

TCI Global Shanghai Company Limited

Auditors' Report and Financial Statements
For the Period from April 1, 2015 to March 31, 2016
PAAT (2016) No.PD084

15

TCI GLOBAL (SHANGHAI) CO., LTD.

AUDITORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2015

CONTENTS

PAGE(S)

AUDITORS' REPORT

1-2

BALANCE SHEET

3-6

INCOME STATEMENT

7

NOTES TO THE FINANCIAL STATEMENTS

8-13

AUDITORS' REPORT

PAAT (2016) NO.PD084

TO TCI GLOBAL (SHANGHAI) CO., LTD.

We have audited the accompanying financial statements of TCI Global (Shanghai) Co., Ltd. ("the Company"), which comprise the balance sheet as at March 31, 2016, and the income statement for the period from April 1st, 2015 to March 31, 2016, and notes to the financial statements.

1. Management's responsibility for the financial statements

The Company's management is responsible for the preparation and presentation of these financial statements in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China. This responsibility includes: the financial statements comply with the requirements of the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises China Accounting Standards for Business Enterprises) and present fairly; designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

2. Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Chinese Certified Public Accountants Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

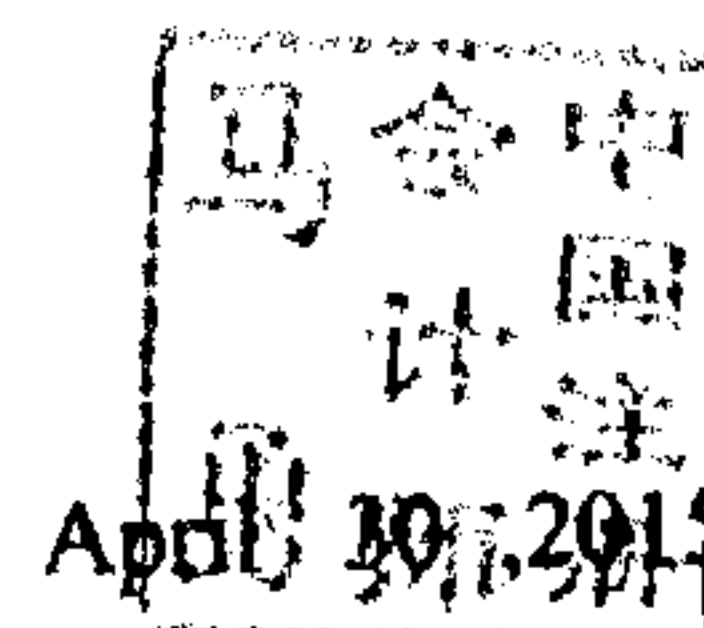
3. Opinion

In our opinion, the financial statements comply with the requirements of the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People's Republic of China and present fairly, in all material respects, the financial position of the Company as at March 31, 2016, and the results of operations of the company for the period from April 1st, 2015 to March 31, 2016.

PAAT Consulting (Shanghai)

Shanghai, China

Chinese Certified Public Accountant



马勇



陈高潮

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. If there is any conflict of meaning between the Chinese and English version, the Chinese version will prevail.

TCI GLOBAL (SHANGHAI) CO., LTD.

BALANCE SHEET
AT MARCH 31, 2016

	<u>NOTES</u>	<u>31/03/2016</u>	<u>31/03/2015</u>
		RMB	RMB
ASSETS			
CURRENT ASSETS			
Bank balances and cash	-	14,191.96	28,710.82
Short-term investment	-	-	-
Notes receivable	-	-	-
Dividends receivable	-	-	-
Interest receivable	-	-	-
Accounts receivable	-	1,368,027.36	1,368,027.36
Other receivable	-	125,693.00	125,693.00
Prepayments	-	363,839.01	363,839.01
Subsidies receivable	-	-	-
Inventories	-	-	-
Amounts due from customers for contract work	-	-	-
Deferred expenses	-	-	-
Long-term debt investments due within one year	-	-	-
Finance lease receivables due within one year	-	-	-
Other current assets	-	2,500.00	2,500.00
Total current assets	-	<u>1,874,251.33</u>	<u>1,888,770.19</u>
LONG-TERM INVESTMENTS			
Long-term equity investments	-	-	-
[Consolidated price difference]	-	-	-
Long-term debt investments	-	-	-
Total long-term investments	-	<u>-</u>	<u>-</u>

TCI GLOBAL (SHANGHAI) CO., LTD.

