

SHENZHEN STARBEES SERVICES LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2024
AUDIT REPORT

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Audit Report

XYZH/2025SZAA2B0325

Shenzhen Starbees Services Limited

To Shenzhen Starbees Services Limited,

I. Opinion

We have audited the accompanying financial statements of Shenzhen Starbees Services Limited (hereinafter referred to as “Starbees”), including the balance sheet as of December 31st, 2024, income statement, cash flow statement, statement of change in equity for the period from January 1st to December 31st, 2024 and notes to relevant financial statements.

In our opinion, the attached financial statements of your company have been prepared in accordance with the provisions of the Accounting Standards for Business Enterprises and give a true and fair view of the financial position as of December 31st, 2024 and of the financial performance and cash flows for the period from January 1st to December 31st, 2024 in all significant terms.

II. Basis for Audit Opinion

We conducted our audit in accordance with the Standards on Auditing for Certified Public Accountants. The “*Responsibility of certified public accountants for audit of financial statements*” in the audit report further states our responsibility under the Standards. We were independent of Starbees and fulfilled other responsibilities in terms of professional ethics according to the code of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Management's Responsibility for the Financial Information

Management is responsible for the preparation and presentation of financial information in accordance with *Accounting Standards for Business Enterprises and China Accounting System*, as applicable to the preparation of the financial information. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

When preparing the financial statements, the management is responsible for assessing the going-concern ability of Starbees, disclosing issues related to going-concern as applicable, and applying going-concern assumptions, unless the management plans to liquidate Starbees, terminate operation or has no other realistic choice.

The governance is responsible for supervising financial reporting processes of Starbees.

IV. Auditor's responsibility

Our objective is to obtain reasonable assurance as to whether the overall financial statements are free from material misstatement, whether due to fraud or error, and to issue audit report that contain audit opinions. Reasonable assurance is a high level of assurance, but could not guarantee that an audit performed in accordance with the Auditing Standards can always figure out any existing material misstatements. Misstatements may be caused by fraud or error. Misstatement is generally considered to be material if it is reasonably expected that the misstatement, alone or aggregated, may affect the users' financial decisions based on the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In performing the audit in accordance with the Auditing Standards, we applied professional judgment and maintained professional skepticism. Meanwhile, we also perform the following duties:

(1) Identify and evaluate the risk of material misstatement of financial statements due

to fraud or error; design and implement audit procedures to cope with these risks, and obtain adequate and appropriate audit evidence as the basis for expressing audit opinions. As fraud may involve collusion, forgery, willful omission, misrepresentation or override of internal control, the risk of not discovering a material misstatement due to fraud is higher than the risk of not discovering a material misstatement due to error.

- (2) Understand the internal control related to auditing as a way to design appropriate audit procedures.
- (3) Evaluate the properness of accounting policy selected by the management and the rationality of accounting estimate and related disclosure.
- (4) Reach a conclusion on whether the going concern assumption adopted by the management is appropriate. Meanwhile, based on the audit evidence obtained, reach a conclusion on whether there are material uncertainties in the events or conditions that may cast significant doubts on Starbees 's ability to continue as a going concern. If we reach a conclusion that there is a material uncertainty, the Auditing Standards require us to call the attention of the users of the report to the relevant disclosures in the financial statements in the audit report. If the disclosure is insufficient, we should issue modified audit opinions. Our conclusion is based on the information available up to the date of the audit report. However, future events or conditions may result in the failure of Starbees to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosure), structure and content of the financial statements and evaluate whether the financial statements fairly reflect the related transactions and events.

We communicated with the governance about the scope of the audit, the schedule and major audit findings, including the notable shortcomings of internal control identified during the auditing.

China Certified Public Accountant:

刘永红



China Certified Public Accountant:

程健



ShineWing Certified Public Accountants (Shenzhen Branch)

May 19th, 2025



The auditors' report and the accompanying financial statements are English translations of the Chinese auditors' report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Balance Sheet

2024/12/31

Name: Shenzhen Starbees Services Limited

Currency: RMB

| Item | Notes | 2024/12/31 | 2023/12/31 |
|--|-------|---------------------|---------------------|
| Current asset | | | |
| Cash and cash equivalents | VI.1 | 690,263.78 | 522,030.44 |
| Trading financial assets | | | |
| Financial assets measured with fair value and with the changes included in current profit and loss | | | |
| Derivative financial assets | | | |
| Notes receivables | | | |
| Trade receivables | VI.2 | 1,820,258.33 | 1,747,954.11 |
| Receivables financing | | | |
| Prepayments | VI.3 | 8,097.48 | 4,026.64 |
| Other receivables | VI.4 | 907,274.30 | 933,191.51 |
| Including: Interest receivable | | | |
| Dividends receivable | | | |
| Inventory | | | |
| Contract assets | | | |
| Assets held for sales | | | |
| Non-current assets due within a year | | | |
| Other current assets | | | |
| Total current asset | | 3,425,893.89 | 3,207,202.70 |
| Non current assets | | | |
| Debt investment | | | |
| Other debt investments | | | |
| Long-term receivables | | | |
| Long-term equity investment | | | |
| Other equity instrument investments | | | |
| Other non-current financial assets | | | |
| Investment properties | | | |
| Fixed assets | VI.5 | 10,845.91 | 25,719.84 |
| Construction in progress | | | |
| Productive biological assets | | | |
| Oil and gas assets | | | |
| Right-of-use assets | VI.6 | 117,990.58 | 589,952.86 |
| Intangible assets | | | |
| Development expenditure | | | |
| Goodwill | | | |
| Long-term unamortized expenses | | | |
| Deferred income tax assets | VI.8 | 224.84 | 29,978.84 |
| Other non-current assets | | | |
| Total non-current assets | | 129,061.33 | 645,651.54 |
| Total Assets | | 3,554,955.22 | 3,852,854.24 |

Note: The attached financial statement notes are an integral part of it.

Legal representative:

Accountant:

Head of Accountant:

Balance Sheet-continued

2024/12/31

Name: Shenzhen Starbees Services Limited

Currency: RMB

| Item | Notes | 2024/12/31 | 2023/12/31 |
|---|-------|---------------------|---------------------|
| Current Liabilities | | | |
| Short-term loan | | | |
| Trading financial liabilities | | | |
| Financial liabilities measured with fair value and with the changes included in current profit and loss | | | |
| Derivative financial liabilities | | | |
| Notes payable | | | |
| Accounts payable | VI.9 | 18,272.60 | 85,701.70 |
| Advance from customers | | | |
| Contract liabilities | | | |
| Payroll payable | VI.10 | 520,093.44 | 453,082.61 |
| Taxes payable | VI.11 | 38,085.77 | 39,972.95 |
| Other payable | VI.12 | 3,628.87 | 2,116.00 |
| Including: Interest payable | | | |
| Dividend payable | | | |
| Liabilities held for sales | | | |
| Non-current liabilities due within a year | VI.13 | 122,487.41 | 477,089.39 |
| Other current Liabilities | | | |
| Total current liabilities | | 702,568.09 | 1,057,962.65 |
| Non-current liabilities | | | |
| Long-term loan | | | |
| Bonds payable | | | |
| Including: Preferred stock | | | |
| Perpetual bond | | | |
| Lease liabilities | VI.14 | | 122,487.41 |
| Long-term payable | | | |
| Long-term payroll payable | | | |
| Estimated liabilities | | | |
| Deferred income | | | |
| Deferred income tax liabilities | VI.8 | | 29,497.64 |
| Other non-current liabilities | | | |
| Total non-current liabilities | | | 151,985.05 |
| Total liabilities | | 702,568.09 | 1,209,947.70 |
| Owners' Equity | | | |
| Share capital | VI.15 | 1,414,363.18 | 1,414,363.18 |
| Other equity instruments | | | |
| Including: Preferred stock | | | |
| Perpetual bond | | | |
| Capital reserve | | | |
| Less: treasury stock | | | |
| Other comprehensive income | | | |
| Special reserve | | | |
| Surplus reserves | VI.16 | 143,802.40 | 122,854.34 |
| Undistributed profit | VI.17 | 1,294,221.55 | 1,105,689.02 |
| Total owners' equities | | 2,852,387.13 | 2,642,906.54 |
| Total liabilities and owners' equities | | 3,554,955.22 | 3,852,854.24 |

Note: The attached financial statement notes are an integral part of it.



