

**Solidaridad (Shanghai) Agricultural Technology  
Development Company Limited  
For the Year of 2021  
Auditor's Report and Financial Statements**

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**ShineWing**  
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## AUDITORS' REPORT

(English Translation for Reference Only)

XYZH/2022SHAI10014

**The Board of Directors of Solidaridad (Shanghai) Agricultural Technology:**

### 1. Opinion

We have audited the financial statements of Solidaridad (Shanghai) Agricultural Technology (Solidaridad), which comprise the balance sheet as at 31 December 2021, the income statement, the cash flow statement and the statement of changes in owners' equity for the year ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements of Solidaridad present fairly, in all material respects, the Company's financial position as at 31 December 2021, the Company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Small Enterprises.

### 2. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Chinese Certified Public Accountants. 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 Solidaridad in accordance with the Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities of the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

### 3. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of the financial statements in accordance with Accounting Standards for Small Enterprises to achieve fair presentation; and designing, implementing and maintaining internal control which is necessary to enable that the financial

statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing Solidaridad Shanghai'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 the Management either intends to liquidate Solidaridad or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible to overseeing Solidaridad Shanghai's financial reporting process.

#### **4. 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 auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally 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.

During the course of audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also carry out the following works:

- (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 audit. 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 its internal control (this sentence would be deleted in circumstance when we are also responsible to issue an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements).
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the 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 Solidaridad Shanghai'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 in accordance with the auditing standards or, if such disclosures are inadequate, we shall 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 Solidaridad to cease to continue as a going concern.

- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and also whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

ShineWing Certified Public Accountants (LLP) Shanghai Branch



Certified Public Accountant: Zhao Xianbo



Certified Public Accountant: Yu Dongyan



Shanghai, the People's Republic of China February 21<sup>th</sup>, 2022

## Balance Sheet of the Company

As at 31 December 2021

Prepared by: Solidaridad (Shanghai) Agricultural Technology Development Company Limited

Unit: RMB

Item	NO.	Ending balance	Beginning balance
<b>Current assets</b>			
Cash and bank	VI.1	1,174,800.68	1,010,521.87
Financial assets held for trading			
Notes receivable			
Accounts receivable			
Prepayments		12,000.00	
Interest receivables			
Dividend receivables			
Other receivables	VI.2	10,200.00	20,200.00
Inventories			
Non-current assets due within one year			
Other current assets		21,204.38	31,899.86
<b>Total current assets</b>		<b>1,218,205.06</b>	<b>1,062,621.73</b>
<b>Non-current assets:</b>			
Available-for-sale financial assets			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments			
Investment properties			
Fixed assets	VI.3	68,245.40	104,015.48
Construction in progress			
Construction materials			
Fixed assets pending for disposal			
Productive biological assets			
Oil and gas assets			
Intangible assets			
Development expenditures			
Goodwill			
Long-term deferred expenditures			
Deferred tax assets			
Other non-current assets			
<b>Total non-current assets</b>		<b>68,245.40</b>	<b>104,015.48</b>
<b>Total assets</b>		<b>1,286,450.46</b>	<b>1,166,637.21</b>

## Balance Sheet of the Company (continued)

As at 31 December 2021

Prepared by: Solidaridad (Shanghai) Agricultural Technology Development Company Limited

Unit: RMB

Item	No.	Ending balance	Beginning balance
<b>Current liabilities:</b>			
Short-term loans			
Financial liabilities held for trading			
Notes payable			
Accounts payable			
Advance receipts	VI.4	838,544.72	850,590.84
Employee benefits payables	VI.5	-	5,471.26
Taxes and levies payable	VI.6	21,405.83	15,570.07
Interest payable			
Dividend payables			
Other payables	VI.7	165,900.45	
Non-current liabilities repayable within one year			
Other current liabilities			
<b>Total current liabilities</b>		1,025,851.00	871,632.17
<b>Non-current liabilities:</b>			
Long-term loans			
Bonds issued			
Long-term payables			
Payables for specific projects			
Provisions			
Deferred tax liabilities			
Other non-current liabilities			
<b>Total non-current liabilities</b>			
<b>Total liabilities</b>		1,025,851.00	871,632.17
<b>Shareholder's equity</b>			
Paid-up capital (share capital)	VI.8	150,088.00	150,088.00
Capital reserves			
Less: Treasury shares			
Special reserves			
Surplus reserves	VI.9	14,491.71	14,491.71
Undistributed profits	VI.10	96,019.75	130,425.33
<b>Total shareholder's equity</b>		260,599.46	295,005.04
<b>Total liabilities and shareholder's equity</b>		1,286,450.46	1,166,637.21