BALANCE SHEET - CONTINUED
AT MARCH 31, 2016

	<u>NOTES</u>	<u>31/03/2016</u> RMB	<u>31/03/2015</u> RMB
FIXED ASSETS			
Fixed assets-cost		39,900.00	39,900.00
Less: Accumulated depreciation	-	39,900.00	39,900.00
Fixed assets-net	-	-	-
Less: Impairment	-	-	-
Fixed assets-net book value	-	-	-
Materials held for construction of fixed assets	-	-	-
Fixed assets under construction	-	-	-
Fixed assets to be disposed	-	-	-
Total fixed assets	-	-	-
INTANGIBLE ASSETS AND OTHER ASSETS			
Intangible assets	-	-	-
Long-term deferred expenses	-	-	-
Finance lease receivables	-	-	-
Finance lease – unguaranteed residual values	-	-	-
Other long-term assets	-	-	-
Total intangible assets and other assets	-	-	-
[Deferred taxes]			
[Deferred tax assets]	-	-	-
Total ASSETS		<u>1,874,251.33</u>	<u>1,888,770.19</u>

TCI GLOBAL (SHANGHAI) CO., LTD.

BALANCE SHEET - CONTINUED
AT MARCH 31, 2015

	<u>NOTES</u>	<u>31/03/2016</u> RMB	<u>31/03/2015</u> RMB
LIABILITIES AND OWNERS' EQUITY			
CURRENT LIABILITIES			
Short-term loans	-	-	-
Notes payable	-	-	-
Accounts payable	-	-	-
Advances from customers	-	-	-
Amounts due to customers for contract work	-	-	-
Payroll payable	-	-	-
Employee benefits payable	-	-	-
Taxes payable	-	-	-
Dividends payable	-	-	-
Interest payable	-	-	-
Other fees payable	-	-	-
Other payables	-	1,288,826.87	1,281,999.83
Accrued expenses	-	6,500.00	-
Accrued liabilities	-	-	-
Deferred revenue	-	-	-
Long-term loans due within one year	-	-	-
Total current liabilities	-	<u>1,295,326.87</u>	<u>1,281,999.83</u>
LONG-TERM LIABILITIES			
Long-term loans	-	-	-
Bonds payable	-	-	-
Long-term payable	-	-	-
Specific accounts payable	-	-	-
Other long-term liabilities	-	-	-
Total long-term liabilities	-	-	-
[Deferred taxes]	-	-	-
[Deferred tax liabilities]	-	-	-
TOTAL LIABILITIES	-	<u>1,295,326.87</u>	<u>1,281,999.83</u>

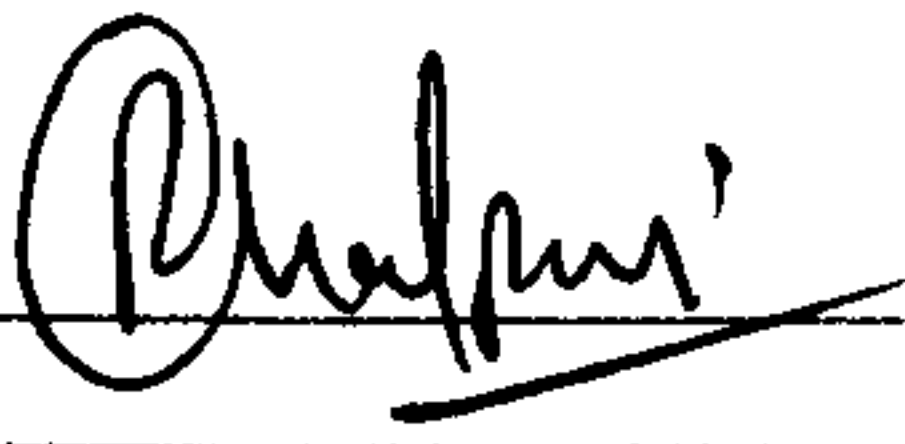
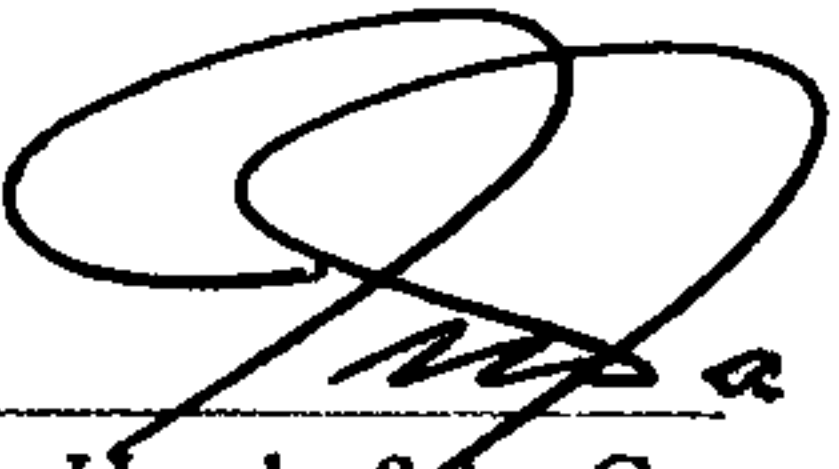