Income Statement

*For the period from January 1st to Dec 31st, 2024

Name: Shenzhen Starbees Services Limited

Currency: RMB

| Item | Notes | For the period from January 1st to Dec 31st, 2024 | For the period from January 1st to Dec 31st, 2023 |
|---|-------|---|---|
| Sales | VI.18 | 4,649,494.30 | 4,849,835.80 |
| Less: Cost of sales | | | |
| Taxes and surcharges | VI.19 | 3,588.37 | 3,956.02 |
| Selling expenses | VI.20 | 7,070.04 | 8,550.38 |
| Administrative Expenses | VI.21 | 4,459,589.52 | 4,451,198.61 |
| Research and development expenses | | | |
| Financial expenses | VI.22 | -10,013.75 | 663.31 |
| Including: Interest expenses | | | |
| Interest revenue | | 930.79 | 1,033.47 |
| Plus: other incomes | VI.23 | 4,628.18 | 2,515.27 |
| Income from investment (loss expressed with "-") | | | |
| Including: Income from investment of joint venture and cooperative enterprise | | | |
| Income from derecognition of financial assets measured at amortized cost | | | |
| Net exposure hedging gain (loss expressed with "-") | | | |
| Income from fair value changes (loss expressed with "-") | | | |
| Credit impairment losses (loss expressed with "-") | | | |
| Assets impairment losses (loss expressed with "-") | | | |
| Income from disposal of assets (loss expressed with "-") | | | |
| Operating profits (loss expressed with "-") | | 223,888.30 | 384,982.72 |
| Plus: Non-operating income | VI.24 | | 1,000.00 |
| Less: Non-operating expenses | VI.25 | 35.68 | |
| Total profits (total loss expressed with "-") | | 223,852.62 | 385,982.72 |
| Less: Income tax expenses | VI.26 | 14,372.03 | 15,832.61 |
| Net profits (net loss expressed with "-") | | 209,480.59 | 370,150.11 |
| 1. Net profits from ongoing operation (net loss expressed with "-") | | 209,480.59 | 370,150.11 |
| 2. Net profits from discontinuing operation (net loss expressed with "-") | | | |
| Net amount of other comprehensive income after tax | | | |
| 1. Other comprehensive income that can't be reclassified into profit and loss | | | |
| (1) Remeasure the variation of net indebtedness or net asset of defined benefit plan | | | |
| (2) Other comprehensive income that can't be reclassified into profit and loss in the invested enterprise under equity method | | | |
| (3) Fair value change of other equity instrument investments | | | |
| (4) Fair value change of enterprise credit risks | | | |
| (5) Other | | | |
| 2. Other comprehensive income that will be reclassified into profit and loss | | | |
| (1) Other comprehensive income that will be reclassified into profit and loss in the invested enterprise under equity method | | | |
| (2) Fair value change of other debt investments | | | |
| (3) Profit and loss from fair value changes of available-for-sale financial assets | | | |
| (4) Amount of financial assets reclassified into other comprehensive income | | | |
| (5) Profit and loss from reclassification of held-to-maturity investment as available-for-sale financial assets | | | |
| (6) Provision for credit impairment of other debt investments | | | |
| (7) Cash flow hedging reserve | | | |
| (8) Translation reserve | | | |
| (9) Other | | | |
| Total comprehensive income | | 209,480.59 | 370,150.11 |
| Earnings per share | | | |
| 1. Basic earnings per share | | | |
| 2. Diluted earnings per share | | | |

Note: The attached financial statement notes are an integral part of it.

Cash Flow Statement

For the period from January 1st to Dec 31st, 2024

Name: Shenzhen Starbes Services Limited

Currency: RMB

| Item | Notes | For the period from January 1st to Dec 31st, 2024 | For the period from January 1st to Dec 31st, 2023 |
|---|-------|---|---|
| Cash flow from operating activities | | | |
| Cash from selling commodities or offering labor | | 4,706,853.46 | 4,752,254.14 |
| Refund of tax | | 19,406.26 | 19,429.90 |
| Other cash received related to operating activities | VI.27 | 5,558.97 | 4,548.74 |
| Subtotal cash inflows from operating activities | | 4,731,818.69 | 4,776,232.78 |
| Cash paid for selling commodities or offering labor | | | |
| Cash paid to and for employees | | 3,014,717.99 | 2,835,342.94 |
| Taxes and fees paid | | 184,043.96 | 445,317.14 |
| Other cash paid related to operating activities | VI.27 | 961,550.91 | 778,588.74 |
| Subtotal cash outflows from operating activities | | 4,160,312.86 | 4,059,248.82 |
| Net cash flow from operating activities | | 571,505.83 | 716,983.96 |
| Cash flow from investment activities | | | |
| Cash from investment withdrawal | | | |
| Cash from investment income | | | |
| Net cash from disposal of fixed assets, intangible assets and other long-term assets | | | |
| Net cash received from the disposal of subsidiaries and other business entities | | | |
| Other cash received related to investment activities | | | |
| Subtotal cash inflows from investment activities | | | |
| Cash paid for the purchase and construction of fixed assets, intangible assets and other long term assets | | | 6,919.00 |
| Cash paid for investment | | | |
| Net cash paid for obtaining subsidiaries and other business units | | | |
| Other cash paid related to investment activities | | | |
| Subtotal cash outflows from investment activities | | | 6,919.00 |
| Net cash flow from investment activities | | | -6,919.00 |
| Cash flow from financing activities | | | |
| Receipts from equity securities | | | |
| Cash received from borrowings | | | |
| Other cash received related to financing activities | | | |
| Subtotal cash inflows from financing activities | | | |
| Cash repayments of amounts borrowed | | | |
| Cash paid for distribution of dividends or profits and for interest expenses | | | |
| Other cash paid related to financing activities | VI.27 | 461,080.00 | 500,580.00 |
| Subtotal cash outflows from financing activities | | 461,080.00 | 500,580.00 |
| Net cash flow from financing activities | | -461,080.00 | -500,580.00 |
| Impact of exchange rate movements on cash and cash equivalents | | 57,807.51 | 27,549.81 |
| Net increase of cash and cash equivalents | VI.27 | 168,233.34 | 237,034.77 |
| Plus: Beginning balance of cash and cash equivalents | VI.27 | 522,030.44 | 284,995.67 |
| Closing balance of cash and cash equivalents | VI.27 | 690,263.78 | 522,030.44 |

Note: The attached financial statement notes are an integral part of it.

| | |
|--------------------------|---------------|
| Starbeam Service | Share capital |
| Starbeam Service Limited | Item |

Currency: BMD

For the period from January 1st to Dec 31st, 2024

Currency: BMD

Statement of Changes in Owners' Equity
For the period from January 1st to Dec 31st, 2024

Name: Shenzhen Starbees Services Limited

Currency: RMB

| Item | Share capital | Other equity instruments | | | Capital reserves | Less: Treasury share | Other comprehensive income | Special reserve | Surplus reserve | Undistributed profit | Total owners' equity |
|--|---------------|--------------------------|----------------|-------|------------------|----------------------|----------------------------|-----------------|-----------------|----------------------|----------------------|
| | | Preferred stock | Perpetual bond | Other | | | | | | | |
| Closing balance of the preceding period | 1,414,363.18 | | | | | | | | 85,839.33 | 772,553.92 | 2,272,756.43 |
| Plus: Changes in accounting policies | | | | | | | | | | | |
| Prior period error correction | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Opening balance of the current period | 1,414,363.18 | | | | | | | | 85,839.33 | 772,553.92 | 2,272,756.43 |
| Increase/decrease in the current period (less to be filled out with the minus sign "-") | | | | | | | | | 37,015.01 | 333,135.10 | 370,150.11 |
| 1. Total comprehensive income | | | | | | | | | | | |
| 2. Owner's invested and decreased capital | | | | | | | | | | | |
| (1) Common stock invested by the owner | | | | | | | | | | | |
| (2) Capital invested by other equity instrument holders | | | | | | | | | | | |
| (3) Amount of share-based payment included in the owner's equity | | | | | | | | | | | |
| (4) Other | | | | | | | | | | | |
| 3. Profit distribution | | | | | | | | | | | |
| (1) Withdrawal of surplus reserves | | | | | | | | | 37,015.01 | -37,015.01 | |
| (2) Distribution of owners (or shareholders) | | | | | | | | | 37,015.01 | -37,015.01 | |
| (3) Other | | | | | | | | | | | |
| 4. Internal transfer of owner's equity | | | | | | | | | | | |
| (1) Capital surplus transfer to paid-in capital (or capital stock) | | | | | | | | | | | |
| (2) Earned surplus transfer to paid-in capital (or capital stock) | | | | | | | | | | | |
| (3) Earned surplus covering the deficit | | | | | | | | | | | |
| (4) Other | | | | | | | | | | | |
| 5. Special reserve | | | | | | | | | | | |
| (1) Draw in this current | | | | | | | | | | | |
| (2) Use in this current | | | | | | | | | | | |
| 6. Other | | | | | | | | | | | |
| Balance at the end of current period | 1,414,363.18 | | | | | | | | 122,854.34 | 1,105,689.02 | 2,642,906.54 |