## Income Statement of the Company

For the year 2021

Prepared by: Solidaridad (Shanghai) Agricultural Technology Development Company Limited

Unit: RMB

Item	No.	This year	Last year
<b>1. Operating revenue</b>	VI.11	2,730,311.00	2,486,466.55
Less: Cost of operation	VI.11	2,744,814.12	1,518,862.54
Business taxes and surcharges	VI.12	1,722.46	2,999.26
Selling and distribution expenses			
Administrative expenses		9,632.63	843,651.22
Financial expenses	VI.13	12,376.81	-5,402.73
Loss on impairment of assets			
Add: Other income		-	120.26
Investment gain (Loss listed with "-")			
Including: Gain from investments in associates and joint ventures			
<b>2. Operating profit (Loss listed with "-")</b>		-38,235.02	126,476.52
Add: Non-operating income		3,829.44	
Less: Non-operating expenses			
Including: Gain from disposal of non-current assets			
<b>3. Total profit (Total loss listed with "-")</b>		-34,405.58	126,476.52
Less: Income tax expenses	VI.14	-	6,403.27
<b>4. Net profit (Net loss listed with "-")</b>		-34,405.58	120,073.25
<b>5. Earnings per share:</b>			
Basic earnings per share			
Diluted earnings per share			
<b>6. Other comprehensive income</b>			
<b>7. Total comprehensive income</b>		-34,405.58	120,073.25

## Cash Flow Statement of the Company

For the Year of 2021

Prepared by: Solidaridad (Shanghai) Agricultural Technology Development Company Limited

Unit: RMB

Item	NO.	This year	Last year
<b>1. Cash flows from operating activities</b>			
Cash received from sales of goods and rendering of services		2,732,768.00	2,899,810.43
Cash received from taxes refund		18,401.29	
Cash received relating to other operating activities		32,176.68	3,142.19
<b>Sub-total of cash inflows from operating activities</b>		<b>2,783,345.97</b>	<b>2,902,952.62</b>
Cash paid for goods and services		729,709.42	659,206.13
Cash paid to and on behalf of employee		1,419,407.91	1,441,408.27
Payments of taxes and surcharges		24,126.41	14,222.10
Cash paid relating to other operating activities		429,717.39	237,737.69
<b>Sub-total of cash outflows from operating activities</b>		<b>2,602,961.13</b>	<b>2,352,574.19</b>
<b>Net cash flows from operating activities</b>		<b>180,384.84</b>	<b>550,378.43</b>
<b>2. Cash flows from investing activities</b>			
Cash received from return of investments			
Cash received from investments income			
Cash received from disposal of fixed assets, intangible assets and other long-terms assets			
Net cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities			
<b>Sub-total of cash inflows from investing activities</b>			
Cash paid to acquire fixed assets, intangible assets and other long-term assets		-	112,958.00
Cash paid for investments			
Net cash paid to acquire subsidiaries or other business units			
Cash paid relating to other investing activities			
<b>Sub-total of cash outflows from investing activities</b>		<b>-</b>	<b>112,958.00</b>
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>-112,958.00</b>
<b>3. Cash flows from financing activities</b>			
Cash received from investment absorption			-
Cash received from loans granted			
Cash received relating to other financing activities			
<b>Sub-total of cash inflows from financing activities</b>			<b>-</b>
Cash paid for settlement of borrowings			
Cash paid for dividends, profits appropriation or payments of interests			
Cash paid relating to other financing activities			
<b>Sub-total of cash outflows from financing activities</b>			
<b>Net cash flows from financing activities</b>			<b>-</b>
<b>4. Effect of changes in foreign exchange rate on cash and cash equivalents</b>		<b>-16,106.03</b>	
<b>5. Net increase in cash and cash equivalents</b>		<b>164,278.81</b>	<b>437,420.43</b>
Add: Cash and cash equivalents at beginning of period		1,010,521.87	573,101.44
<b>Cash and cash equivalents at end of period</b>		<b>1,174,800.68</b>	<b>1,010,521.87</b>