TCI GLOBAL (SHANGHAI) CO., LTD.

BALANCE SHEET - CONTINUED
AT MARCH 31, 2016

	<u>NOTES</u>	<u>31/03/2016</u> RMB	<u>31/03/2015</u> RMB
OWNERS' EQUITY			
Paid-in capital	-	5,032,957.85	5,032,957.85
Less: Capital repaid	-	-	-
Paid-in capital-net	-	5,032,957.85	5,032,957.85
Capital reserves	-	54.90	54.90
Surplus reserves	-	-	-
[Unrecognized investment losses]	-	-	-
Inappropriate profits	-	(4,454,088.29)	(4,426,242.39)
Profit distribution/cash dividend proposed after balance sheet date	-	-	-
Translation reserve	-	-	-
TOTAL OWNERS' EQUITY		<u>578,924.46</u>	<u>606,770.36</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>1,874,251.33</u>	<u>1,888,770.19</u>

The accompanying notes are part of the financial statements.

The financial statements on pages 3 to 13 were signed by the following:

 <hr style="width: 100%;"/> Accounting Department	 <hr style="width: 100%;"/> Head of the Company	 <hr style="width: 100%;"/> Chief Financial Officer	<hr style="width: 100%;"/> Head of
---	--	---	------------------------------------

TCI GLOBAL (SHANGHAI) CO., LTD.

INCOME STATEMENT
FOR THE PERIOD FROM APRIL 1, 2015 TO MARCH 31, 2016

	<u>NOTES</u>	FROM APRIL 1, 2015 TO MARCH 31, 2016 RMB	FROM APRIL 1, 2014 TO MARCH 31, 2015 RMB
Revenue	-	-	-
Less: Cost of sales	-	-	-
Sales tax	-	-	-
Gross profit	-	-	-
Add: Other operating profit	-	-	-
Less: Operating expenses	-	-	-
General and administrative expenses	-	27,418.46	44,695.09
Finance expenses	-	427.44	928.12
Profit from operations	-	(27,845.90)	(45,623.21)
Add: Investment income	-	-	-
Subsidy income	-	-	-
Non-operating income	-	-	-
Less: Non-operating expenses	-	-	-
Profit before tax	-	(27,845.90)	(45,623.21)
Less: Income tax	-	-	-
[Minority interest]	-	-	-
[Add: Unrealized investment losses]	-	-	-
Net profit for the year	-	(27,845.90)	(45,623.21)

The accompanying notes are part of the financial statements.

TCI GLOBAL (SHANGHAI) CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2015 TO MARCH 31, 2016

1. GENERAL

TCI Global (Shanghai) Co., Ltd. ("the Company") is a wholly owned foreign investment enterprise incorporated in Shanghai of the People's Republic of China ("the PRC") on November 13, 2008 and approved by the People's Government Shanghai with approval certificate Hu Du Zi Zi No. 2008 (3317). The Company obtained its business certificate No. 310000400587947 (Jingan) for an operating period of 20 years. The registered capital is USD 740,000 which has been fully paid-up.

The Company principally engages in Undertake sea, land and air transportation of the import and export cargoes, international exhibits and personal staffs and international transportation, agency business of transit cargoes. The business includes: goods seeking, storage booking, consigning, storage and shipment transiting and also includes the short-distance transportation services and transport advisory related services of container FCL and LCL, freight and miscellaneous charges settling, customs clearance, inspection and quarantine, insurance (the business should be operated by license if it involves with license).

2. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Accounting system and accounting standards adopted

The Company has adopted the "Accounting Standards for Business Enterprises", the "Accounting System for Business Enterprises" and the supplementary regulations thereto.

Basis of accounting and principle of measurement

The Company has adopted the accrual basis of accounting and uses the historical cost convention as the principle of measurement.

