

**GEOMETRIC CHINA, INC.**

**FINANCIAL STATEMENTS AND  
REPORT OF THE AUDITORS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

[English translation for reference only Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]



**GEOMETRIC CHINA, INC.**  
**Financial Statements and Report of the Auditors**  
**For the year ended 31 December 2018**  
[English translation for reference only]

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## Report of the Auditors

Mao Heng Kuai Bao (2019) No. 1203-1

To the Shareholders of GEOMETRIC CHINA, INC.:

### 1. Opinion

We have audited the accompanying financial statements of GEOMETRIC CHINA, INC. ("the Company"), which comprise the balance sheet as at 31 December 2018 and the income statement, statement of cash flows and the statements of changes in owners' equity for the year then ended, and the notes to these financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Company's financial position of GEOMETRIC CHINA, INC as at 31 December 2018, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

### 2. Basis for Opinion

We conducted our audit in accordance with Chinese Certified Public Accountants Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants together with the ethical requirements that are relevant to our audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Other Information

Management is responsible for the other information. The other information comprises the information included in the 2018 annual report of the Company but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### 4. Responsibilities of Management and Directors for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the

Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

## **5. Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Chinese Certified Public Accountants Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit 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 group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Attachments:

1. GEOMETRIC CHINA, INC. Balance Sheet as at 31 December 2018
2. GEOMETRIC CHINA, INC. Income Statement for the year ended 31 December 2018
3. GEOMETRIC CHINA, INC. Statement of Cash Flows for the year ended 31 December 2018
4. GEOMETRIC CHINA, INC. Statement of Changes in Equity for the year ended 31 December 2018
5. GEOMETRIC CHINA, INC. Notes to Financial Statements for the year ended 31 December 2018

Shanghai Mao Heng Certified Public Accountants



Chinese Certified Public Accountant



Shanghai, the People's Republic of China

Chinese Certified Public Accountant



30 April 2019

**GEOMETRIC CHINA, INC.**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2018**

(All amounts in Rmb Yuan unless otherwise stated)

[English Translation for Reference Only]



<b>ASSETS</b>	<b>Note</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
<b>Current assets</b>			
Cash at bank and in hand	6(1)	5,206,621.26	1,548,999.21
Notes receivable and accounts receivable	6(2),7(4)	9,275,521.02	14,757,892.89
Other receivables	6(2)	38,405.26	36,903.05
<b>Total current assets</b>		<u>14,520,547.54</u>	<u>16,343,795.15</u>
<b>Non-current assets</b>			
Fixed assets – net value	6(3)	-	833.23
<b>Total Non-current assets</b>		-	833.23
<b>TOTAL ASSETS</b>		<u>14,520,547.54</u>	<u>16,344,628.38</u>
 <b>LIABILITIES AND OWNER'S EQUITY</b>			
<b>Current liabilities</b>			
Notes payable and accounts payable	7(4)	15,068,888.69	-
Taxes payable		163,713.26	233,410.15
Salary and welfare payable	6(4)	967,175.00	1,126,104.97
Other payables		403,961.49	11,748,545.49
<b>Total current liabilities</b>		<u>16,603,738.44</u>	<u>13,108,060.61</u>
<b>Owner's equity</b>			
Paid-in capital (2018&2017: Dollar 489,990)	1	3,281,105.41	3,281,105.41
Accumulated losses		(5,364,296.31)	(44,537.64)
<b>Total owner's equity</b>		<u>(2,083,190.90)</u>	<u>3,236,567.77</u>
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<u>14,520,547.54</u>	<u>16,344,628.38</u>

The accompanying notes form an integral part of these financial statements.

Legal representative: Person in charge of accounting function: Person in charge of accounting department:

SUNDARAM SRIDHARAN

Zhang Zheng

Feng Xiaolan

GEOMETRIC CHINA, INC.

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

(All amounts in Rmb Yuan unless otherwise stated)

[English Translation for Reference Only]



	Note	Year ended 31 December 2018	Year ended 31 December 2017
<b>1. Revenues</b>	6(5)	13,032,758.50	23,837,604.19
Less: Cost of sales	6(5)	(3,167,194.78)	(1,246,261.50)
Tax and surcharges		(60,094.30)	(141,852.43)
Operating expenses		(62,190.30)	(74,271.87)
General and administrative expenses		(14,503,562.67)	(24,853,558.91)
Finance expenses - net	6(6)	(645,926.46)	(402,989.08)
<b>2. Operating Loss</b>		(5,406,210.01)	(2,881,329.60)
Add: Non-operating income		107,631.92	400.00
Less: Non-operating losses		(12,771.08)	(11,719.13)
<b>3. Total Loss</b>		(5,311,349.17)	(2,892,648.73)
Less: Taxation		(8,409.50)	-
<b>4. Net Loss</b>		(5,319,758.67)	(2,892,648.73)

The accompanying notes form an integral part of these financial statements.