**Statement of Changes in Shareholder's Equity of the Company**  
For the Year 2021

Prepared by: Solidaridad (Shanghai) Agricultural Technology Development Company Limited

Unit: RMB

Item	No.	This year								Total equity
		Paid-up capital (share capital)	Capital reserves	Less: Treasury shares	Special reserves	Surplus reserves	ΔGeneral risks provision	Undistributed profits	Others	
Column		1	2	3	4	5	6	7	8	9
<b>1. Balance at end of last year</b>		150,088.00				14,491.71		130,425.33		295,005.04
Add: Changes in accounting policies										
Correction of prior period errors										
<b>2. Balance at beginning of year</b>		150,088.00				14,491.71		130,425.33		295,005.04
<b>3. Increase/ Decrease for the year (Decrease listed with " - ")</b>										
(1) Net profit										
(2) Other comprehensive income										
Sub-total of comprehensive income										
(3) Capital contribution and reduction										
1. Capital contribution from equity holders										
2. Share-based payments charged to equity										
3. Others										
(4) Provision and utilisation of reserves										
1. Provision for special reserve										
2. Utilisation of special reserve										
(5) Profit appropriations										
1. Appropriation to surplus reserves										
Including: Statutory reserve										
Discretionary reserve										
#Reserve funds										
#Enterprise development funds										
#Re-investment by retained profits										
2. Appropriation to general risk provision										
3. Appropriation to equity holders (or shareholders)										
4. Others										
(6) Transfer										
1. Transfer of capital reserve to capital (or share capital)										
2. Transfer of surplus reserves to capital (or share capital)										
3. Surplus reserves making up of losses										
4. Others										
<b>4. Balance at end of year</b>		150,088.00				14,491.71		96,019.75		260,599.46

Statement of Changes in Shareholder's Equity of the Company (Continued)

For the Year 2021

Prepared by: Solidaridad (Shanghai) Agricultural Technology Development Company Limited

Unit: RMB

Item	No.	Last year							
		Paid-up capital (share capital)	Capital reserves	Less: Treasury shares	Special reserves	Surplus reserves	Δ General risks provision	Undistributed profits	Others
Column	1	2	3	4	5	6	7	8	9
<b>1. Balance at end of last year</b>		150,088.00			2,484.38		22,359.41		174,931.79
Add: Changes in accounting policies									
Correction of prior period errors									
<b>2. Balance at beginning of year</b>		150,088.00			2,484.38		22,359.41		174,931.79
<b>3. Increase/ Decrease for the year (Decrease listed with "-")</b>		-			12,007.33		108,065.92		120,073.25
(1) Net profit							120,073.25		
(2) Other comprehensive income									
Sub-total of comprehensive income							120,073.25		120,073.25
(3) Capital contribution and reduction		-							-
1. Capital contribution from equity holders		-							-
2. Share-based payments charged to equity									
3. Others									
(4) Provision and utilisation of reserves									
1. Provision for special reserve									
2. Utilisation of special reserve									
(5) Profit appropriations									
1. Appropriation to surplus reserves					12,007.33		-12,007.33		
Including: Statutory reserve					12,007.33		-12,007.33		
Discretionary reserve									
# Reserve funds									
# Enterprise development funds									
# Re-investment by undistributed profits									
2. Appropriation to general risks provision									
3. Appropriation to equity holders (or shareholders)									
4. Others									
(6) Transfer									
1. Transfer of capital reserve to capital (or share capital)									
2. Transfer of surplus reserves to capital (or share capital)									
3. Surplus reserves making up of losses									
4. Others									
<b>4. Balance at end of year</b>		150,088.00			14,491.71		130,425.33		295,005.04

## **I. General information**

Solidaridad (Shanghai) Agricultural Technology (the "Company"), was established by SOLIDARIDAD NETWORK ASIA LIMITED on February 1st, 2019 with an operating period of 30 years. The Company obtained business license of 91310000MA1G5M4M6U. The legal representative of the Company is SHATADRU CHATTOPADHAYAY. The registered capital of the Company is 200,000 euros.