Accounting year

The Company has adopted the calendar year as its accounting year, for the period from April 1, 2015 to March 31, 2016.

Recording currency

The recording currency of the Company is Renminbi.

Foreign currency translation

Transactions denominated in foreign currencies (currencies other than the recording currency) are translated into Renminbi at the applicable rate of exchange ("market exchange rate") prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Renminbi at the market exchange rate prevailing at the balance sheet date.

Construction of a fixed asset before the fixed assets are ready for use are capitalized as part of the cost of fixed asset; exchange gains or losses arising in the pre-operating period are recorded as long term deferred expenses; other exchange gains or losses are dealt with as finance expenses.

TCI GLOBAL (SHANGHAI) CO., LTD.

Accounting for bad debts

- 1) Bad debt is accounted for using direct write-off method.
- 2) Criteria for recognition of bad debts

The irrecoverable amount of a bankrupt debtor after pursuing the statutory procedures. The irrecoverable amount of a debtor who has deceased and has insufficient estate to repay. The amount owed by a debtor who is unable to repay the obligations after the debts fall due, and the amount is irrecoverable or unlikely to be recovered as demonstrated by sufficient evidence.

Fixed assets and depreciation

Fixed assets are recorded at actual cost on acquisition. Depreciation is provided to expense the cost of each category of fixed assets over their estimated useful lives from the month after they are ready for use, using the straight-line method. The estimated residual value, useful life and annual depreciation rate of each category of fixed assets are as follows:

<u>Category of fixed assets</u>	<u>Residual value</u>	<u>Useful life</u>	<u>Annual depreciation rate</u>
<u>Office equipment</u>	<u>5.00%</u>	<u>3-5 years</u>	<u>19.00%-31.67%</u>

Subsequent expenditure incurred on a fixed asset is included in the cost of the fixed asset, only if it is probable that economic benefits associated with the asset will flow to the Company is over the original estimation. The cost of fixed asset with subsequent expenditure cannot exceed recoverable amount.

Revenue recognition

Revenue from Sales of goods

Revenue is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, will receive the economic benefits associated with the transaction, and can reliably measure the relevant amount of revenue and costs.

Revenue from rendering services

When the provision of services is started and completed within the same accounting year, revenue is recognized at the time of completion of the services. When the provision of services is started and completed in different accounting years and the outcome of a transaction involving the rendering of services can be estimated reliably, revenue is recognized at the balance sheet date by the use of the percentage of completion method. Revenue is otherwise recognized at the balance sheet date only to the extent of the costs incurred that are recoverable and service costs are recognized as expenses in the period in which they are incurred. If the service costs incurred are not expected to be recovered, revenue is not recognized.

Interest income

Interest income is measured based on the length of time for which the enterprise's cash is used by others and the applicable interest rate.

Income tax calculation

The Company has adopted taxes payable method for income tax calculation.

TCI GLOBAL (SHANGHAI) CO., LTD.

3. TAXATION

Value-added tax

The value added tax("VAT") on sales is calculated at 3% on revenue from principal operations and paid after deducting input VAT on purchases.

Income tax

The income tax rate is 25%.

Urban maintenance and construction tax

The urban maintenance and construction tax rate is 7% based on amount of VAT, sales tax or business tax.

Education surcharges: Levied at 5%.

River maintenance fee: Levied at 1%.

4. BANK BALANCES AND CASH

	31/03/2016	31/03/2015
	RMB	RMB
Cash		14,518.86
Bank deposit	14,191.96	14,191.96
Total	14,191.96	28,710.82

5. ACCOUNTS RECEIVABLE

The aging analysis of accounts receivable is as follows:

	31/03/2016				31/03/2015			
	Gross amount RM B	Proportion (%)	Bad debt provision RMB	Net book value RM B	Gross amount RMB	Proportion (%)	Bad debt provision RMB	Net book value RMB
1 to 2 years	-	-	-	-	-	-	-	-
2 to 3 years	-	-	-	-	1,368,027.36	100.00	-	1,368,027.36
More than 3 years	1,368,027.36	100.00	-	1,368,027.36	-	-	-	-
Total	1,368,027.36	100.00	-	1,368,027.36	1,368,027.36	100.00	-	1,368,027.36

6. PREPAYMENTS

The aging analysis of prepayments is as follows:

	31/03/2016				31/03/2015			
	Gross amount RM B	Proportion (%)	Bad debt provision RMB	Net book value RM B	Gross amount RMB	Proportion (%)	Bad debt provision RMB	Net book value RMB
1 to 2 years	-	-	-	-	-	-	-	-
2 to 3 years	-	-	-	-	363,839.01	100.00	-	363,839.01
More than 3 years	363,839.01	100.00	-	363,839.01	-	-	-	-
Total	363,839.01	100.00	-	363,839.01	363,839.01	100.00	-	363,839.01

7. OTHER RECEIVABLES

TCI GLOBAL (SHANGHAI) CO., LTD.