I. Basic Information about the Company

Shenzhen Starbees Services Limited (hereinafter referred to as "Company" or "the Company") was established and invested by Brainbees Solutions Private Limited (Registered capital of Brainbees is - Rupees 1,004,730,030). The company is a limited liability corporation (solely invested by a foreign legal person) and its registered capital is 7,000,000.00 RMB. It was granted Corporate Business License of the People's Republic of China enterprise as Legal Person by Shenzhen Municipal Supervision Administration Bureau of Market in accordance with registration number of 91440300MA5FQUEJ8Y on August 13th, 2019. The address of the company is Unit 351045, Luohu Business Center, 2028 Shennan East Road, Chengdong Community, Dongmen Street, Luohu District, Shenzhen, Guangdong Province. The legal representative is Zhang Lei.

As of December 31st, 2024, the company's shareholding structure is as follows:

| Shareholder | Amount of contribution | Shareholding ratio (%) |
|-------------------------------------|------------------------|------------------------|
| Brainbees Solutions Private Limited | 1,414,363.18 | 100.00 |
| Total | 1,414,363.18 | 100.00 |

Business scope: provide quality inspection of clothing, electronics, toys and other maternal and child products; Photography (excluding aerial photography). (The above projects do not involve the implementation of special access management measures stipulated by the state, and if they involve restricted projects and preliminary administrative licenses, they must obtain the preliminary administrative license documents before they can be operated); Management; Purchasing agency services. (Except for projects that must be approved according to law, independently carry out business activities according to law on the basis of business license). The licensed operation projects are: NA.

The actual controller of the company is Brainbees Solutions Private Limited.

II. Basis of Preparation of Financial Statements

1. Basis of preparation of financial statements

The financial statements of the Company are prepared on the basis of the going-concern and the accounting policy and accounting estimate in *III. Significant accounting policy and accounting*

estimate according to the actual transactions and items, the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance and relevant provisions.

2. Going concern

After comprehensive consideration to the macro policy risks, market operation risks, Company's current and long-term profitability, solvency, financial flexibility, intention of the management to change its business policy and other factors, the Company's management believes that the Company has no issue affecting the Company's going-concern ability within 12 months from the end of the report.

III. Significant Accounting Policies and Accounting Estimates

1. Statement of compliance with Accounting Standards for Business Enterprises

The Company's financial statements comply with the requirements of the ASBE and truly and completely reflect the Company's financial position, business performance, cash flows and other relevant information.

2. Accounting period

The accounting period of the company's financial statement for this year is from January 1st, 2024, to December 31st, 2024.

3. Operating cycle

The Company's normal operating cycle is one year (12 months).

4. Bookkeeping currency

The bookkeeping currency of the Company is RMB.

5. Determining standards of cash and cash equivalents

The cash in the cash flow statement of the Company refers to the cash on hand and deposits readily available for payment. The cash equivalents represent the short-term (no more than three

months) and highly liquid investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

6. Foreign currency transaction

The foreign currency transaction of the Company is converted to Renminbi (RMB) at the spot rate on the transaction date. The foreign currency project, on the balance sheet date, is converted to Renminbi at the spot rate. The resulting converted difference is included in current profit and loss, except the balance of exchange of special foreign currency loan related to acquisition or construction of assets meeting the capitalization conditions.

Non-monetary items in foreign currency measured at fair value are converted by the spot rate on the recognition date of the fair value. The difference between the bookkeeping currency amount after conversion and the original bookkeeping currency amount is recorded into the capital reserve if belonging to non-monetary items in foreign currency of available-for-sale financial assets. The difference is recorded into current profit and loss if belonging to non-monetary items in foreign currency measured at fair value and with the changes included in current profit and loss. Non-monetary items in foreign currency measured by the historical cost are still converted by the spot rate on the transaction date without changing the RMB amount.

7. Bad debt provision for accounts receivable

Accounts receivable refer to the taxes that the company should pay to the service receiving unit and the various expenses paid by the buyer in advance due to the provision of services and other businesses in the normal business process. The company uses the following situations as the recognition standard for bad debt losses of receivables: (1) Cancellation of debt units, bankruptcy, insolvency, serious shortage of cash flow, severe natural disasters, etc. caused the suspension of production and unable to pay debts within the foreseeable time, etc. (2) The debtor has not fulfilled its debt repayment obligations for more than 5 years. (3) Other conclusive evidence indicates that it is indeed impossible or impossible to recover.

For the accounts receivable formed by transactions regulated by the Accounting Standards for Business Enterprises No. 14 - Income Standards and excluding major financing components, the company always measures its loss reserves based on the amount equivalent to the expected credit loss in the whole duration.

Judgment on whether the credit risk has increased significantly since initial recognition. The company determines whether the credit risk of the financial instrument within the expected duration has increased significantly by the probability of default at the time of initial recognition and on the balance sheet date.

However, if the company determines that the financial instrument has only low credit risk on the balance sheet date, it can be assumed that the credit risk of the financial instrument has not increased significantly since initial recognition. Generally, if it is overdue for more than 30 days, it indicates that the credit risk of financial instruments has increased significantly. Unless the company can obtain reasonable and reliable information without paying unnecessary additional costs or efforts to prove that even if it is overdue for more than 30 days, the credit risk has not increased significantly since initial recognition. When determining whether the credit risk has increased significantly since initial recognition, the company considers reasonable and reliable information, including prospective information, that can be obtained without unnecessary additional costs or efforts.

Portfolio based assessment. For accounts receivable, the company cannot obtain sufficient evidence of significant increase in credit risk at a reasonable cost at the level of single instrument, but it is feasible to evaluate whether the credit risk increases significantly on the basis of combination. Therefore, the company classifies accounts receivable according to the credit risk rating as the common risk feature and considers whether the credit risk increases significantly on the basis of combination. According to the credit risk rating as the common risk characteristics, the accounts receivable is grouped, and whether the credit risk has increased significantly is considered and evaluated on the basis of combination.

Expected credit loss measurement. Expected credit loss refers to the weighted average value of credit loss of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contract cash flows receivable under the contract and all cash flows expected to be received by the company discounted at the original effective interest rate, that is, the present value of all cash shortages.

8. Other receivables and bad debt provisions

Other receivables include employees' reserve fund, various advances receivable from employees, various compensation receivable, fines / other receivables, etc. Other receivables are recognized as credit losses at the time of initial recognition. If the credit risk of other receivables has not increased significantly since the initial recognition, the company shall measure the loss

provision according to the amount equivalent to the expected credit loss of other receivables in the next 12 months, and the increase or reversal amount of the loss provision shall be included in the current profit and loss as impairment loss or gain.

9. Contract assets

The company lists contract assets or contract liabilities in the balance sheet according to the relationship between performance obligations and customer payment. The consideration that the company has the right to receive for transferring goods or providing services to customers (and the right depends on other factors other than the passage of time) is listed as contract assets.

The company adopts the simplified model of expected credit loss, that is, it always measures its loss reserves according to the amount equivalent to the expected credit loss in the whole duration. The increased or reversed amount of loss reserves formed therefrom is included in the current profit and loss as impairment loss or gain.

10. Contract cost

(1) Determination method of asset amount related to contract cost

The company's assets related to contract costs include contract performance costs and contract acquisition costs.

Contract performance cost is the cost incurred by the company for the performance of the contract, which does not fall within the scope of other accounting standards for business enterprises and meets the following conditions at the same time, is recognized as an asset: the cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses) Specify the costs borne by the customer and other costs incurred only due to the contract; This cost increases the resources used by the company to fulfill its performance obligations in the future; The cost is expected to be recovered.

The contract acquisition cost is the incremental cost incurred by the company to obtain the contract, which is expected to be recovered, is recognized as the contract acquisition cost as an asset; If the amortization period of the asset does not exceed one year, it shall be included in the current profit and loss when it occurs. Incremental cost refers to the cost that will not occur if the company does not obtain the contract (such as sales commission, etc.). Other expenses incurred by the company to obtain the contract other than the expected recoverable incremental costs (such as travel expenses incurred regardless of whether the contract is obtained or not)

shall be included in the current profit and loss when incurred, except those clearly borne by the customer.