Business Scope: To engage in area of agricultural technology including technology development, technology consulting, technology transfer and technology services; computer software production (except for musical products and electronic publications); Wholesale, import and export and commission agency (except for auction) of edible agricultural products, computer, software and supporting equipment, and to provide associated services and commercial information consultancy. [Projects subject to approval by law may not be operated without the approval of relevant departments].

## **II. BASIS OF PREPARATION**

The financial statements of the Company are prepared on a going concern basis and are prepared in accordance with the Accounting Standards of Small Business promulgated in accordance with the Ministry of Finance and the relevant provisions, and are prepared as described in this note 4: the significant accounting policies and accounting estimates.

## **III. ANNOUNCEMENT**

The financial statements of the Company, which comprise the balance sheet as of December 31st, 2021, the income statement, the cash flow statement, the statement of changes in equity for the year then ended and explanatory notes, have been prepared in accordance with the requirements of the accounting standards of small business and represents a true reflection of the company's financial situation.

## **IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**

### **1. Accounting period**

The Company adopts the calendar year as its accounting year, i.e. from January 1st to December 31st.

### **2. Recording currency**

The recording currency and the reporting currency of the Company is Renminbi.

### **3. Basis of accounting and measurement bases**

The Company follows the accrual basis of accounting. Assets are initially recorded at actual costs on acquisition and subsequently adjusted for impairment, if any.

**4. Cash and cash equivalents**

Cash equivalents are short-term (maturity within 3 months from the date of purchase) and highly liquid investments that can be readily converted into known amounts of cash and that are subject to an insignificant risk of changes in value.

**5. Accounting Treatment for Foreign Currency Transactions**

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 quoted by the People’s Bank of China. Monetary assets and liabilities denominated in foreign currencies are translated into Renminbi at the market exchange rate prevailing at the balance sheet day. Exchange gains or losses incurred on specific borrowing for the acquisition or construction of the assets before the assets are ready for use are capitalized as part of the cost of the assets; other exchange gains or losses are dealt with as finance expenses.

Non-monetary assets denominated in foreign currencies and stated at fair value are translated into Renminbi at the market exchange rate prevailing at the date when the fair value is recognized. Exchange gains or losses are recorded directly into the profit or loss of the current period as the profit and losses on the change in fair value. Non-monetary assets denominated in foreign currencies and measured stated at the historical cost are translated into Renminbi at the market exchange rate prevailing at the date of translation, of which the amount of Renminbi does not change.

**6. Provision for Bad Debts**

At the balance sheet date, the Company record provision for bad debts for those uncollectible receivables and the difference between the current provision accounts for bad debts.

When it is difficult to collect receivables, bad debts are recorded as loss for the current period and the corresponding provision for bad debts is written off.

**7. Fixed assets**

The term “fixed assets” refers to the tangible assets that simultaneously possess the features as follows: they are held for the sake of producing commodities, rendering labor service, renting or business management, and their useful life is in excess of one fiscal year, as well as their unit price being significant to some degree.

Fixed assets are mainly office equipment and electronic equipment. The amount of fixed assets is measured at historical cost, which comprises acquisition price, value-added tax, tariff duty, other corresponding taxes and other expenses paid before the assets are ready for use.

Depreciation is computed using the straight-line method over the estimated useful life of each category of the fixed assets as follows:

Order number	Type	Depreciable life	Ratio of remaining value
1	Electronic equipment	3 years	5%

At the balance sheet date, the company reviews the estimated useful life, the estimated residual value and depreciation policy of the fixed assets. The change would be recognized as change of accounting estimate.

When fixed assets are expected to be unable to generate any economic benefits through use or disposal, their recognition as fixed assets shall be terminated. When the fixed assets are sold, transferred, disposed or damaged, the income deduct the book value and related taxes is recognized as profit or loss for the current year.

#### **8. Accrued payroll and welfare**

During the extent of employment, the employee payroll and welfare should be recorded as liability and debited to related costs or expenses in accordance with the beneficiaries of services provided. The severance package for the dissolution of labor relationships should be recognized in current profit and loss.

Payroll and welfare include wages, bonuses, allowances and subsidies, employee benefits, social insurance and housing funds, union funds and workers education funding and other expenditures related to the services rendered by employees.

Termination benefits are employee benefits payable as a result of either: an entity's decision to terminate an employee's employment before the normal retirement date; or an employee's decision to accept voluntary redundancy in exchange for those benefits. The event which gives rise to an obligation is the termination rather than employee service. Therefore, an entity should recognise termination benefits when, and only when, the entity is demonstrably committed to either:

- Terminate the employment of an employee or group of employees before the normal retirement date; or
- Provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

**9. Revenue recognition**

The Company's operating income is mainly rendering of services. The principles of revenue recognition are as follows:

Revenue from rendering of services is recognised when 1) total revenue and total costs of the services can be measure reliably; 2) the associated economic benefits are probably flow to the Group; 3) the stage of completion of the services can be estimated reliably. At the balance sheet date, revenue is recognised using the percentage of completion method when the outcome of the services rendered are estimated reliably. The percentage of completion method is determined as the proportion of completed work measured/ services rendered to date over the total contracted services/ (the proportion of costs incurred to date over the total estimated cost). Where the outcome of the service rendering transaction cannot be reliably estimated or the costs incurred are not expected to be recoverable, no revenue will be recognised. The costs incurred are charged to profit or loss for the period.

**10. Income taxes**

Income tax expense is measured using tax payable method. That is to say, when there is difference between the profit before tax and its taxable income, the difference is recorded in profit or loss for the current year.

**V. TAXATION**

The tax categories and applicable tax rates to the Company are as follows:

**1. Enterprise income tax**

The Company's applicable enterprise income tax rate is 20%.

**2. Value added tax**

The Company's services rendered income are subjected to the value added tax (VAT). The applicable tax rate for domestic sales is 3%.

**3. Surcharges**

The surcharges are inclusive of city construction tax, education surcharge and local education surcharge, which the taxes are levied at 7%, 3% and 2% respectively, of the value-added tax.

**4. Preferential tax policies**

According to the Law of the People's Republic of China on Enterprise Income Tax issued in 2019, the Company has been considered as a small-scaled minimal profit enterprise as satisfying the prescribed conditions. The Company is subject to quarterly enterprise income tax at 5.00% tax rate.

According to the Law of the People's Republic of China on value added tax and surcharges issued in 2019, small-scale VAT taxpayers apply the taxable sales income with a collection rate of 3%, and the VAT is levied at a reduced collection rate of 1%. The surcharges can be reduced within the range of 50%.

## VI. Explanatory notes for significant matters in financial statements

### 1. Monetary capital

#### (1) Cash and Cash at banks

Item	December 31 <sup>st</sup> , 2021			December 31 <sup>st</sup> , 2020		
	Original currency	Exchange rate	Amount (RMB)	Original currency	Exchange rate	Amount (RMB)
Cash	230.00	1.0000	230.00	230.00	1.0000	230.00
Bank	1,050,176.43		1,174,570.68	869,791.59		1,010,291.87
RMB	1,030,176.39	1.0000	1,030,176.39	849,791.55	1.00	849,791.55
EURO	20,000.04	7.2197	144,394.29	20,000.04	8.025	160,500.32
<b>Total</b>			<b>1,174,800.68</b>			<b>1,010,521.87</b>

### 2. Other receivable

#### (1) Aging analysis

Aging	December 31 <sup>st</sup> , 2021			December 31 <sup>st</sup> , 2020		
	Amount	%	Bad debt	Amount	%	Bad debt
Within 1 year						
1-2 years				20,200.00	100.00	
2-3 years	10,200.00	100.00				
<b>Total</b>	<b>10,200.00</b>	<b>100.00</b>		<b>20,200.00</b>	<b>100.00</b>	

### 3. Fixed Assets

Item	December 31 <sup>st</sup> , 2020	Additions	Disposal	December 31 <sup>st</sup> , 2021
<b>Original cost</b>	<b>112,958.00</b>			<b>112,958.00</b>
Electronic equipment	112,958.00			112,958.00
<b>Accumulated depreciation</b>	<b>8,942.52</b>	<b>35,770.08</b>		<b>44,712.60</b>
Electronic equipment	8,942.52	35,770.08		44,712.60
<b>Net book value</b>	<b>104,015.48</b>	<b>35,770.08</b>		<b>68,245.40</b>
Electronic equipment	104,015.48	35,770.08		68,245.40

4. Advance from customers

Item	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2020
Project money in advance	838,544.72	850,590.84
<b>Total</b>	<b>838,544.72</b>	<b>850,590.84</b>

5. Accrued Payroll

Item	December 31 <sup>st</sup> , 2020	Increase	Decrease	December 31 <sup>st</sup> , 2021
<b>Short-term Payroll</b>	<b>5,471.26</b>	<b>1,256,810.05</b>	<b>1,262,281.31</b>	<b>0.00</b>
Payroll (including bonus, subsidy and allowance)	5,471.26	1,074,702.27	1,080,173.53	0.00
Social insurance	-	100,804.78	100,804.78	-
Including: Medical insurance	-	91,930.85	91,930.85	-
Injury insurance	-	1,697.40	1,697.40	-
Maternity insurance	-	7,176.53	7,176.53	-
Housing fund	-	81,303.00	81,303.00	-
<b>Defined Contribution Plan</b>	<b>-</b>	<b>157,126.60</b>	<b>157,126.60</b>	<b>-</b>
Basic pension insurance	-	152,207.65	152,207.65	-
Unemployment insurance	-	4,918.95	4,918.95	-
<b>Total</b>	<b>5,471.26</b>	<b>1,413,936.65</b>	<b>1,419,407.91</b>	<b>-</b>

6. Tax payable

Item	December 31 <sup>st</sup> , 2020	Increase	Decrease	December 31 <sup>st</sup> , 2021
VAT		18,965.49	2,683.75	16,281.74
Individual income tax	15,570.07	59,711.58	71,141.59	4,140.06
City construction tax		1,006.62	432.60	574.02
Education surcharge		429.51	183.50	246.01
Local education surcharge		286.33	122.33	164.00
<b>Total</b>	<b>15,570.07</b>	<b>59,195.15</b>	<b>74,563.77</b>	<b>21,405.83</b>



**7. Other payables**

Item	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2020
Accrued expenses	165,900.45	0.00
<b>Total</b>	<b>165,900.45</b>	<b>0.00</b>

**8. Paid-in Capital**

Investor	December 31 <sup>st</sup> , 2020		Additions	Deductions	December 31 <sup>st</sup> , 2021	
	Amount	%			Amount	%
SOLIDARIDAD NETWORK ASIA LIMITED	150,088.00	100.00			150,088.00	100.00
<b>Total</b>	<b>150,088.00</b>	<b>100.00</b>			<b>150,088.00</b>	<b>100.00</b>

**9. Surplus reserves**

Item	December 31 <sup>st</sup> , 2020	Increase	Decrease	December 31 <sup>st</sup> , 2021
Statutory surplus reserves	14,491.71			14,491.71
<b>Closing balance</b>	<b>14,491.71</b>			<b>14,491.71</b>

**10. Undistributed Profits**

Item	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2020
<b>December 31<sup>st</sup>, 2020</b>	<b>130,425.33</b>	<b>22,359.41</b>
Additions: Net profits	-34,405.58	120,073.25
Deductions: Surplus reserves provided for the year		12,007.33
<b>Closing balance</b>	<b>96,019.75</b>	<b>130,425.33</b>

**11. Operating income and operating cost**

Item	2021		2020	
	Operating income	Operating cost	Operating income	Operating cost
Service	2,730,311.00	2,744,814.12	2,486,466.55	1,518,862.54
<b>Total</b>	<b>2,730,311.00</b>	<b>2,744,814.12</b>	<b>2,486,466.55</b>	<b>1,518,862.54</b>

**12. Taxes and surcharges**

Item	2021	2020
City construction tax	1,006.62	1,828.24
Education surcharge	429.51	1,019.53

Local education surcharge	286.33	40.19
Stamp duty		111.30
<b>Total</b>	<b>1,722.46</b>	<b>2,999.26</b>

### 13. Finance Expenses

Item	2021	2020
Interest expense		
Deductions: interest income	3,729.22	3,021.93
foreign exchange gain		
Additions: foreign exchange loss	16,106.03	-4,190.00
bank service charge		1,809.20
<b>Total</b>	<b>12,376.81</b>	<b>-5,402.73</b>

### 14. Income tax

Item	2021	2020
Current tax	-	6,403.27
Deferred income tax		
<b>Total</b>	<b>-</b>	<b>6,403.27</b>

### 15. Supplementary information of cash flow statement

Item	2021	2020
<b>1. Reconciliation of net loss to cash flows used in operating activities:</b>		
Net profit	-34,405.58	120,073.25
Additions: Asset impairment		
Depreciation of fixed assets	35,770.08	8,942.52
Amortization of intangible assets		
Amortization of long-term prepaid expense		
Losses on disposal of fixed assets, intangible assets, and other long-term assets ("-" means "Gain")		
Losses on scrap of fixed assets ("-" means "Gain")		
Losses on changes in fair value ("-" means "Gain")		
Finance expenses ("-" means "Income")	16,106.03	
Losses on investment ("-" means "Gain")		
Decrease in deferred tax assets ("-		

Item	2021	2020
" means "Increase")		
Increase in deferred tax liabilities (" means "Decrease")		
Decrease in inventory (" means "Increase")		
Decrease in operating receivables (" means "Increase")	29,899.86	-4,813.06
Increase in operating payables (" means "Decrease")	133,014.45	426,175.72
Other		
Net cash flows from operating activities	180,384.84	550,378.43
<b>2. Net increase in cash and cash equivalents:</b>		
Ending balance of cash	1,174,800.68	1,010,521.87
Less: Opening balance of cash	1,010,521.87	573,101.44
<b>Net increase in cash and cash equivalent</b>	<b>164,278.81</b>	<b>437,420.43</b>

## VII. Related party and related party transaction

### 1) Related party

#### 1. Parent company

##### (1) Parent company

Parent company	Company type	Place of registry
SOLIDARIDAD NETWORK ASIA LIMITED	LIMITED	Hong Kong

##### (2) Equity shares and changes in equity shares held by the parent company

Parent company	Equity shares		Equity shares percentage (%)	
	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2020	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2020
SOLIDARIDAD NETWORK ASIA LIMITED	150,088.00	150,088.00	100.00	100.00

## 2) Related party transactions

### 1. Rendering service

Related party	2021	2020
SOLIDARIDAD NETWORK ASIA LIMITED	2,730,311.00	2,519,832.44
<b>Total</b>	<b>2,730,311.00</b>	<b>2,519,832.44</b>

## 3) Due to/ from related parties

### 1. Advance from customer

Related party	December 31 <sup>st</sup> , 2021	December 31 <sup>st</sup> , 2020
SOLIDARIDAD NETWORK ASIA LIMITED	838,544.72	850,590.84
<b>Total</b>	<b>838,544.72</b>	<b>850,590.84</b>

## VII. Contingencies

As at December 31<sup>st</sup>, 2021, the Company does not have any significant contingencies to be disclosed.

## VIII. Subsequent Events

As the financial statements of the Company are approved to issue, the Company does not have any significant subsequent events to be disclosed.

## IX. Other Important Notice

As at December 31<sup>st</sup>, 2021, the Company does not have any significant important notice to be disclosed.

## X. Comparative figures

Some comparative figures have been restated to conform to the presentation requirements for the current year.

## XI. Approval of Financial Reports

The Company's financial statements of the year 2021 have been approved by the board of the Company.

