6, 557, 915. 73

28, 102. 01

6, 529, 813. 72

Rent of mini storage	8,619.00
Recruitment fee	5,880.50
Prepayment for NVOCC	5,000.00
Prepayment for supplier	27,049.36
Prepayment for annual dinner	16,000.00
Tel fee	5,600.50
Rent of Parking	1,080.00
Petty cash of HR	1,000.00
Annual dinner fee	61,458.50
Advertising expenses	18,000.00
Parking fee	9,600.00
petty cash for staff traveling expenses	15,000.00
Others	4,403.47
Maintenance office equipment	4,749.98
Petty cash for staff	5,000.00
Accounting fee	2,400.00

6. Fixed assets:

Regimentation	Opening	Additions	Disposals balance	Ending Balance	Accumulated depreciation	Net amount
Office Equipment	1,771,691.16	209,004.57	11,580.30	1,969,115.43	1,440,846.60	528,268.83
Total	1,771,691.16	209,004.57	11,580.30	1,969,115.43	1,440,846.60	528,268.83

7. Accounts payable

15,344,454.71

One of the ten most large as follows:

ECUMEXICO	240,742.10
ECUSINGAPORE	200,104.79
ECUSOUTHAMPTON	160,258.30
ECULOSANGELES	141,963.86
ECUHAMBURG	98,803.61
ECUANTWERPEN	88,976.37
ECUNEWYORK	75,687.90
ECUCHICAGO	71,697.98
ECUMARSEILLE	64,936.34
ECUGENOVA	57,740.37

8. Receipts in advance

111,034.53

There-into:

others	111,034.53
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Housing fund	8,481.00
Printing & stationery	3,520.00
WNS	33,611.54
Advertising expenses	25,906.60
Staff training	6,000.00
Rent of warehouse	9,600.00
Social Security	73,056.40
Staff Welfare & Messing (tour, Lunch)	21,740.06
Recruitment Expenses	5,375.00
Maintenance fee	2,800.00
Entertainment fee	5,993.80
Advertising fee	9,096.00
Office supplies	4,595.50
Accounting fee Oct-Dec 2016	4,500.00
Cleaning fee of Dec	400.00
Accrual for staff welfare	10,000.00
Accrual for drinking water	150.00

14. Issued and paid up capital	10,569,468.48
ECU WORLDWIDE (GUANGZHOU) LIMITED	10,569,468.48

(II) Notes to the profit & loss account

1. Turnover	267,100,857.06
2. Cost of operation	229,967,639.83
3. Income from other operations	5,333,147.67
4. General & administrative expense	34,642,133.93

There-into:

Office rental	2,944,409.63
Rent office equipment	52,302.00
Other rent	23,520.00
Maintenance buildings	270,975.96
Maintenance office equipment	58,656.12
Maintenance van & truck	6,855.53
Other maintenance	323,728.29
Water & electricity	206,527.47
Fuel	283,362.80

Business License

(Duplicate) (1-1)

Registration No. 440104000409685

No.: S0412014009288

Name: Guangzhou Huatuo Certified Public Accountants Co., Ltd.

Type: Limited Liability Company (Invested or held by natural person)

Address: Rm. 3A01A, 3A/F, Rear Tower, Haoxian Commercial Building, No.182, Haoxian Rd., Yuexiu District, Guangzhou City

Legal Representative: Shang Sixin

Registered Capital: RMB 500,000.00 Yuan

Date of Establishment: February 17, 2009

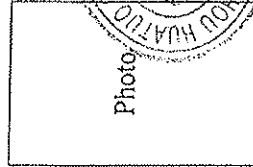
Business Term: From February 17, 2009 to long term

Business Scope: Business services. (Please enquire about the specific business scope by accessing Guangzhou Business Entity Information Disclosure Platform. Items that need to be approved legally shall be operated with the approval obtained from related authorities.)

Issuing authority: Guangzhou Administration for
Industry and Commerce, Yuexiu Branch (Seal)

March 31, 2014

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC
ACCOUNTANTS



Name: SHANG Sixin

Photo

Date of birth: December 7, 1945

Working Unit: Guangzhou Huatuo Certified Public
Accountants Co., Ltd.

Secretary card No.: 422702451207001

Annual Renewal Registration

This certificate is valid for another year after this renewal.

Passed annual examination in June 2015

Passed annual examination in April 6, 2016

Annual Renewal Registration

This certificate is valid for another year after this renewal.