The aging analysis of other receivables is as follows:

	31/03/2016				31/03/2015			
	Gross amount RMB	proportion (%)	Bad debt provision RMB	Net book value RMB	Gross amount RMB	proportion (%)	Bad debt provision RMB	Net book value RMB
1 to 2 years	-	-	-	-	-	-	-	-
2 to 3 years	-	-	-	-	125,693.00	100.00	-	125,693.00
More than 3 years	125,693.00	100.00	-	125,693.00	-	-	-	-
Total	125,693.00	100.00	-	125,693.00	125,693.00	100.00	-	125,693.00

8. FIXED ASSETS

	Electronic equipment RMB	Total RMB
Cost		
1 April 2015	39,900.00	39,900.00
Additions		
31 March 2016	39,900.00	39,900.00
Accumulated depreciation		
1 April 2015	39,900.00	39,900.00
Charge for the year	-	-
31 March 2016	39,900.00	39,900.00
Net book value		
1 April 2015	-	-
31 March 2016	-	-

9. ACCOUNTS PAYABLE

	31/03/2016				31/03/2015			
	Gross amount RMB	Proportion (%)	Bad debt provision RMB	Net book value RMB	Gross amount RMB	Proportion (%)	Bad debt provision RMB	Net book value RMB
Total	-	-	-	-	-	-	-	-

10. OTHER PAYABLES

	31/03/2016				31/03/2015			
	Gross amount RMB	Proportion (%)	Bad debt provision RMB	Net book value RMB	Gross amount RMB	Proportion (%)	Bad debt provision RMB	Net book value RMB
Total	1,288,826.87	100.00	-	1,288,826.87	1,281,999.83	100.00	-	1,281,999.83

TCI GLOBAL (SHANGHAI) CO., LTD.

11. PAID-IN CAPITAL

The registered capital of the Company is USD 7,400,000, which has been fully paid-up by September 30, 2011. The investors' capital contributions which have been made in accordance with the Company's memorandum and articles are as follows:

	31/03/2016			31/03/2015		
	Registered currency	Ratio %	Equivalent RMB	Registered currency RMB	Ratio %	Equivalent RMB
TRANSPORT CORPORATION OF INDIA LIMITED	USD	100.00	5,032,957.85	USD	100.00	5,032,957.85
Total		100.00	5,032,957.85	-	100.00	5,032,957.85

The above first capital contributions have been verified by capital verification report Xin Jie Kuai Shi Zi (2010) No.5051 issued by Shanghai Paat Xin Jie Certified Public Accountants.

12. CAPITAL RESERVES

	31/03/2016	31/03/2015
	RMB	RMB
Capital premium	54.90	54.90
Total	54.90	54.90

13. RETAINED EARNINGS

	From 1 April 2015 to 31 March 2016	From 1 April 2014 to 31 March 2015
	RMB	RMB
At 1 April 2015	(4,426,242.39)	(4,380,619.18)
Add: Corrections to errors in prior periods	-	-
Add: Net profit for the year	(27,845.90)	(45,623.21)
Retained earnings at the end of year	(4,454,088.29)	(4,426,242.39)