## Status of Project Disbursements for Year 2021

Items	Overall		NORAD		Other Projects		
	Amount Reported		Amount Reported		Amount Reported		
	2021.01.01-2021.12.31		2021.01.01-2021.12.31		2021.01.01-2021.12.31		
	CNY	EURO	CNY	EURO	CNY	EURO	
<b>Grant</b>	Opening Balance as on Jan 01, 2021	850,334	108,512	64,728	8,061	785,606	100,451
	Solidaridad Network Asia Limited	2,732,768	352,713	414,114	53,052	2,318,654	299,661
	Other receipts and Advances	2,000	251	-	-	2,000	251
	<b>Total Funds</b>	<b>3,585,102</b>	<b>461,476</b>	<b>478,842</b>	<b>61,113</b>	<b>3,106,260</b>	<b>400,363</b>
<b>Expenditure</b>	Staff Cost	1,413,937	182,433	193,869	25,162	1,220,067	157,271
	Activity Cost	1,330,877	172,213	34,764	4,641	1,296,113	167,572
	<b>Total Direct Cost</b>	<b>2,744,814</b>	<b>354,646</b>	<b>228,633</b>	<b>29,803</b>	<b>2,516,181</b>	<b>324,843</b>
	<b>Project surplus (Deficit) as on Dec 31, 2021:</b>	<b>840,288</b>	<b>106,830</b>	<b>250,209</b>	<b>31,309</b>	<b>590,079</b>	<b>75,521</b>

Notes: The difference between the "Surplus (Deficit) as on Dec 31, 2021" and the "Cash and Cash at banks (RMB)" include: The Project Surplus (Deficit) as on Dec 31, 2021 includes other receivables, prepayments and other payables.

**Status of Project Disbursements for Year 2021**

Items	NORAD		Better Gansu		PFC Tea		PFC Core		POV - Cotton & Textile		POV Plum		POV Tea		EII		QueRR		Desert Spring		Syngenta		
	2021.01.01-2021.12.31		2021.01.01-2021.12.31		2021.01.01-2021.12.31		2021.01.01-2021.12.31		2021.01.01-2021.12.31		2021.01.01-2021.12.31		2021.01.01-2021.12.31		2021.01.01-2021.12.31		2021.01.01-2021.12.31		2021.01.01-2021.12.31		2021.01.01-2021.12.31		
	CNY	EURO	CNY	EURO	CNY	EURO	CNY	EURO	CNY	EURO	CNY	EURO	CNY	EURO	CNY	EURO	CNY	EURO	CNY	EURO	CNY	EURO	
<b>Grant</b>																							
Opening Balance as on Jan 01, 2021	64,728	8,061	-	-	785,606	109,451	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Solidaridad Network Asia Limited	414,114	53,052	-	-	46,366	5,985	144,229	18,640	549,369	71,000	340,624	44,022	376,341	48,638	-	-	264,479	34,181	281,428	36,372	-	-	-
Other receipts and Advances	-	-	-	-	2,000	251	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Funds</b>	<b>478,842</b>	<b>61,113</b>	<b>-</b>	<b>-</b>	<b>833,912</b>	<b>106,687</b>	<b>144,229</b>	<b>18,640</b>	<b>549,369</b>	<b>71,000</b>	<b>340,624</b>	<b>44,022</b>	<b>376,341</b>	<b>48,638</b>	<b>-</b>	<b>-</b>	<b>264,479</b>	<b>34,181</b>	<b>281,428</b>	<b>36,372</b>	<b>-</b>	<b>-</b>	<b>-</b>
Staff Cost	193,869	25,162	185,347	24,002	152,435	19,807	143,509	18,442	250,054	32,012	5,092	662	195,143	25,065	-	-	44,400	5,695	244,007	31,586	-	-	-
Activity Cost	34,764	4,641	464,869	59,274	681,424	88,374	-	-	-	-	-	-	7,382	927	6,685	791	77,918	10,745	49,592	6,348	-	-	-
<b>Total Direct Cost</b>	<b>228,633</b>	<b>29,803</b>	<b>650,216</b>	<b>83,276</b>	<b>833,858</b>	<b>108,180</b>	<b>143,509</b>	<b>18,442</b>	<b>250,054</b>	<b>32,012</b>	<b>5,092</b>	<b>662</b>	<b>202,526</b>	<b>25,992</b>	<b>791</b>	<b>8,066</b>	<b>122,338</b>	<b>16,440</b>	<b>293,699</b>	<b>37,933</b>	<b>8,863</b>	<b>1,113</b>	<b>1,113</b>
Project surplus (Deficit) as on Dec 31, 2021:	250,209	31,309	-334,337	-42,822	84	-1,484	719	198	299,315	38,986	336,532	43,360	173,815	22,646	-791	-5,085	142,081	17,741	-12,171	-1,582	8,863	-1,113	-1,113