

**ASIAN STAR COMPANY LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

ERVIN FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT

ERVIN FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT
147 WEST 35TH STREET
SUITE # 610
NEW YORK NY 10001
212-686-6815
FAX 212-842-1406

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, 2021 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, 2021, AND THE RESULTS OF OPERATIONS FOR THE YEAR THEN ENDED, IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

APRIL 16, 2021

**ASIAN STAR COMPANY LTD.
BALANCE SHEET
MARCH 31, 2021**

ASSETS

CURRENT ASSETS:

CASH IN BANK AND ON HAND	\$ 236,401	
ACCOUNTS RECEIVABLE	5,002,953	
PREPAID FEDERAL CORPORATE TAXES	9,539	
INVENTORY	<u>2,140,226</u>	
TOTAL CURRENT ASSETS		7,389,119

FIXED ASSETS:

FURNITURE AND FIXTURES	117,903	
LESS: ACCUMULATED DEPRECIATION	<u>97,257</u>	
TOTAL FIXED ASSETS		20,646

OTHER ASSETS:

SECURITY DEPOSITS		<u>21,718</u>
TOTAL ASSETS		\$ <u>7,431,483</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

ACCOUNTS PAYABLE	\$ 6,618,205	
ACCRUED EXPENSES	<u>5,500</u>	
TOTAL CURRENT LIABILITIES		6,623,705

SHAREHOLDERS EQUITY:

CAPITAL STOCK	500,000	
RETAINED EARNINGS-UNAPPROPRIATED	<u>307,778</u>	
TOTAL SHAREHOLDERS' EQUITY		<u>807,778</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ <u>7,431,483</u>
---	--	----------------------------

*ERVIN FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT*

**ASIAN STAR COMPANY LTD.
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDING MARCH 31, 2021**

RETAINED EARNINGS – APRIL 01, 2020	312,796
ADD (LESS): NET INCOME (LOSS) FOR THE YEAR ENDED MARCH 31, 2021	<u>(5,018)</u>
RETAINED EARNINGS – MARCH 31, 2021	<u>307,778</u>

ERVIN FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT

**ASIAN STAR COMPANY LTD.
STATEMENT OF INCOME
FOR THE YEAR ENDING MARCH 31, 2021**

OPERATING REVENUES – SALES		\$ 17,145,152
COST OF SALES – SCHEDULE-A		<u>16,663,561</u>
GROSS PROFIT		481,591
GENERAL AND ADMINISTRATIVE EXPENSES-SCHEDULE-B		<u>524,973</u>
OPERATING PROFIT (LOSS)		(43,382)
OTHER INCOME		
INTEREST INCOME		0
PPP GRANT- INCOME		<u>45,600</u>
TOTAL OTHER INCOME		<u>45,600</u>
NET INCOME BEFORE TAXES BASED ON INCOME (LOSS)		2,218
CORPORATE TAXES:		
FEDERAL CORPORATION TAX		0
STATE CORPORATION TAX		0
CITY CORPORATION TAX		<u>7,236</u>
TOTAL CORPORATE TAXES		<u>7,236</u>
NET INCOME/ (LOSS) AFTER CORPORATE TAXES		\$ <u>(5,018)</u>

*ERVIN FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT*

**ASIAN STAR COMPANY LTD.
SUPPORTING SCHEDULES
FOR THE YEAR ENDING MARCH 31, 2021**

SCHEDULE-A COST OF SALES

BEGINNING INVENTORY-APR 01, 2020	\$ 3,829,015
PURCHASES	14,899,008
FINDING & SETTING	13,818
FREIGHT & CUSTOMS DUTY	<u>61,946</u>
COST OF GOODS AVAILABLE FOR SALE	18,803,787
ENDING INVENTORY-MAR 31, 2021	<u>2,140,226</u>
COST OF SALES	\$ <u>16,663,561</u>

SCHEDULE-B GENERAL AND ADMINISTRATIVE EXPENSES:

SALARIES – OFFICER	\$141,107
SALARIES - OTHERS	55,433
MANAGEMENT FEES	12,000
TRAVEL-BUYING & SELLING EXPENSES	4,103
RENT	179,301
PAYROLL TAXES	13,988
INTEREST, DISCOUNT & BANK CHARGES	7,666
INSURANCE	51,866
LEGAL AND PROFESSIONAL	6,735
CONSULTATION FEES	24,000
DUES & SUBSCRIPTIONS	3,267
TELEPHONE	11,626
STATIONERY, POSTAGE & OFFICE SUPPLIES	1,529
ALARM & PROTECTION	2,552
COMPUTER SUPPLIES & EXPENSE	2,059
DEPRECIATION	5,070
ADVERTISING	<u>2,672</u>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	\$ <u>524,974</u>

*ERVIN FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT*

**ASIAN STAR COMPANY LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME/ (LOSS) PER INCOME STATEMENT		\$ (5,018)
ADD:		
DEPRECIATION	5,070	
DECREASE IN INVENTORY	<u>1,688,789</u>	
		<u>1,693,859</u>
TOTAL		1,688,841
LESS:		
DECREASE IN ACCOUNTS PAYABLE	(1,407,178)	
INCREASE IN ACCOUNTS RECEIVABLE	<u>(457,303)</u>	
		<u>(1,864,481)</u>
TOTAL		<u>(1,864,481)</u>
INCREASE (DECREASE) IN CASH		(175,640)
CASH AT THE BEGINNING OF THE YEAR		<u>412,041</u>
CASH AT THE END OF THE YEAR		\$ <u>236,401</u>

ERVIN FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT

ASIAN STAR COMPANY LTD.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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 \$13,913,346.

NOTE-3 ACCOUNTS PAYABLE INCLUDES THE AMOUNT OF \$ 3,931,695 OWED TO ASIAN STAR COMPANY LTD; MUMBAI, INDIA FOR MERCHANDISE RECEIVED, AFTER THE PAYMENT REMITTED TO ASIAN STAR COMPANY LTD, MUMBAI, INDIA IN THE AMOUNT OF \$ 1,191,533 ON MARCH 31, 2021.

NOTE- 5 SALES INCLUDES \$415,708 OF SALES MADE TO ASIAN STAR CO. LTD. MUMBAI, INDIA.

NOTE-6 ACCOUNTS RECEIVABLE INCLUDES \$363,016 WHICH IS RECEIVABLE FROM ASIAN STAR CO. LTD. MUMBAI, INDIA.

ERVIN FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT