

**ASIAN STAR COMPANY LTD.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2020**

*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, 2020 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, 2020, AND THE RESULTS OF OPERATIONS FOR THE YEAR THEN ENDED, IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

MAY 16, 2020

ASIAN STAR COMPANY LTD.  
BALANCE SHEET  
MARCH 31, 2020

ASSETS

CURRENT ASSETS:

CASH IN BANK AND ON HAND	\$ 412,041	
ACCOUNTS RECEIVABLE	4,545,650	
PREPAID FEDERAL CORPORATE TAXES	9,539	
INVENTORY	<u>3,829,015</u>	
TOTAL CURRENT ASSETS		8,796,245

FIXED ASSETS:

FURNITURE AND FIXTURES	117,903	
LESS: ACCUMULATED DEPRECIATION	<u>92,187</u>	
TOTAL FIXED ASSETS		25,716

OTHER ASSETS:

SECURITY DEPOSITS		<u>21,718</u>
TOTAL ASSETS		<u>\$ 8,843,679</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	\$ 8,025,383	
ACCRUED EXPENSES	<u>5,500</u>	
TOTAL CURRENT LIABILITIES		8,030,883

SHAREHOLDERS EQUITY:

CAPITAL STOCK	500,000	
RETAINED EARNINGS-UNAPPROPRIATED	<u>312,796</u>	
TOTAL SHAREHOLDERS' EQUITY		<u>812,796</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>\$ 8,843,679</u>
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ASIAN STAR COMPANY LTD.  
STATEMENT OF RETAINED EARNINGS  
FOR THE YEAR ENDING MARCH 31, 2020

RETAINED EARNINGS – APRIL 01, 2019	302,926
ADD: NET INCOME FOR THE YEAR ENDED MARCH 31, 2020	<u>9,870</u> —
RETAINED EARNINGS – MARCH 31, 2020	<u>312,796</u>

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ASIAN STAR COMPANY LTD.  
STATEMENT OF INCOME  
FOR THE YEAR ENDING MARCH 31, 2020

OPERATING REVENUES – SALES	\$ 20,908,903
COST OF SALES – SCHEDULE-A	<u>20,328,429</u>
GROSS PROFIT	580,474
GENERAL AND ADMINISTRATIVE EXPENSES-SCHEDULE-B	<u>564,129</u>
OPERATING PROFIT (LOSS)	16,345
OTHER INCOME	
INTEREST INCOME	<u>149</u>
TOTAL OTHER INCOME	<u>149</u>
NET INCOME BEFORE TAXES BASED ON INCOME (LOSS)	16,496
CORPORATE TAXES:	
FEDERAL CORPORATION TAX	2,624
STATE CORPORATION TAX	4,000
CITY CORPORATION TAX	<u>-</u>
TOTAL CORPORATE TAXES	<u>6,624</u>
NET INCOME AFTER CORPORATE TAXES	\$ <u>9,870</u>

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ASIAN STAR COMPANY LTD.  
SUPPORTING SCHEDULES  
FOR THE YEAR ENDING MARCH 31, 2020

SCHEDULE-A COST OF SALES	
BEGINNING INVENTORY-APR 01, 2019	\$ 4,334,745
PURCHASES	19,742,614
FINDING & SETTING	18,006
FREIGHT & CUSTOMS DUTY	<u>62,079</u>
COST OF GOODS AVAILABLE FOR SALE	24,157,444
ENDING INVENTORY-MAR 31, 2020	<u>3,829,015</u>
COST OF SALES	\$ <u>20,328,429</u>

SCHEDULE-B GENERAL AND ADMINISTRATIVE EXPENSES:	
SALARIES – OFFICER	\$149,600
SALARIES - OTHERS	51,228
MANAGEMENT FEES	22,800
TRAVEL-BUYING & SELLING EXPENSES	15,624
RENT	174,310
PAYROLL TAXES	15,620
INTEREST, DISCOUNT & BANK CHARGES	9,994
INSURANCE	36,243
LEGAL AND PROFESSIONAL	6,718
CONSULTATION FEES	52,000
DUES & SUBSCRIPTIONS	3,277
TELEPHONE	10,217
STATIONERY, POSTAGE & OFFICE SUPPLIES	2,318
ALARM & PROTECTION	2,488
COMPUTER SUPPLIES & EXPENSE	2,581
DEPRECIATION	5,070
ADVERTISING	<u>4,041</u>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ <u>564,129</u>

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ASIAN STAR COMPANY LTD.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME PER INCOME STATEMENT		\$ 9,870
ADD:		
DEPRECIATION	5,070	
DECREASE IN PREPAID TAXES (FEDERAL)	2,624	
DECREASE IN INVENTORY	505,729	
DECREASE IN ACCOUNTS RECEIVABLE	<u>1,264,746</u>	<u>1,778,169</u>
TOTAL		1,788,039
DEDUCT:		
DECREASE IN ACCOUNTS PAYABLE	1,667,684	
TOTAL		<u>1,667,684</u>
INCREASE (DECREASE) IN CASH		120,355
CASH AT THE BEGINNING OF THE YEAR		<u>291,686</u>
CASH AT THE END OF THE YEAR		\$ <u>412,041</u>

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ASIAN STAR COMPANY LTD.  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2020

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 \$16,009,349.

NOTE-3      ACCOUNTS PAYABLE INCLUDES THE AMOUNT OF \$ 3,511,625 OWED TO ASIAN STAR COMPANY LTD; MUMBAI, INDIA FOR MERCHANDISE RECEIVED. THE ABOVE AMOUNT ALSO INCLUDES \$260,546.56 WHICH IS STILL IN TRANSIT AS ON MARCH 31,2020