(2) Amortization of assets related to contract costs

The company's assets related to contract costs are amortized on the same basis as the recognition of commodity income related to the assets and included in the current profit and loss.

11. Fixed assets

The company's fixed assets refer to the tangible assets held for the production of commodities, provision of labor services, leasing or management, and the service life of which exceeds one fiscal year. Fixed assets are only recognized when the economic benefits associated with them are likely to flow into the company and their costs can be measured reliably. Fixed assets are initially measured at cost and taking into account the impact of expected abandonment costs.

The company determines the service life and estimated net residual value of fixed assets based on the nature and use of fixed assets. At the end of the year, the service life, estimated net residual value and depreciation method of the fixed assets shall be reviewed. If there is any difference from the original estimate, corresponding adjustment shall be made.

Fixed assets shall be depreciated within their service life by using the life average method from the next month when they reach the expected serviceable condition. The service life, estimated net residual value and annual depreciation rate of various fixed assets of the company are as follows:

| Category | Depreciation method | Depreciation life (year) | Estimated residual value rate (%) | Annual depreciation rate (%) |
|-----------------------------|----------------------|--------------------------|-----------------------------------|------------------------------|
| Office equipment and others | straight-line method | 3/5 | 0-5 | 19-20 |

Depreciation of fixed assets is accrued based on its booked value within the expected useful life. Fixed assets that have been fully depreciated and continue to be used are not depreciated.

The company reviews the useful life, estimated net residual value and depreciation method of fixed assets before the end of the year, and if there is a change, it is treated as a change in accounting estimates. When a fixed asset is disposed of, or it is not expected to generate economic benefits through use or disposal, the recognition of the fixed asset shall be terminated.

The amount of the disposal income from the sale, transfer, scrapping or damage of fixed assets after deducting its book value and relevant taxes is included in the current profits and losses.

12. Right of use Assets

The right to use assets refers to the right of the company, as the lessee, to use the leased assets during the lease term.

(1) Initial measurement

On the beginning date of the lease term, the company initially measures the right to use assets based on the cost. The cost includes the following four items: ① the initial measurement amount of lease liabilities; ② For the lease payment paid on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall be deducted; ③ The initial direct expenses incurred are the incremental costs incurred in reaching the lease; ④ The costs expected to occur for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed in the lease terms, except those incurred for the production of inventories.

(2) Subsequent measurement

After the beginning date of the lease term, the company adopts the cost model for subsequent measurement of the right to use assets, that is, the right to use assets are measured at cost less accumulated depreciation and accumulated impairment losses. If the Company re measures the lease liabilities in accordance with the relevant provisions of the lease standards, the book value of the right to use assets shall be adjusted accordingly.

Depreciation of right of use assets

From the beginning of the lease term, the company accrues depreciation for the right of use assets. Usufruct assets are usually depreciated from the month when the lease term begins (if the enterprise chooses to accrue depreciation from the next month when the lease term begins, it needs to describe the specific situation). The amount of depreciation accrued shall be included in the cost of relevant assets or current profits and losses according to the purpose of the right of use assets.

When determining the depreciation method of the right of use assets, the company makes a decision according to the expected consumption mode of the economic benefits related to the right of use assets, and depreciates the right of use assets with the straight-line method.

When determining the depreciation life of the right of use assets, the company follows the following principles: if the ownership of the leased assets can be reasonably determined at the expiration of the lease term, depreciation shall be accrued within the remaining service life of the leased assets; If it is impossible to reasonably determine that the ownership of the leased asset can be obtained at the expiration of the lease term, depreciation shall be accrued within the shorter of the lease term and the remaining service life of the leased asset.

Impairment of right to use assets

If the right of use asset is impaired, the company will conduct subsequent depreciation according to the book value of the right of use asset after deducting the impairment loss.

13. Intangible Assets

Intangible assets are accounted for at the actual cost at the time of acquisition. Intangible assets acquired through purchase are taken as actual costs at the actual price paid; intangible assets invested by investors are regarded as actual costs at the estimated value confirmed by all parties involved in investment; amortization of intangible assets Sales method: The company's intangible assets will be amortized evenly over the expected service life from the month of acquisition and included in profit or loss.

The estimated useful life and amortization method of intangible assets with limited service life are reviewed at the end of each year, and if there is a change, it is treated as a change in accounting estimates.

14. Long term deferred expenses

Long term deferred expenses refer to the expenses that have been incurred by the company but should be borne by the current period and subsequent periods with an apportionment period of more than one year. The long-term deferred expenses shall be amortised by stages according to the straight-line method during the benefit period.

15. Lease liabilities

(1) Initial measurement

The company initially measures the lease liabilities according to the present value of the unpaid lease payments at the beginning of the lease term.

1) Lease payments

Lease payment refers to the amount paid by the company to the lessor related to the right to use the leased assets during the lease term, including: (1) fixed payment and substantial fixed payment. If there is lease incentive, the amount related to lease incentive shall be deducted; (2) The amount of variable lease payments depending on the index or ratio, which is determined at the initial measurement according to the index or ratio on the beginning date of the lease term; (3) The company reasonably determines the exercise price of the purchase option when it will exercise the purchase option; (4) The lease term reflects the amount to be paid when the company will exercise the option to terminate the lease; (5) The amount expected to be paid according to the guarantee residual value provided by the company.

2) Discount rate

When calculating the present value of lease payments, the company adopts the interest rate embedded in the lease as the discount rate, which refers to the interest rate that makes the sum of the present value of the lessor's lease receipts and the present value of the unsecured residual value equal to the sum of the fair value of the leased asset and the lessor's initial direct expenses. If the company is unable to determine the interest rate embedded in the lease, the incremental loan interest rate shall be used as the discount rate. The incremental loan interest rate refers to the interest rate that the company must pay to borrow funds with similar mortgage conditions during similar periods in order to obtain assets close to the value of use right assets under similar economic environment. The interest rate is related to the following matters: (1) the company's own situation, that is, the company's solvency and credit status; (2) The term of the "loan", i.e. the lease term; (3) The amount of "borrowed" funds, i.e. the amount of lease liabilities; (4) "Mortgage conditions", that is, the nature and quality of the underlying assets; (5) Economic environment, including the jurisdiction of the lessee, pricing currency, contract signing time, etc. Based on the bank loan interest rate, the company obtains the incremental loan interest rate by adjusting the above factors.

(2) Subsequent measurement

After the beginning date of the lease term, the company makes subsequent measurement of the lease liability according to the following principles: (1) when confirming the interest of the lease liability, increase the book amount of the lease liability; (2) When paying the lease payment, reduce the carrying amount of the lease liability; (3) When the lease payment changes due to revaluation or lease change, the book value of the lease liability shall be remeasured.

The company calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate and records it into the current profit and loss, except those that should be capitalized. Cyclical interest rate refers to the discount rate adopted by the company for the initial measurement of lease liabilities, or the revised discount rate adopted by the company when the lease liabilities need to be remeasured according to the revised discount rate due to the change of lease payment or lease change.

16. Employee compensation

The Company's employee compensation includes short-term compensation, welfare after dismissal, dismissal welfare and other long-term employee services and benefits.

(1) Short-term compensation accounting method

The short-term compensation mainly includes salary, bonus, allowances and subsidies, employee services and benefits, housing fund, labor union expenditure and personnel education fund, medical insurance premiums, industrial injury insurance premium, birth insurance premium and other social insurance premiums. The short-term compensation actually happened during the accounting period when the staff offering the service for the Company shall be recognized as liabilities and included in the current gains and losses or relevant assets cost by the beneficiary object.

(2) Post-employment benefits accounting method

Post-employment benefits mainly include basic endowment insurance, unemployment insurance and enterprise annuity payment and are classified as defined contribution plans according to the risks and obligations undertaken by the Company. The sinking funds made to a separate entity on the balance sheet date in exchange for services rendered by the employee during the accounting period shall be recognized as liabilities and included in the current gains and losses or relevant assets cost by the beneficiary object.

(3) Termination benefits accounting method

When the employee's labor contract is terminated before the employee's labor contract expires, or a proposal for compensation to encourage the employee to accept the reduction is proposed, when the company cannot unilaterally withdraw the termination benefits provided by the labor relationship cancellation plan or the reduction proposal. As soon as the company recognizes the costs related to the restructuring related to the payment of termination benefits, the employee compensation liabilities arising from the termination benefits are recognized and included in the current profit and loss. However, if the dismissal benefits are not expected to be fully paid within twelve months after the end of the annual reporting period, other long-term employee remuneration will be treated.

Employee internal retirement plans are handled according to the same principles as the above dismissal benefits. The company will include the salaries and social insurance premiums of internally retired personnel to be paid during the period from the date when the employee stops providing services to the normal retirement date, and shall be included in the current profit and loss (dismissal benefits) when the conditions for confirming the estimated liabilities are confirmed.

(4) Other long-term employee benefits accounting method

Other long-term employee benefits provided by the company to employees, if it conforms to the set withdrawal plan, the accounting treatment shall be carried out according to the set withdrawal plan. Otherwise, the accounting treatment is carried out according to the defined benefit plan.

17. Revenue recognition principles and measurement methods

The main revenue is providing procurement agency services. When the company has fulfilled the performance obligations in the contract, that is, when the customer obtains the control of relevant goods or services, the revenue is recognized.

(1) Revenue from service

If the contract contains two or more performance obligations, the company will allocate the transaction price to each single performance obligation according to the relative proportion of the individual selling price of the goods or services promised by each single performance

obligation at the beginning of the contract, and measure the income according to the transaction price allocated to each single performance obligation.

The transaction price is the amount that the company is expected to be entitled to receive due to the transfer of goods or services to customers, excluding the amount received on behalf of a third party. The transaction price recognized by the company does not exceed the amount that the accumulated recognized income is unlikely to be significantly reversed when the relevant uncertainty is eliminated. The amount expected to be returned to the customer is not included in the transaction price as a liability. If there is a significant financing component in the contract, the company determines the transaction price according to the amount payable that is assumed to be paid in cash when the customer obtains the control of goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest rate method during the contract period. On the commencement date of the contract, if the company expects that the interval between the customer's acquisition of control over the goods or services and the customer's payment of the price will not exceed one year, the major financing components in the contract will not be considered.

If one of the following conditions is met, the company will perform its performance obligations within a certain period of time; Otherwise, it belongs to performing the performance obligation at a certain time point: (1) the customer obtains and consumes the economic benefits brought by the company's performance at the same time of the company's performance; (2) The customer can control the goods under construction during the performance of the contract; (3) The goods produced during the performance of the contract by the company have irreplaceable uses, and the company has the right to collect payment for the performance part accumulated so far during the whole contract period.

For the performance obligations performed at a certain point in time, the company recognizes the revenue when the customer obtains the control of relevant goods or services. When judging whether the customer has obtained control over the goods or services, the company considers the following signs: (1) the company has the current collection right for the goods or services; (2) The company has transferred the legal ownership of the commodity to the customer; (3) The company has transferred the goods in kind to customers; (4) The company has transferred the main risks and rewards of the ownership of the goods to the customers; (5) The customer has accepted the goods or services.

The company has transferred goods or services to customers and the right to receive consideration is listed as contract assets, and the impairment of contract assets is accrued on the

basis of expected credit loss. The company's unconditional right to receive consideration from customers is listed as accounts receivable. The company's obligation to transfer goods or services to customers for the consideration received from customers is listed as contract liabilities.

18. Termination of operations

Termination of operations means that the company meets one of the following conditions and can separately distinguish the component, and the component has been disposed or classified as held for sale: (1) This component represents an independent main business or a separate main business area; (2) The component is a part of an associated plan to dispose of an independent main business or a separate main operating area; (3) The component is designed to transfer the acquired subsidiary.

IV. Tax

1. Main tax categories and tax rates

| Tax category | Taxation basis | Tax rate |
|---|---------------------------------|----------|
| Value added tax | Income from procurement service | 3% |
| Urban maintenance and construction tax | Turnover tax actually paid | 7% |
| Corporate income tax | Income tax payable | 20% |
| Education surcharge / Surcharge for local education | Turnover tax actually paid | 3% / 2% |

2. Tax preference

The company belongs to the "small-scale low-profit enterprise" stipulated in the "Corporate Income Tax Law of the People's Republic of China" and its implementation regulations and related tax policies. According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Businesses in Related Tax Policies (Announcement No. 12 of 2023 of the Ministry of Finance and the State Administration of Taxation), the taxable income of small and micro profit enterprises is calculated at a reduced rate of 25%, and the enterprise income tax policy is paid at a rate of 20%, which will continue to be implemented until December 31, 2027.

V. Explanatory factors of accounting policy changes

1. Changes in accounting policies and their impact

The company has no changes in accounting policies.

2. Changes and impact of accounting estimates

The company has no changes and impact of accounting estimates.

3. Correction and impact of previous errors

The company has no correction of previous errors this year.

4. Adjustment of other matters

The company has no other adjustment matters that need to be disclosed this year.

VI. Notes to Items in Financial Statements

Unless specified, the data of the financial statements disclosed below refers to “**Opening Balance**” means January 1st, 2024 and “**Closing Balance**” means December 31st, 2024. “**Current period**” means January 1st, 2024 to December 31st, 2024, and “**Last period**” means January 1st, 2023 to December 31st, 2023, the currency is **RMB**.

1. Monetary capital

| Items | Closing Balance | Opening Balance |
|--------------|-------------------|-------------------|
| Bank deposit | 690,263.78 | 522,030.44 |
| Total | 690,263.78 | 522,030.44 |

2. Accounts receivable

(1) Classified disclosure of accounts receivable

| Category | Closing Balance | | | | |
|--|---------------------|----------------|------------------------|----------------|---------------------|
| | Carrying amount | | Provision for bad debt | | Book value |
| | Amount | Proportion (%) | Amount | Proportion (%) | |
| Accounts receivable of provision for bad debt by combination | 1,820,258.33 | 100.00 | | | 1,820,258.33 |
| Where: | | | | | |
| Accounts receivable of provision for bad debt by aging | | | | | |
| Related party | 1,820,258.33 | 100.00 | | | 1,820,258.33 |
| Total | 1,820,258.33 | 100.00 | | | 1,820,258.33 |

Continued)

| Category | Opening Balance | | | | |
|--|-----------------|----------------|------------------------|----------------|--------------|
| | Carrying amount | | Provision for bad debt | | Book value |
| | Amount | Proportion (%) | Amount | Proportion (%) | |
| Accounts receivable of provision for bad debt by combination | 1,747,954.11 | 100.00 | | | 1,747,954.11 |
| Where: | | | | | |

| Category | Opening Balance | | | | |
|--|---------------------|----------------|------------------------|----------------|---------------------|
| | Carrying amount | | Provision for bad debt | | Book value |
| | Amount | Proportion (%) | Amount | Proportion (%) | |
| Accounts receivable of provision for bad debt by aging | | | | | |
| Related party | 1,747,954.11 | 100.00 | | | 1,747,954.11 |
| Total | 1,747,954.11 | 100.00 | | | 1,747,954.11 |

- 1) As of December 31st 2024, there is no accounts receivable of provision for bad debt by single item at the end of the year.
- 2) As of December 31st 2024, there is no accounts receivable of provision for bad debt by aging at the end of the year.
- 3) Accounts receivable of related party.

| Customer | Book value | Bad debt Amount |
|---|---------------------|-----------------|
| Digital Age retail private limited | 1,341,175.31 | |
| Merhaki Foods and Nutrition Private Limited | 235,410.08 | |
| Firstcry Retail DWC-LLC | 122,246.63 | |
| Firstcry Trading Company | 121,426.31 | |
| Total | 1,820,258.33 | |

(2) Accounts receivable listed by aging

| Aging | Closing Balance | Opening Balance |
|---------------|---------------------|---------------------|
| Within 1 year | 1,820,258.33 | 1,747,954.11 |
| Total | 1,820,258.33 | 1,747,954.11 |

3. Prepayments

(1) Prepayments by aging analysis

| Aging | Closing Balance | | Opening Balance | |
|---------------|-----------------|----------------|-----------------|----------------|
| | Amount | Proportion (%) | Amount | Proportion (%) |
| Within 1 year | 8,097.48 | 100.00 | 4,026.64 | 100.00 |
| Total | 8,097.48 | 100.00 | 4,026.64 | 100.00 |

4. Other receivable

| Item | Closing Balance | Opening Balance |
|--------------------------|-------------------|-------------------|
| Overseas withholding tax | 872,621.78 | 888,935.59 |
| Receivable from customer | 34,652.52 | 44,255.92 |
| Total | 907,274.30 | 933,191.51 |