Legal representative: SUNDARAM SRIDHARAN      Person in charge of accounting function: Zhang Zheng      Person in charge of accounting department: Feng Xiaolan

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GEOMETRIC CHINA, INC.

**CASH FLOW STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
 (All amounts in Rmb Yuan unless otherwise stated)  
 [English Translation for Reference Only]



	Year ended 31 December 2018	Year ended 31 December 2017
<b>1. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	14,878,185.15	22,467,351.33
Cash received from tax return	4,925.64	-
Cash received relating to other operating activities	1,331,955.85	291,007.72
<b>Sub-total of cash inflows</b>	<u>16,215,066.64</u>	<u>22,758,359.05</u>
Cash paid to suppliers	(564,034.62)	(1,345,060.99)
Cash paid to and on behalf of employees	(9,965,889.45)	(19,348,802.30)
Payments of taxes and surcharges	(673,199.78)	(992,557.09)
Cash paid relating to other operating activities	(1,354,320.74)	(3,437,853.99)
<b>Sub-total of cash outflows</b>	<u>(12,557,444.59)</u>	<u>(25,124,274.37)</u>
<b>Net cash flows from operating activities</b>	<u>3,657,622.05</u>	<u>(2,365,915.32)</u>
<b>2. Cash flows from investing activities</b>		
Net cash from disposing fixed assets	-	400.00
<b>Sub-total of cash inflows</b>	-	400.00
Cash paid to acquire fixed assets and intangible assets	-	(3,152.99)
<b>Sub-total of cash outflows</b>	-	(3,152.99)
<b>Cash generated used in investing activities</b>	-	(2,752.99)
<b>3. Net decrease/(increase) in cash</b>	3,657,622.05	(2,368,668.31)
Add: Cash at the beginning of year	1,548,999.21	3,917,667.52
<b>4. Cash at the end of year</b>	<u>5,206,621.26</u>	<u>1,548,999.21</u>

The accompanying notes form an integral part of these financial statements.

Legal representative: SUNDARAM SRIDHARAN      Person in charge of accounting function: Zhang Zheng      Person in charge of accounting department: Feng Xiaolan

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GEOMETRIC CHINA, INC.

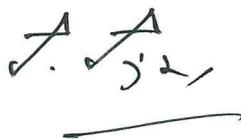
**STATEMENT OF CHANGES IN OWNERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

Item	Paid-in capital	Retained earnings/ (Accumulated losses)	Total owners' equity
Balance at 1 January 2017	3,281,105.41	2,848,111.09	6,129,216.50
<b>Movements for the year ended 31 December 2017</b>			
Net loss	-	(2,892,648.73)	(2,892,648.73)
<b>Balance at 31 December 2017 &amp; 1 January 2018</b>	<u>3,281,105.41</u>	<u>(44,537.64)</u>	<u>3,236,567.77</u>
<b>Movements for the year ended 31 December 2018</b>			
Net loss	-	(5,319,758.67)	(5,319,758.67)
<b>Balance at 31 December 2018</b>	<u>3,281,105.41</u>	<u>(5,364,296.31)</u>	<u>(2,083,190.90)</u>

The accompanying notes form an integral part of these financial statements.

Legal representative: SUNDARAM SRIDHARAN      Person in charge of accounting function: Zhang Zheng      Person in charge of accounting department: Feng Xiaolan




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## GEOMETRIC CHINA, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

#### 1 General information

GEOMETRIC CHINA, INC. (herein refer to the "Company") was incorporated by MICHAEL MC CONNELL on 12 December 2005. The business license is obtained from Pudong branch of the Shanghai Administration of Industry and Commerce with the Qidupuzongzi No.321296(Pudong).