14. GENERAL AND ADMINSTRATIVE EXPENSES

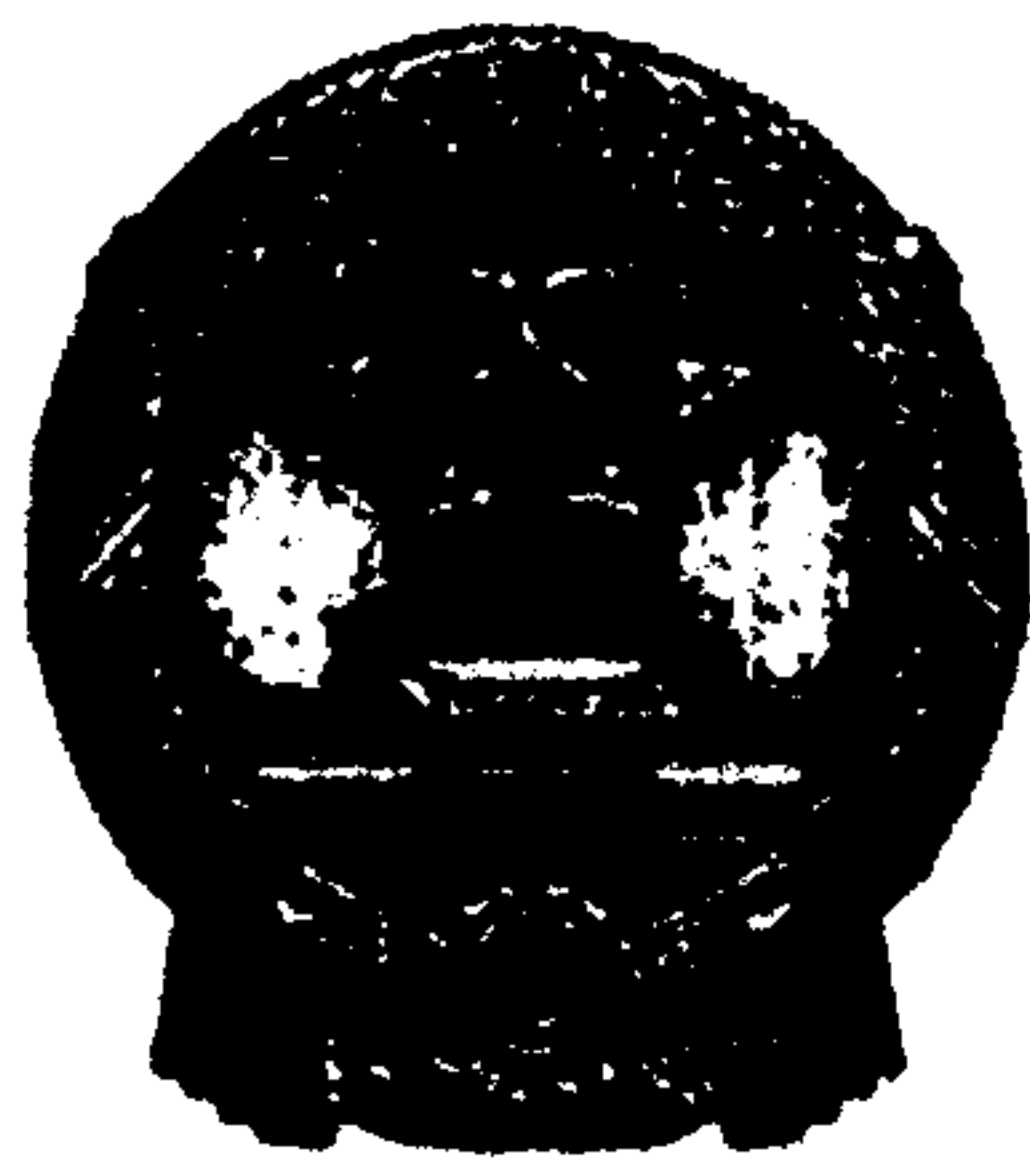
	From 1 April 2015 to 31 March 2016	From 1 April 2014 to 31 March 2015
Mainly:	RMB	RMB
Accumulated depreciation	-	2,286.04
Professional fee	27,418.46	42,409.05
Total	27,418.46	44,695.09

TCI GLOBAL (SHANGHAI) CO., LTD.

15. FINANCE EXPENSES

	<u>From 1 April 2015</u> <u>to 31 March 2016</u>	<u>From 1 April 2014</u> <u>to 31 March 2015</u>
	RMB	RMB
Interest expense	-	-
Less: Interest income	-	(50.71)
Exchange losses (less: exchange gains)	-	-
Bank charge	427.44	978.83
Total	<u>427.44</u>	<u>928.12</u>

* * * END OF FINANCIAL STATEMENTS * * *



营业执照

统一社会信用代码 9131023005120605XL

证照编号 30000000201512280309

名称	上海普道兢实会计师事务所（普通合伙）
类型	普通合伙企业
主要经营场所	上海市崇明县城桥镇秀山路8号3幢二层O区2005室（上海市崇明工业园区）
执行事务合伙人	马勇
成立日期	2012年7月23日
合伙期限	2012年7月23日至不约定期限
经营范围	审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。 【依法须经批准的项目，经相关部门批准后方可开展经营活动】



登记机关

2015年12月28日