5. Fixed assets

| Item | Closing Balance | Opening Balance |
|--------------|------------------|------------------|
| Fixed assets | 10,845.91 | 25,719.84 |
| Total | 10,845.91 | 25,719.84 |

(1) Details of fixed assets

| Item | Office Equipment | Total |
|--|------------------|------------|
| Total original carrying amount | | |
| 1. Opening balance | 257,175.83 | 257,175.83 |
| 2. Increase in the current reporting period | | |
| 1) Purchase | | |
| 2) Transferred from construction in progress | | |
| 3) Business merger not under common control | | |
| 3. Decrease in the current reporting period | | |
| 1) Disposal or write-off | | |
| 4. Closing Balance | 257,175.83 | 257,175.83 |
| Accumulated depreciation | | |
| 1. Opening balance | 231,455.99 | 231,455.99 |
| 2. Increase in the current reporting period | 14,873.93 | 14,873.93 |
| 1) Accrual | 14,873.93 | 14,873.93 |
| 2) Business merger not under common control | | |
| 3. Decrease in the current reporting period | | |

| Item | Office Equipment | Total |
|---|------------------|------------|
| 1) Disposal or write off | | |
| 4. Closing Balance | 246,329.92 | 246,329.92 |
| Provision for decline in value | | |
| 1. Opening balance | | |
| 2. Increase in the current reporting period | | |
| 1) Accrual | | |
| 3. Decrease in the current reporting period | | |
| 1) Disposal or write off | | |
| 4. Closing Balance | | |
| Total book value | | |
| Closing balance on book value | 10,845.91 | 10,845.91 |
| Opening balance on book value | 25,719.84 | 25,719.84 |

6. Right of use assets

| Item | Office Equipment | Total |
|---|------------------|------------|
| Total original carrying amount | | |
| 1. Opening balance | 943,924.58 | 943,924.58 |
| 2. Increase in the current reporting period | | |
| 1) Rent-in | | |
| 3. Decrease in the current reporting period | | |
| 1) Disposal or write-off | | |
| 4. Closing Balance | 943,924.58 | 943,924.58 |
| Accumulated depreciation | | |
| 1. Opening balance | 353,971.72 | 353,971.72 |
| 2. Increase in the current reporting period | 471,962.28 | 471,962.28 |
| 1) Accrual | 471,962.28 | 471,962.28 |
| 3. Decrease in the current | | |
| 1) Disposal or write off | | |
| 4. Closing Balance | 825,934.00 | 825,934.00 |
| Provision for decline in value | | |
| 1. Opening balance | | |
| 2. Increase in the current reporting period | | |
| 1) Accrual | | |
| 3. Decrease in the current | | |

| Item | Office Equipment | Total |
|-------------------------------|------------------|------------|
| 1) Disposal or write off | | |
| 4. Closing Balance | | |
| Total book value | | |
| Closing balance on book value | 117,990.58 | 117,990.58 |
| Opening balance on book value | 589,952.86 | 589,952.86 |

7. Intangible assets

(1) Details of Intangible assets

| Item | Application Software | Total |
|---|----------------------|-----------|
| Total original carrying amount | | |
| 1. Opening balance | 24,000.00 | 24,000.00 |
| 2. Increased | | |
| 1) Purchase | | |
| 3. Decreased | | |
| 1) Disposal or write-off | | |
| 4. Closing balance | 24,000.00 | 24,000.00 |
| Total accumulated amortization | | |
| 1. Opening balance | 24,000.00 | 24,000.00 |
| 2. Increased | | |
| 1) Accrual | | |
| 2) Business merger not under common control | | |
| 3. Decreased | | |
| 1) Disposal or write-off | | |
| 4. Closing balance | 24,000.00 | 24,000.00 |
| Provision for decline in value | | |
| 1. Opening balance | | |
| 2. Increased | | |
| 1) Accrual | | |
| 3. Decreased | | |
| 1) Disposal or write-off | | |
| 4. Closing balance | | |
| Total book value | | |
| Closing balance on book value | | |
| Opening balance on book value | | |

8. Deferred Income Tax

(1) Deferred Tax Asset

| Item | Closing Balance | | Opening Balance | |
|------------------|--------------------|--|--------------------|--|
| | Deferred Tax Asset | Deductible temporary differences and deductible losses | Deferred Tax Asset | Deductible temporary differences and deductible losses |
| lease obligation | 6,124.37 | 122,487.41 | 29,978.84 | 599,576.80 |
| Total | 6,124.37 | 122,487.41 | 29,978.84 | 599,576.80 |

(2) Deferred Tax Liability

| Item | Closing Balance | | Opening Balance | |
|---------------------|------------------------|-------------------------------|------------------------|-------------------------------|
| | Deferred Tax Liability | Taxable Temporary Differences | Deferred Tax Liability | Taxable Temporary Differences |
| Right of use assets | 5,899.53 | 117,990.58 | 29,497.64 | 589,952.86 |
| Total | 5,899.53 | 117,990.58 | 29,497.64 | 589,952.86 |

9. Accounts payable

(1) List of accounts payable

| Item | Closing Balance | Opening Balance |
|--------------------------|------------------|------------------|
| Accounts payable | 18,272.60 | 85,701.70 |
| Total | 18,272.60 | 85,701.70 |
| Including: Within 1 year | | |

10. Payroll payable

(1) Details of payroll payable

| Item | Opening Balance | Increase in current period | Decrease in current period | Closing Balance |
|---|-----------------|----------------------------|----------------------------|-----------------|
| Short-term compensation | 453,082.61 | 2,966,451.97 | 2,899,441.14 | 520,093.44 |
| Welfare after dismissal – defined contribution plan | | 238,449.15 | 238,449.15 | |

| Item | Opening Balance | Increase in current period | Decrease in current period | Closing Balance |
|-------|-----------------|----------------------------|----------------------------|-----------------|
| Total | 453,082.61 | 3,204,901.12 | 3,137,890.29 | 520,093.44 |

(2) Presentation of short-term compensation

| Item | Opening Balance | Increase in current period | Decrease in current period | Closing Balance |
|---|-----------------|----------------------------|----------------------------|-----------------|
| 1. Wages, bonus, allowances and subsidies | 453,082.61 | 2,787,812.24 | 2,720,801.41 | 520,093.44 |
| 2. Employee services and benefits | | 5,940.63 | 5,940.63 | |
| 3. Social insurance premium | | 92,725.10 | 92,725.10 | |
| Including: | | 79,478.10 | 79,478.10 | |
| (1) Medical insurance | | 5,298.80 | 5,298.80 | |
| (2) Injury Insurance | | 7,948.20 | 7,948.20 | |
| (3) Maternity Insurance | | | | |
| (4) Disabled people & Back pay Fund | | | | |
| 4. Housing fund | | 79,974.00 | 79,974.00 | |
| 5. Labor union expenditure and personnel education fund | | | | |
| Subtotal | 453,082.61 | 2,966,451.97 | 2,899,441.14 | 520,093.44 |

(3) Presentation of defined contribution plans

| Item | Opening Balance | Increase in current period | Decrease in current period | Closing Balance |
|-------------------------------|-----------------|----------------------------|----------------------------|-----------------|
| 1. Pension Insurance | | 225,342.81 | 225,342.81 | |
| 2. Unemployment insurance | | 13,106.34 | 13,106.34 | |
| 3. Enterprise annuity payment | | | | |
| Subtotal | | 238,449.15 | 238,449.15 | |

11. Taxes payable

| Item | Closing Balance | Opening Balance |
|---|-----------------|-----------------|
| Individual income tax | 22,544.38 | 15,671.73 |
| Value add tax | 11,438.13 | 13,374.22 |
| Corporate income tax | 3,312.41 | 9,848.25 |
| Urban maintenance and construction tax | 358.71 | 509.71 |
| Education surcharge / Surcharge for local education | 256.22 | 364.08 |

| Item | Closing Balance | Opening Balance |
|--------------|------------------|------------------|
| Stamp duty | 175.92 | 204.96 |
| Total | 38,085.77 | 39,972.95 |

12. Other payables

| Item | Closing Balance | Opening Balance |
|----------------|-----------------|-----------------|
| Other payables | 3,628.87 | 2,116.00 |
| Total | 3,628.87 | 2,116.00 |

(1) Other payables classified according to nature

| Nature | Closing Balance | Opening Balance |
|---|-----------------|-----------------|
| Employee advance payment before reimbursement | 3,097.87 | 1,500.00 |
| Payable to suppliers | 531.00 | 616.00 |
| Total | 3,628.87 | 2,116.00 |
| Including: Over 1 year | | |

13. Non-current liabilities maturing within one year

| Item | Closing Balance | Opening Balance |
|---------------------------------------|-------------------|-------------------|
| Lease liabilities due within one year | 122,487.41 | 477,089.39 |
| Total | 122,487.41 | 477,089.39 |

14. Lease liabilities

| Item | Closing Balance | Opening Balance |
|---|-------------------|-------------------|
| Lease payment | 123,000.00 | 615,000.00 |
| Less: Unrecognized financing charges | 512.59 | 15,423.20 |
| Total | 122,487.41 | 599,576.80 |
| Less: lease liabilities due within one year | 122,487.41 | 477,089.39 |
| Lease liabilities due above one year | | 122,487.41 |

15. Share capital

| Name | Opening Balance | | Increase | Decrease | Closing Balance | |
|-------------------------------------|---------------------|----------------|----------|----------|---------------------|----------------|
| | Amount | Proportion (%) | | | Amount | Proportion (%) |
| Brainbees Solutions Private Limited | 1,414,363.18 | 100.00 | | | 1,414,363.18 | 100.00 |
| Total | 1,414,363.18 | 100.00 | | | 1,414,363.18 | 100.00 |

16. Surplus reserves

| Item | Opening Balance | Increase | Decrease | Closing Balance |
|---------------------------|-------------------|------------------|----------|-------------------|
| Statutory surplus reserve | 122,854.34 | 20,948.06 | | 143,802.40 |
| Total | 122,854.34 | 20,948.06 | | 143,802.40 |

17. Undistributed profit

| Item | Current period | Last period |
|---|---------------------|---------------------|
| Undistributed profit at the end of previous period before adjustment | 1,105,689.02 | 772,553.92 |
| Plus: Undistributed profits at the beginning of the period after adjustment | | |
| Undistributed profit at the beginning of current period | 1,105,689.02 | 772,553.92 |
| Plus: Net profits attributable to the owners of company in the current period | 209,480.59 | 370,150.11 |
| Less: Withdrawal statutory surplus reserve | 20,948.06 | 37,015.01 |
| Undistributed profits at the end of the current period | 1,294,221.55 | 1,105,689.02 |

18. Sales/Cost of sales

| Item | Amount incurred in current period | | Amount incurred in last period | |
|---------------|-----------------------------------|---------------|--------------------------------|---------------|
| | Sales | Cost of Sales | Sales | Cost of Sales |
| Main business | 4,649,494.30 | | 4,849,835.80 | |
| Total | 4,649,494.30 | | 4,849,835.80 | |

19. Taxes and surcharges

| Item | Amount incurred in current period | Amount incurred in last period |
|---|-----------------------------------|--------------------------------|
| Urban maintenance and construction tax | 1,544.08 | 1,739.04 |
| Education surcharge / Surcharge for local education | 1,102.89 | 1,242.16 |

| Item | Amount incurred in current period | Amount incurred in last period |
|--------------|-----------------------------------|--------------------------------|
| Stamp duty | 941.40 | 974.82 |
| Total | 3,588.37 | 3,956.02 |

20. Selling expenses

| Item | Amount incurred in current period | Amount incurred in last period |
|------------------------|-----------------------------------|--------------------------------|
| International shipping | 5,747.00 | 5,553.00 |
| Sample fee | 1,323.04 | 2,818.58 |
| Domestic shipping | | 178.80 |
| Total | 7,070.04 | 8,550.38 |

21. Administrative Expenses

| Item | Amount incurred in current period | Amount incurred in last period |
|--------------------------------------|-----------------------------------|--------------------------------|
| Payroll | 2,787,812.24 | 2,693,990.42 |
| Professional service charge | 559,541.60 | 636,279.30 |
| Depreciation for right of use assets | 471,962.28 | 482,050.24 |
| Insurance and housing fund expenses | 411,148.25 | 418,515.64 |
| Travelling expenses | 91,099.54 | 96,334.92 |
| Property management fee | 40,320.00 | 30,240.00 |
| Postage fee | 37,158.93 | 21,324.77 |
| Depreciation expenses | 14,873.93 | 27,650.98 |
| Electricity bill | 12,321.00 | 11,734.00 |
| Office expenses | 10,413.86 | 9,791.09 |
| Technical service expenses | 7,500.00 | 6,000.00 |
| Employee benefits charges | 5,940.63 | 11,050.30 |
| Recruitment fee | 4,680.00 | 3,253.36 |
| Internet expense | 3,588.00 | 4,068.00 |
| Insurance | 834.16 | |
| Business entertainment expenses | 333.10 | 215.59 |
| Repair maintenance expenses | 62.00 | 1,700.00 |
| Total | 4,459,589.52 | 4,454,198.61 |

22. Financial expenses

| Item | Amount incurred in current period | Amount incurred in last period |
|------------------------|-----------------------------------|--------------------------------|
| Interest expenses | | |
| Less: Interest revenue | 930.79 | 1,033.47 |

| Item | Amount incurred in current period | Amount incurred in last period |
|-----------------------------|-----------------------------------|--------------------------------|
| Plus: Exchange gain or loss | -57,807.51 | -27,549.81 |
| Plus: other expenses | 18,724.55 | 29,246.62 |
| Total | -40,013.75 | 663.34 |

23. Other incomes

| Item | Amount incurred in current period | Amount incurred in last period |
|---|-----------------------------------|--------------------------------|
| Personal income tax withholding and collection fees | 4,628.18 | 2,515.27 |
| Total | 4,628.18 | 2,515.27 |

24. Non-operating income**(1) Details of non-operating income**

| Item | Amount incurred in current period | Amount incurred in last period |
|---|-----------------------------------|--------------------------------|
| Compensation | | 1,000.00 |
| Allowance | | |
| Personal income tax withholding and collection fees | | |
| Total | | 1,000.00 |

25. Non-operating expenses

| Item | Amount incurred in current period | Amount incurred in last period |
|--------------|-----------------------------------|--------------------------------|
| Late fees | 35.68 | |
| Total | 35.68 | |

26. Income tax expenses**(1) Details of Income tax expenses**

| Item | Amount incurred in current period | Amount incurred in last period |
|---|-----------------------------------|--------------------------------|
| Income tax for the current reporting period | 14,115.67 | 16,313.81 |
| Adjustment of deferred income tax | 256.36 | -481.20 |
| Total | 14,372.03 | 15,832.61 |

27. Notes to cash flow statement**(1) Other cash received/paid related to operating/investing/financing activities****1) Other cash received related to operating activities**

| Item | Amount incurred in current period | Amount incurred in last period |
|---|-----------------------------------|--------------------------------|
| IIT withhold declaration handling fee return | 3,051.70 | |
| Government grants | 1,576.48 | |
| Interest income | 930.79 | 1,033.47 |
| Personal income tax withholding and collection fees | | 2,515.27 |
| Compensation | | 1,000.00 |
| Total | 5,558.97 | 4,548.74 |

2) Other cash payments relating to operating activities

| Item | Amount incurred in current period | Amount incurred in last period |
|--------------------------------|-----------------------------------|--------------------------------|
| Legal and professional charges | 866,367.12 | 578,362.76 |
| Staff reimbursement | 49,373.27 | 145,374.50 |
| Express&courier fee | 28,077.00 | 26,657.77 |
| Office expenses | 6,813.86 | 20,537.59 |
| International shipping | 5,747.00 | |
| Bank charges | 3,813.94 | 4,045.39 |
| Sample cost | 1,323.04 | 3,610.73 |
| Late fees | 35.68 | |
| Total | 961,550.91 | 778,588.74 |

3) Other cash payments relating to financing activities

| Item | Amount incurred in current period | Amount incurred in last period |
|---|-----------------------------------|--------------------------------|
| Rental expenses for right of use assets | 461,080.00 | 500,580.00 |
| Total | 461,080.00 | 500,580.00 |