The paid-in capital of the Company is U.S.140,000. The shareholders of our company signed the equity transfer agreement with GEOMETRIC ASIA PACIFIC PTE. LTD in Singapore on 25 February 2008, and transferred the 100% of the stock equity to GEOMETRIC ASIA PACIFIC PTE. LTD. The transfer of equity has been approved, and obtained the new People's Republic of China foreign investment enterprise approval certificate. The registration of industrial and commercial change was changed and obtained the business license of enterprise legal person of 310115400189651 (Pudong). In April 2014, the paid-in capital increased from \$140,000 to \$489,990, which was verified by the Shanghai HaoWei CPAs Co. and issued the report of the capital verification report of Haiweiyan(2014) No.2 on 24 April 2014.

The Company's business nature is the design of engineering, machinery, technical consulting service, computer service, development, design, production selling; (The above scopes involve the administration and operation according to the permission).

#### 2 Basis of preparation

The financial statements are prepared on a going concern basis. Based on transactions or events that have actually occurred, the financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises as promulgated by the State of the People's Republic of China.

#### 3 Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended 31 December 2018 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position as of 31 December 2018 and the operating results, cash flows and other information for the year then ended of the Company.

#### 4 Summary of significant accounting policies and accounting estimates

##### (1) Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

##### (2) Recording currency

The recording currency of the Company is the Renminbi (Rmb).

##### (3) Foreign currency translation

##### (a) Foreign currency transactions

Foreign currency transactions are translated into RMB at the applicable rate of exchange ("market exchange rate") prevailing at the date of the transaction quoted by the People's Bank of China. At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

## GEOMETRIC CHINA, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (All amounts in RMB Yuan unless otherwise stated) [English translation for reference only]

#### 4 Summary of significant accounting policies and accounting estimates (continued)

##### (4) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, call deposits with banks and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### (5) Receivables

Receivables comprise accounts receivable and other receivables. Accounts receivable arising from sale of goods or rendering of services are initially recognised at fair value of the contractual payments from the buyers or service recipients.

Receivables that are individually significant are subject to separate impairment assessment. If there is objective evidence that Company will not be able to collect the full amount under the original terms, a provision for impairment of that receivable is established at the difference between the carrying amount of that receivable and the present value of its estimated future cash flows.

Receivables that are not individually significant and those receivables that have been individually evaluated for impairment and have been found not impaired are combined into certain groups based on their credit risk characteristics. The impairment losses are determined based on the historical loss experience for the groups of receivables with the similar credit risk characteristics and taking into consideration of the current circumstances.

When the Company transfers the accounts receivable to financial institutions without recourse, the net amount of proceeds received from the transaction after the carrying amounts of the accounts receivable and related taxes is recognised in profit or loss for the current period.

##### (6) Fixed assets

Fixed assets comprise office equipment and other. Fixed assets purchased or constructed by the Company are initially measured at cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated residual values expressed as a percentage of cost and the annual depreciation rates are as follows:

	Estimated useful lives	Estimated residual value	Annual depreciation rate
Computer and electronic equipment	5 years	5%	19%

The estimated useful life, the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at least at each year-end.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**  
(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

**4 Summary of significant accounting policies and accounting estimates (continued)**

(6) Fixed assets (continued)

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

(7) Impairment of long-term assets

Fixed assets are tested for impairment if there is any indication that an asset may be impaired at the balance date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in the subsequent periods.

(8) Employee benefits

Employee benefits mainly include wages or salaries, bonuses, allowances and subsidies, staff welfare, social security contributions, housing funds, labour union funds, employee education funds and other expenditures incurred in exchange for service rendered by employees.

Employee benefits are recognised as salaries and wages payable in the accounting period in which an employee has rendered service, as costs of assets or expenses to whichever the employee service is attributable.

(9) Operating leases

Payments made under operating leases are expensed on a straight-line basis over the period of the leases.

## GEOMETRIC CHINA, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (All amounts in RMB Yuan unless otherwise stated) [English translation for reference only]

#### 4 Summary of significant accounting policies and accounting estimates (continued)

##### (10) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

#### 5 Taxation

The types and rates of taxes applicable to the Company are set out below:

Type	Tax rate	Taxable base
Enterprise income tax(Note (a))	25%	Taxable income
Value added tax ("VAT")	6%	Taxable value added amount (Tax payable is calculated using the taxable sales amount multiplied by the effective tax rate less deductible VAT input of current period)

