

ASIAN STAR COMPANY LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

ERVIN FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT

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ERVIN FRIEDMAN, C.P.A.
HARISH D. PATEL

THE BOARD OF DIRECTORS
ASIAN STAR COMPANY LTD.
551 FIFTH AVENUE, SUITE # 3502
NEW YORK, NY 10176-0001

GENTLEMEN,

WE HAVE EXAMINED THE BALANCE SHEET OF ASIAN STAR COMPANY, LTD. NEW YORK, AS OF MARCH 31, 2019 AND RELATED STATEMENT OF INCOME, RETAINED EARNINGS, SUPPORTING SCHEDULES AND CASH FLOW FOR THE YEAR THEN ENDED. OUR EXAMINATION WAS MADE IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS AND ACCORDINGLY INCLUDED SUCH TESTS OF THE ACCOUNTING RECORDS AND SUCH OTHER AUDITING PROCEDURES AS WE CONSIDERED NECESSARY IN THE CIRCUMSTANCES.

IN OUR OPINION, THE FINANCIAL STATEMENTS INDICATED ABOVE PRESENT FAIRLY THE FINANCIAL POSITION OF ASIAN STAR COMPANY, LTD; NEW YORK, AS AT MARCH 31, 2019, AND THE RESULTS OF OPERATIONS FOR THE YEAR THEN ENDED, IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

MAY 16, 2019

ASIAN STAR COMPANY LTD.
BALANCE SHEET
MARCH 31, 2019

ASSETS

CURRENT ASSETS:

CASH IN BANK AND ON HAND	\$ 291,686	
ACCOUNTS RECEIVABLE	5,810,395	
PREPAID FEDERAL CORPORATE TAXES	12,163	
INVENTORY	<u>4,334,745</u>	
TOTAL CURRENT ASSETS		10,448,989

FIXED ASSETS:

FURNITURE AND FIXTURES	117,903	
LESS: ACCUMULATED DEPRECIATION	<u>87,117</u>	
TOTAL FIXED ASSETS		30,786

OTHER ASSETS:

SECURITY DEPOSITS		<u>21,718</u>
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TOTAL ASSETS		<u>\$ 10,501,493</u>
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LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	\$ 9,693,066	
ACCRUED EXPENSES	<u>5,501</u>	
TOTAL CURRENT LIABILITIES		9,698,567

SHAREHOLDERS EQUITY:

CAPITAL STOCK	500,000	
RETAINED EARNINGS—UNAPPROPRIATED	<u>302,926</u>	
TOTAL SHAREHOLDERS' EQUITY		<u>802,926</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>\$ 10,501,493</u>
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ASIAN STAR COMPANY LTD.
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDING MARCH 31, 2019

RETAINED EARNINGS – APRIL 01, 2018	266,282
ADD: NET INCOME FOR THE YEAR ENDED MARCH 31, 2019	40,481
(LESS): FEDERAL CORPORATION INCOME TAX	<u>(3,837)</u>
NET INCOME AFTER FEDERAL CORPORATION INCOME TAX	<u>36,644</u>
RETAINED EARNINGS – MARCH 31, 2019	<u>302,926</u>

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ASIAN STAR COMPANY LTD.
STATEMENT OF INCOME
FOR THE YEAR ENDING MARCH 31, 2019

OPERATING REVENUES – SALES	\$ 26,199,749
COST OF SALES – SCHEDULE-A	<u>25,570,329</u>
GROSS PROFIT	629,420
GENERAL AND ADMINISTRATIVE EXPENSES-SCHEDULE-B	<u>580,464</u>
OPERATING PROFIT (LOSS)	48,956
OTHER INCOME	
INTEREST INCOME	<u>145</u>
TOTAL OTHER INCOME	<u>145</u>
NET INCOME BEFORE TAXES BASED ON INCOME (LOSS)	49,101
CORPORATE TAXES:	
STATE CORPORATION TAX	5,620
CITY CORPORATION TAX	<u>3,000</u>
TOTAL CORPORATE TAXES	<u>8,620</u>
NET INCOME AFTER CORPORATE TAXES	\$ <u>40,481</u>

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ASIAN STAR COMPANY LTD.
SUPPORTING SCHEDULES
FOR THE YEAR ENDING MARCH 31, 2019

SCHEDULE-A COST OF SALES

BEGINNING INVENTORY-APR 01, 2018	\$ 2,772,290
PURCHASES	27,045,296
FINDING & SETTING	21,326
FREIGHT & CUSTOMS DUTY	<u>66,162</u>
COST OF GOODS AVAILABLE FOR SALE	29,905,074
ENDING INVENTORY-MAR 31, 2019	<u>4,334,745</u>
COST OF SALES	\$ <u>25,570,329</u>

SCHEDULE-B GENERAL AND ADMINISTRATIVE EXPENSES:

SALARIES – OFFICER	\$149,600
SALARIES - OTHERS	48,607
MANAGEMENT FEES	12,000
TRAVEL-BUYING & SELLING EXPENSES	13,922
RENT	167,073
PAYROLL TAXES	15,353
INTEREST, DISCOUNT & BANK CHARGES	15,990
INSURANCE	61,161
LEGAL AND PROFESSIONAL	13,216
CONSULTATION FEES	54,000
DUES & SUBSCRIPTIONS	2,257
TELEPHONE	8,737
STATIONERY, POSTAGE & OFFICE SUPPLIES	2,897
ALARM & PROTECTION	2,394
COMPUTER SUPPLIES & EXPENSE	509
DEPRECIATION	5,070
ADVERTISING	<u>7,678</u>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ <u>580,464</u>

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ASIAN STAR COMPANY LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME PER INCOME STATEMENT		\$ 36,644
ADD:		
DEPRECIATION	5,070	
DECREASE IN FEDERAL COROPRATION TAX PAYABLE	3,837	
INCREASE IN ACCOUNTS PAYABLE	<u>1,726,977</u>	<u>1,735,884</u>
TOTAL		1,772,528
DEDUCT:		
INCREASE IN ACCOUNTS RECEIVABLE	208,950	
INCREASE IN INVENTORY	<u>1,562,455</u>	1,771,405
INCREASE (DECREASE) IN CASH		1,123
CASH AT THE BEGINNING OF THE YEAR		<u>290,563</u>
CASH AT THE END OF THE YEAR		\$ <u>291,686</u>

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ASIAN STAR COMPANY LTD.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES:

REVENUE RECOGNITION:

SALES OF GOODS ARE RECORDED BASED ON SHIPMENT OF GOODS.

INVENTORIES:

INVENTORIES ARE PRICED AT THE LOWER OF COST OR MARKET.

PROPERTY AND DEPRECIATION:

THE COST OF PROPERTY, FURNITURE, FIXTURES AND IMPROVEMENTS ARE RECORDED AT COST AND GENERALLY THE STRAIGHT LINE METHOD OF COMPUTING DEPRECIATION HAS BEEN APPLIED FOR BOTH INCOME TAX AND FINANCIAL REPORTING PURPOSES.

NOTE-2 PURCHASES INCLUDE MERCHANDISE RECEIVED FROM ASIAN STAR COMPANY LTD; MUMBAI, INDIA IN THE AMOUNT OF \$19,317,251.

NOTE-3 ACCOUNTS PAYABLE INCLUDES THE AMOUNT OF \$ 5,400,929, OWED TO ASIAN STAR COMPANY LTD; MUMBAI, INDIA FOR MERCHANDISE RECEIVED.