(2) Supplementary information about cash flow statement

| Supplementary information | Current period | Last period |
|---|----------------|-------------|
| 1. Reconciliation of net profit to cash flows from operating activities: | | |

| Supplementary information | Current period | Last period |
|--|----------------|-------------|
| Net profit | 209,480.59 | 370,150.11 |
| Add: Impairment of assets | | |
| Credit loss reserve | | |
| Fixed assets depreciation | 14,873.93 | 27,650.98 |
| Amortization of intangible assets | | |
| Depreciation for right-of-use assets | 471,962.28 | 482,050.24 |
| Long-term deferred expenses amortization | | |
| Gains on disposal of fixed assets, intangible assets and other long-term assets | | |
| Gains from changes in fair value | | |
| Financial expenses | | |
| Investment income | 2,883.15 | 25,187.73 |
| Increase in deferred income tax assets | | |
| Increase in deferred income tax liabilities | -23,854.47 | -29,978.84 |
| Increase in inventories | 23,598.11 | 29,497.64 |
| Increase in operating receivables | | |
| Increase in operating payables | -50,457.85 | -97,637.40 |
| Others | -76,530.23 | -89,936.50 |
| Net cash flows from operating activities | | |
| 2. Significant investing and financing activities not involving cash receipts and payments: | 571,505.83 | 716,983.96 |
| 3. Net changes in cash and cash equivalents: | | |
| Ending balance of cash | 690,263.78 | 522,030.44 |
| Less: Opening balance of cash | 522,030.44 | 284,995.67 |
| Plus: Ending balance of cash equivalents | | |
| Less: Opening balance of cash equivalents | | |
| Net increase in cash and cash equivalents | 168,233.34 | 237,034.77 |

(3) Composition of cash and cash equivalents

| Item | Closing balance | Opening balance |
|---|-----------------|-----------------|
| Cash | 690,263.78 | 522,030.44 |
| Including: Cash on hand | | |
| Bank deposit for payment at any time | 690,263.78 | 522,030.44 |
| Other monetary capital for payment at any time | | |
| Cash equivalents | | |
| Closing balance of cash and cash equivalents | 690,263.78 | 522,030.44 |

VII. Related parties and related-party transactions

1. Information on related parties

(1) Information on parent company of the Company

| Name | Place of registration | Nature of business | Legal representative/Managing Director | Registration number |
|-------------------------------------|-----------------------|---|--|-----------------------------|
| Brainbees Solutions Private Limited | Pune, India | Wholesale trading of kids, baby and maternity products on cash and carry basis. | Supam Maheshwari | CIN- U80100PN2010PT C136340 |

(2) The registered capital of the controlling shareholder and its changes

| Name | Opening balance (Rupee) | Increase | Decrease | Closing balance (Rupee) |
|---|-------------------------|----------|----------|-------------------------|
| Brainbees Solutions Private Limited (Authorised capital as per Indian Laws) | 889,730,030.00 | | | 889,730,030.00 |

2. Related party transactions

(1) Related party transactions regarding sales and purchases of goods, provision of services and receiving services

1) Sales of commodities / rendering of services

| Related party | Transaction type | Current period | Last period |
|---|----------------------|------------------------|------------------------|
| Digital age retail Private Limited | Rendering Of Service | 2, 753, 304. 53 | 2, 333, 262. 26 |
| Merhaki Foods and Nutrition Private Limited | Rendering Of Service | 1, 164, 315. 98 | 1, 178, 133. 46 |
| Firstcry Retail DWC-LLC | Rendering Of Service | 470, 160. 22 | 918, 254. 52 |
| Firstcry Trading Company | Rendering Of Service | 261, 713. 57 | |
| GlobalBees brands Private Limited | Rendering Of Service | | 411, 527. 34 |
| Brainbees Solutions Private Limited | | | 7, 173. 07 |
| Total | | 4, 649, 494. 30 | 4, 848, 350. 65 |

(2) Receivables from related parties and payables to related parties

1) Receivables from related parties

| Item | Related party | Closing balance | Opening balance |
|---------------------|---|---------------------|---------------------|
| Accounts receivable | Merhaki Foods and Nutrition Private Limited | 235,410.08 | 735,629.40 |
| Accounts receivable | Digital age retail Private Limited | 1,341,175.31 | 611,319.53 |
| Accounts receivable | Firstery Retail DWC-LLC | 122,246.63 | 397,915.18 |
| Accounts receivable | Firstery Trading Company | 121,426.31 | |
| Accounts receivable | Brainbees Solutions Private Limited | | 3,090.00 |
| Total | | 1,820,258.33 | 1,747,954.11 |

VIII. Commitment and contingencies

The Company had no significant contingencies to be disclosed as of December 31st, 2024.

IX. Subsequent Events Report

As of the approval date of this report, the Company has no other major subsequent events to be disclosed as of the date of presentation of the financial statements.

X. Other important issues

The Company had no other important issues to be disclosed as of December 31st, 2024.

XI. Financial report approval date

This financial report was approved and reported by the legal representative of the company and finance manager on May 19th, 2025.

Shenzhen Starbees Services Limited
May 19th, 2025





姓名 刘晓聪
Full name
性别 女
Sex
出生日期 1984-02-14
Date of birth
工作单位 信永中和会计师事务所(特殊普
通合伙)深圳分所
Working unit
身份证号码 411381198402140443
Identity card No.

年度检验登记
Annual Renewal Registration

本证书经检验合格, 继续有效一年。
This certificate is valid for another year after
this renewal.



刘晓聪
110101365199
深圳市注册会计师协会

证书编号: 110101365199
No. of Certificate
批准注册协会: 深圳市注册会计师协会
Authorized Institute of CPAs
发证日期: 2015 年 11 月 04 日
Date of Issuance

年度检验登记
Annual Renewal Registration

本证书经检验合格, 继续有效一年。
This certificate is valid for another year after
this renewal.



刘晓聪 110101365199

年 /y 月 /m 日 /d

年度检验登记
Annual Renewal Registration

本证书经检验合格, 继续有效一年。
This certificate is valid for another year after
this renewal.



姓名: 刘晓聪

证书编号: 110101365199

年 /y 月 /m 日 /d



姓名

程健

性别

男

出生日期

1991-10-01

工作单位

信永中和会计师事务所(特殊普通合伙)深圳分所

身份证号码

420984199110016050



年度检验登记 Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.



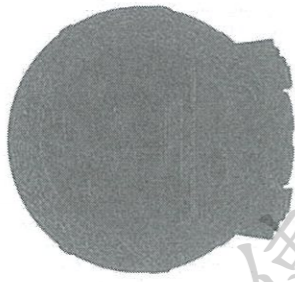
程健 110101361425

证书编号: 110101361425
No. of Certificate

批准注册协会: 深圳市注册会计师协会
Authorized Institute of CPAs

发证日期: 2023 年 08 月 01 日
Date of Issuance /y /m /d

年 月 日
/y /m /d



会计师事务所分所

执业证书



名称：信永中和会计师事务所(特殊普通合伙)深圳分所

负责人：潘传云

经营场所：深圳市福田区莲花街道福新社区鹏程一路9号广电金融中心19A-F、20A-F

分所执业证书编号：110101364701

批准执业文号：深财会[2005]26号

批准执业日期：2005年4月12日

证书序号：5005444

说明

- 1、《会计师事务所分所执业证书》是证明会计师事务所经财政部门依法审批，准予持证分所执行业务的凭证。
- 2、《会计师事务所分所执业证书》记载事项发生变动的，应当向财政部门申请换发。
- 3、《会计师事务所分所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所分所终止或执业许可注销的，应当向财政部门交回《会计师事务所分所执业证书》。



发证机关：

2025年1月8日

中华人民共和国财政部制





营业执照

(副本)

统一社会信用代码
91440300058986394H



名称 信永中和会计师事务所(特殊普通合伙) 深圳分所

类型 合伙企业分支机构

负责人 潘传云

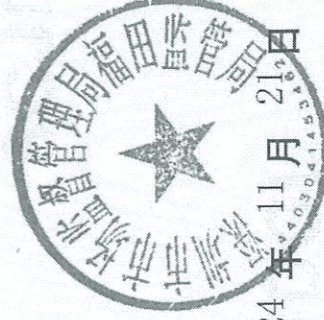
成立日期 2012年11月20日

营业场所 深圳市福田区莲花街道福新社区鹏程一路9号广电金融中心19A-F、20A-F

重要提示

- 商事主体的经营范围由章程确定。经营范围中属于法律、法规规定应当经批准的项目，取得许可审批文件后方可开展相关经营活动。
- 商事主体经营范围和许可审批项目等有关企业信用事项及年报信息和其他信用信息，请登录左下角的国家企业信用信息公示系统或扫描右上方的二维码查询。
- 各类商事主体每年须于成立周年之日起两个月内，向商事登记机关提交上一自然年度的年度报告。企业应当按照《企业信息公示暂行条例》第十条的规定向社会公示企业信息。

登记机关



2024年11月21日