#### 6 Notes to the financial statements

##### (1) Cash at bank and in hand

	31 December 2018	31 December 2017
Cash at bank	5,206,621.26	1,548,999.21
	<u>5,206,621.26</u>	<u>1,548,999.21</u>

##### (2) Notes receivable, accounts receivable and other receivables

###### (a) Accounts receivable

	31 December 2018	31 December 2017
Accounts receivable	15,433,514.02	18,291,889.63
Less: provision for bad debts	(6,157,993.00)	(3,533,996.74)
	<u>9,275,521.02</u>	<u>14,757,892.89</u>

**GEOMETRIC CHINA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**  
(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

**6 Notes to the financial statements (continued)**

**(2) Accounts receivable and other receivables(continued)**

**(b) Other receivables**

	<b>31 December 2018</b>	<b>31 December 2017</b>
Other receivables	38,405.26	36,903.05
Less: provision for bad debts	-	-
	<u>38,405.26</u>	<u>36,903.05</u>

**(3) Fixed assets**

	Computer and electronic equipment	Total
Cost		
31 December 2017	48,950.00	48,950.00
Current year additions	-	-
31 December 2018	<u>48,950.00</u>	<u>48,950.00</u>
Accumulated depreciation		
31 December 2017	(48,116.76)	(48,116.76)
Current year addition	(833.24)	(833.24)
31 December 2018	<u>(48,950.00)</u>	<u>(48,950.00)</u>
Net book value		
31 December 2018	-	-
31 December 2017	<u>833.23</u>	<u>833.23</u>

**(4) Taxes payable**

	<b>31 December 2018</b>	<b>31 December 2017</b>
Enterprise income tax payable	(18,762.35)	(18,762.35)
Value added tax payable	125,729.65	136,854.28
Education surcharge payable	3,771.89	16,242.98
Local education surcharge payable	1,257.30	10,828.65
City maintenance and construction tax payable	8,801.07	37,900.27
Individual income tax payable	42,915.70	50,346.32
	<u>163,713.26</u>	<u>233,410.15</u>

**(5) Revenue and cost of sales**

	<b>Year ended 31 December 2018</b>		<b>Year ended 31 December 2017</b>	
	Revenue	Cost of sales	Revenue	Cost of sales
Main operations				
Technical consulting service and software service	13,032,758.50	(3,167,194.78)	23,837,604.19	(1,246,261.50)
	<u>13,032,758.50</u>		<u>23,837,604.19</u>	

**GEOMETRIC CHINA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**  
(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

**6 Notes to the financial statements (continued)**

**(6) Financial (expenses)/income-net**

	Year ended 31 December 2018	Year ended 31 December 2017
Interest income	8,531.62	4,972.78
Exchange gains or losses - net	(642,264.72)	(388,631.89)
Bank charges	(12,193.36)	(19,329.97)
	<u>(645,926.46)</u>	<u>(402,989.08)</u>

**(7) Notes to cash flow statements**

**(a) Reconciliation from net profit /(loss) to cash flows from operating activities**

	Year ended 31 December 2018	Year ended 31 December 2017
Net loss	(5,319,758.67)	(2,892,648.73)
Adjustment: Depreciation of fixed assets	833.24	36,562.06
Gain/ (Loss) of Disposal of fixed assets	9,630.86	(400.00)
Increase in operating receivables	(5,482,371.87)	(1,992,025.42)
Increase in operating payables	14,449,288.49	2,482,596.77
Net cash flows from operating activities	<u>3,657,622.05</u>	<u>(2,365,915.32)</u>

**(b) Net decrease in cash and cash equivalents**

	Year ended 31 December 2018	Year ended 31 December 2017
Cash at the end of the year	5,206,621.26	1,548,999.21
Less: cash at the beginning of the year	1,548,999.21	3,917,667.52
Net Increase/ (decrease) in cash	<u>3,657,622.05</u>	<u>(2,368,668.31)</u>

**7 Significant related parties and related party transactions**

**(1) The parent company**

**(a) General information of the parent company:**

	Registered address	Nature of business
Geometric Asia Pacific PTE. Ltd.	Singapore	Automotive and Engineering related software design

The Company's ultimate controlling party is HCL Technologies Ltd.

**GEOMETRIC CHINA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**  
(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

**7 Significant related parties and related party transactions (continued)**

(b) Registered capital and changes in registered capital of the parent company:

	31 December 2017	Increase in current year	Decrease in current year	31 December 2018
Geometric Asia Pacific PTE. Ltd.	S\$ 100,000.00	-	-	S\$100,000.00

(c) The proportions of equity interests in the Company held by the parent company:

	31 December 2018	31 December 2017
Geometric Asia Pacific PTE. Ltd.	100%	100%

**(2) Nature of related parties that do not control or are not controlled by the Company:**

Associated companies	Relations with our company
Geometric Americas, Inc	Under the control of the same ultimate holding company
HCL Tech Japan Ltd.	Under the control of the same ultimate holding company
Geometric Europe GMBH	Under the control of the same ultimate holding company
HCL Axon Solutions Shanghai Ltd.	Under the control of the same ultimate holding company
HCL SWEDEN AB	Under the control of the same ultimate holding company
HCL Technologies (Shanghai) Limited	Under the control of the same ultimate holding company
HCL Axon Solutions Shanghai Ltd.-Wuxi Branch	Under the control of the same ultimate holding company
HCL Axon Solutions Shanghai Ltd. -Kunshan Branch	Under the control of the same ultimate holding company
HCL Axon Solutions Shanghai Ltd. -Qingdao Branch	Under the control of the same ultimate holding company

**(3) Significant related party transactions**

(a) Pricing policies

The price of the service provided by the related party are negotiated by both parties.

**GEOMETRIC CHINA, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**  
(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

**7 Significant related parties and related party transactions(continued)**

**(4) Balance of accounts receiveable and payable**

**(a) Trade receivables**

	<b>31 December 2018</b>	<b>31 December 2017</b>
Geometric Americas, Inc.	2,879,359.21	203,487.20
HCL America Inc.	-	174,284.00
HCL Tech Japan Ltd.	-	173,353.80
HCL Technologies (Shanghai) Limited	0.80	89,548.00
HCL SWEDEN AB	25,882.14	-
HCL Technologies Limited Switzerland.	-	8,103.00
HCL Aisong Technologies (Shanghai) Limited	-	182.00
Geometric Europe, GMBH	70,103.00	941,718.54
HCL Technologies Ltd.	5,192.45	-
	<u>2,980,537.60</u>	<u>1,590,676.54</u>

**(b) Trade payables**

	<b>31 December 2018</b>	<b>31 December 2017</b>
Geometric Americas, Inc.	6,746,852.18	5,050,802.60
HCL Tech Japan Ltd.	904.00	-
HCL Axon Solutions Shanghai Ltd.	116,448.39	-
HCL Technologies Ltd.	6,542,598.83	5,819,757.92
HCL Technologies (Shanghai) Limited	735,102.00	-
HCL Axon Solutions Shanghai Ltd.-Wuxi Branch	107,614.30	-
HCL Axon Solutions Shanghai Ltd.-Kunshan Branch	87,258.00	-
HCL Axon Solutions Shanghai Ltd. -Qingdao Branch	77,369.35	-
	<u>14,414,147.05</u>	<u>10,870,560.52</u>

**8 Commitments**

None.

**GEOMETRIC CHINA, INC.**

**Supplementary Information Provided by Management  
For the year ended 31 December 2018**

[English translation for reference only]

**GEOMETRIC CHINA, INC.**  
**SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT**

(All amounts in Rmb Yuan unless otherwise stated)  
[English Translation for Reference Only]

**Reconciliation of Taxable Income**  
**For the year ended 31 December 2018**

Total loss	(5,311,349.17)
Add: Current year accrued expence	200,534.95
Unallowable entertainment expenses	24,876.12
Tax Penalty	3,140.22
Fixed assets loss	9,630.86
Current year bad debts	2,623,996.26
Current year salary	967,175.00
Reduce: Prior year accrued expence	(257,257.00)
Prior year salary	1,125,335.00
Taxable profit	<u>(2,864,587.76)</u>
Add: Prior years' deductible loss	<u>(602,504.38)</u>
Deductible loss carrying forward	<u>(3,467,092.14)</u>

Note: The final taxable income for the year is to be examined and approved by the tax authorities.



# 营业执照

统一社会信用代码 91310113586752049H  
证照编号 13000000201510230412

名称 上海茂恒会计师事务所（普通合伙）

类型 普通合伙企业

主要经营场所 上海市宝山区牡丹江路 1325 号 4420-N 室

执行事务合伙人 丁志军

成立日期 2011 年 11 月 21 日

合伙期限 2011 年 11 月 21 日至 2031 年 11 月 20 日

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 10 月 23 日