公信会计师事务所
Gong Xin Certified Public Accountants
地址: 中国上海陆家浜路804弄28号 电话: 63785350 邮编: 200011

审 计 报 告

公信业[2019]1518号

Silvrr Technology Co., Ltd.董事会：

一、审计意见

我们审计了后附的 Silvrr Technology Co., Ltd.（以下简称“Silvrr Technology”）的财务报表，包括2018年12月31日的合并资产负债表，2017年度和2018年度的合并利润表、合并现金流量表、合并所有者权益变动表以及相关合并财务报表附注。

我们认为，后附的财务报表在所有重大方面按照企业会计准则的规定编制，公允反映了 Silvrr Technology 2018年12月31日的财务状况以及2017年度和2018年度的经营成果和现金流量。

二、形成审计意见的基础

我们按照中国注册会计师审计准则的规定执行了审计工作。审计报告的“注册会计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。按照中国注册会计师职业道德守则，我们独立于 Silvrr Technology，并履行了职业道德方面的其他责任。我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

三、其他信息

Silvrr Technology 管理层对其他信息负责。其他信息包括财务报告中涵盖的信息，但不包括财务报表和我们的审计报告。

我们对财务报表发表的审计意见不涵盖其他信息，我们也不对其他信息发表任何形式的鉴证结论。

華利信國際成員所 No.28 Lane 804 Lu Jia Bang RD Tel: (8621)63785350, 63080296 Fax: (8621)63084377
A member firm of MORISON INTERNATIONAL

结合我们对财务报表的审计，我们的责任是阅读其他信息，在此过程中，考虑其他信息是否与财务报表或我们在审计过程中了解到的情况存在重大不一致或者似乎存在重大错报。

基于我们已执行的工作，如果我们确定其他信息存在重大错报，我们应当报告该事实。在这方面，我们无任何事项需要报告。

四、管理层和治理层对财务报表的责任

Silvrr Technology 管理层（以下简称“管理层”）负责按照企业会计准则的规定编制财务报表，使其实现公允反映，并设计、执行和维护必要的内部控制，以使财务报表不存在由于舞弊或错误导致的重大错报。

在编制财务报表时，管理层负责评估 Silvrr Technology 的持续经营能力，披露与持续经营相关的事项(如适用)，并运用持续经营假设，除非管理层计划清算 Silvrr Technology、停止营运或别无其他现实的选择。

治理层负责监督 Silvrr Technology 的财务报告过程。

五、注册会计师对财务报表审计的责任

我们的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现。错报可能由于舞弊或错误所导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

在按照审计准则执行审计的过程中，我们运用了职业判断，并保持了职业怀疑。同时，我们也执行以下工作：

（一）识别和评估由于舞弊或错误导致的财务报表重大错报风险，设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

（二）了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

（三）评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

（四）对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对 Silvrr Technology 持续经营能力产生重大疑虑的事项或情况是否存在重大不确

定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的信息。然而，未来的事项或情况可能导致 Silvrr Technology 不能持续经营。

（五）评价财务报表的总体列报、结构和内容（包括披露），并评价财务报表是否公允反映相关交易和事项。

（六）就 Silvrr Technology 中实体或业务活动的财务信息获取充分、适当的审计证据，以对财务报表发表意见。我们负责指导、监督和执行集团审计。我们对审计意见承担全部责任。

我们与治理层就计划的审计范围、时间安排和重大审计发现等事项进行沟通，包括沟通我们在审计中识别出的值得关注的内部控制缺陷。

上海公信会计师事务所有限公司

中国注册会计师：朱静

中国注册会计师：范薇薇

中国·上海

2019年5月31日

营业执照

（副 本）

统一社会信用代码 91310101132414379G

证照编号 01000000201804160072

名　　称　上海公信会计师事务所有限公司

类　　型　其他有限责任公司

住　　所　上海市陆家浜路 804 弄 28 号

法定代表人　陈热豪

注 册 资 本　人民币 696.0000 万元整

成 立 日 期　1989 年 10 月 5 日

营 业 期 限　1989 年 10 月 5 日 至 2020 年 10 月 4 日

经 营 范 围　审查会计帐表，验证资本，财务审计，资产评估，会计顾问，办理企业清算，设计财会制度，代办纳税申请，注册登记，拟订经济文件及会计查帐咨询业务，鉴别经济案件证据，基建工程结算审价，工程造价咨询，附设分支机构。

【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】

上海公信会计师事务所有限公司 SHANGHAI GONG XIN CERTIFIED PUBLIC ACCOUNTANTS CO., LTD.

登 记 机 关

上海市黄浦区市场监督管理局

2018 年 04 月 16 日

Auditors' Report

(English Version for Reference Only)

Gong Xin Ye [2019] No. 1518

Board of Directors of Silvrr Technology Co., Ltd.:

I. Audit Opinion

We have audited the financial statements attached hereafter of Silvrr Technology Co., Ltd. (hereinafter referred to as "Silvrr Technology"), including the Consolidated Balance Sheet dated on December 31, 2018, as well as the Consolidated Income Statement, Consolidated Cash Flows Statement, Consolidated Statement of Changes in Equity and relevant Notes to Consolidated Financial Statements of 2017 and 2018.

In our opinion, the financial statements attached hereafter has been prepared in accordance with the rules of the Accounting Principle for Enterprise in all material aspects, and gives a fair presentation of the Silvrr Technology's financial situation as of December 31, 2018, and of its operating results and cash flows in 2017 and 2018.

II. The Basis for Our Opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants in China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. According to the Code of Ethics for Chinese CPA, we are independent of Silvrr Technology in accordance with the Code of Ethics for Chinese CPA and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Other information

The management of Silvrr Technology is responsible for the other information. The other information includes information covered by the financial statements, but excludes the financial statements and our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

IV. Responsibilities of Management and Those Charged with the Governance of the Financial Statements

The management of Silvrr Technology (hereinafter referred to as the "management") is responsible for preparing the financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, the management is responsible for assessing Silvrr Technology's ability to continue as a going concern, disclosing matters related to going concern (if applicable) and using the going concern basis of accounting unless the management either intends to liquidate Silvrr Technology or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Silvrr Technology's financial reporting process.

V. Public Certified Accountant'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 the audit 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 the audit standards, we exercise professional judgment and maintain professional skepticism 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, 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 Company's internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Company.

(4) Conclude on the appropriateness of using the going concern assumption by the management of Silvrr Technology, and conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Silvrr Technology 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.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Silvrr Technology to express an opinion on the financial statements. We are responsible for providing guidance, supervision, and implementation of the group's audit. We bear all liabilities arising from our audit opinion.

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

Shanghai Gong Xin Certified Public Accountants

Certified Public Accountant of China:

Certified Public Accountant of China:

Shanghai ·China

May 31, 2019

This auditor's report and the accompanying notes to the financial statements are English translation of the Chinese auditor's report. In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

Consolidated Balance Sheet

December 31, 2018

Company: Silvrr Technology Co., Ltd. Currency: USD

Item	Notes	December 31, 2018	December 31, 2017
Assets:			
Current Assets:			
Monetary Funds	(I)	76,773,832.54	17,434,267.37
Financial Assets Measured at Fair Value and Whose Variations are Recorded into Profits and Losses of Current Period	(II)	287,381.01	-
Notes Receivable and Accounts Receivable	(III)	69,653,107.54	32,692,147.85
Advances to Suppliers	(IV)	4,515,477.74	857,926.63
Other Receivables	(V)	6,609,182.39	3,296,265.37
Inventories	(VI)	6,159,464.94	7,687,091.79
Other Current Assets	(VII)	877,322.97	923,997.66
Total Current Assets		**164,875,769.13**	**62,891,696.67**
Non-current Assets:			
Fixed Assets	(VIII)	659,744.44	253,294.66
Intangible Assets	(IX)	223,293.38	20,249.15
Deferred Tax Assets		73,424.11	-
Total Non-current Assets		**956,461.93**	**273,543.81**
Total Assets		**165,832,231.06**	**63,165,240.48**
Liabilities and Owner's Equity:			
Current Liabilities:			
Short-term Borrowings	(X)	40,410,078.58	40,483,231.74
Notes Payable and Accounts Payable	(XI)	8,206,825.81	2,677,562.72
Advances from Customers	(XII)	1,198,026.27	1,176,734.20
Employee Benefits Payable	(XIII)	3,198,309.48	946,480.98
Taxes and Fees Payable	(XIV)	1,752,369.24	2,056,793.62
Other Payables	(XV)	1,805,602.16	755,260.83
Total Current Liabilities		**56,571,211.54**	**48,096,064.09**
Non-current Liabilities			
Long-term Borrowings	(XVI)	1,965,517.20	3,000,000.00
Total Non-current Liabilities		**1,965,517.20**	**3,000,000.00**
Total Liabilities		**58,536,728.74**	**51,096,064.09**
Owners' Equity:			
Paid-in Capital	(XVII)	50,000.00	50,000.00
Capital Reserves	(XVIII)	180,115,413.85	43,782,628.87
Other Comprehensive Income	(XIX)	1,306,540.00	-132,123.23
Retained earning	(XX)	-74,176,451.53	-32,322,406.61
Total Equity Attributable to Parent Company		**107,295,502.32**	**11,378,099.03**
Minority Interest		-	691,077.36
Total Owners' Equity		**107,295,502.32**	**12,069,176.39**
Total Liabilities and Owners' Equity		**165,832,231.06**	**63,165,240.48**

Legal Representative: Finance & Accounting Officer:

Consolidated Income Statement

January 1, 2018 to December 31, 2018

Company: Silvrr Technology Co., Ltd. Currency: USD

Item		Notes	January 1, 2018 to December 31, 2018	January 1, 2017 to December 31, 2017
I.	**Operating Revenues**	(XXI)	143,514,406.88	59,374,049.81
Less:	Operating Costs	(XXII)	72,807,258.66	46,999,403.03
	Sales Tax and Fee		4,519.01	60,396.42
	Sales Expenses	(XXIII)	36,486,842.15	9,720,218.57
	General & Administration Expenses	(XXIV)	29,040,845.74	10,582,947.01
	Financial Expenses	(XXV)	10,866,136.83	1,214,721.87
	Include:Interest Expenses		1,091,186.39	182,169.59
	Interest Incomes		157,059.43	3,307.94
	Asset Impairment Loss	(XXVI)	12,536,342.09	14,797,954.40
Add:	Incomes/(losses) from Variation in Fair Value	(XXVII)	-830,418.99	-
	Incomes from Asset Disposal (Loss "-")	(XXVIII)	-21,940,577.59	-
II.	**Profits/(Losses) from Operation**		**-40,998,534.18**	**-24,001,591.49**
Add:	Non-operating Income	(XXIX)	1,627.07	47,111.72
Less:	Non-operating Expense	(XXX)	51,150.78	-
III.	**Profits/(Losses) Before Tax**		**-41,048,057.89**	**-23,954,479.77**
Less:	Income Tax	(XXXI)	805,987.03	-
IV.	**Net Profit/(Losses)**		**-41,854,044.92**	**-23,954,479.77**
	(I) Classified by Cotinuning Operations			
	Net Profit/(Losses) from Continuning Operations		-41,854,044.92	-23,954,479.77
	Net Profit/(Losses) from Discontinuning Operations			
	(II) Classified by Equity Belonging			
	Minority interest		-	-
	Net Profit/(Losses) Attributable to Equity Owners of the Company		-41,854,044.92	-23,954,479.77
V.	**Other Comprehensive Income after Tax**		**1,438,663.23**	**-375,351.82**
	Translation reserve		1,438,663.23	-375,351.82
VI.	**Total Comprehensive Income**		**-40,415,381.69**	**-24,329,831.59**
	Include: Total Comprehensive Income Attributable to Equity Owners of the Company		-40,415,381.69	-24,329,831.59

Legal Representative: Finance & Accounting Officer:

Consolidated Cash Flows Statement

January 1, 2018 to December 31, 2018

Company: Silvrr Technology Co., Ltd. Currency: USD

Item	January 1, 2018 to December 31, 2018	January 1, 2017 to December 31, 2017
I. Cash Flow from Operating Activities		
Cash from Selling Commodities or Offering Labors	462,563,786.32	88,552,348.34
Refunds of Tax and Fee Received	1,263.67	-
Other Cash Received Related to Operating Activities	14,243,647.65	34,498.62
Cash Inflow Subtotal from Operating Activities	**476,808,697.64**	**88,586,846.96**
Cash Paid to Commodities or Labors	464,985,142.10	115,573,504.18
Cash Paid to Employees	15,504,982.91	6,370,915.60
Cash Paid to Taxes and fees	894,412.25	60,575.19
Other Cash Paid Related to Operating Activities	56,750,194.26	10,109,569.10
Cash Outflow Subtotal from Operating Activities	**538,134,731.52**	**132,114,564.07**
Net Cash Flows from Operating Activities	**-61,326,033.88**	**-43,527,717.11**
II.Cash Flow from Investing Activities:		
Cash Received from Disinvestments	-	-
Cash Received from Distribution of Dividends or Profits	-	-
Net Cash Received from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets	-	-
Net Cash Received by Disposal Subsidiaries and Other Business Invested	-	-
Other Cash Received Relating to Investing Activities	-	-
Cash Inflow Subtotal from Investing Activities	-	-
Cash Paid to Acquire Fixed Assets, Intangible Assets and Other Long-term Assets	983,400.58	637,221.84
Cash Paid to Acquire Equity Investments	-	-
Net Cash Paid by Subsidiaries and Other Business Invested	3,840,107.69	407,727.15
Other Cash Paid Relating to Investing Activities	1,117,800.00	
Cash Outflow Subtotal from Investing Activities	**5,941,308.27**	**1,044,948.99**
Net Cash Flows from i\Investing Activities	**-5,941,308.27**	**-1,044,948.99**
III.Cash Flows from Financing Activities:		
Cash Received from Issuing Shares	135,867,936.00	34,558,211.34
Cash Received from Borrowings	59,135,145.69	35,482,490.04
Cash Received Issuing Bonds	-	-
Other Cash Received Relating to Financing Activities	**951,585.41**	-
Cash Inflow Subtotal from Financing Activities	**195,954,667.10**	**70,040,701.38**
Cash Repayments of Amounts Borrowed	65,614,108.92	8,779,461.82
Cash Payments for Distribution of Dividends or Profits	2,010,929.59	159,129.17
Other Cash Paid Relating to Financing Activities	469,191.32	-
Cash Outflow Subtotal from Financing Activities	**68,094,229.83**	**8,938,590.99**
Net Cash Flows from Financing Activities	**127,860,437.27**	**61,102,110.39**
IV. Foreign Currency Translation Gains (Losses)	-1,253,529.67	-2,099,450.96
V. Net Increase Of Cash and Cash Equivalents	59,339,565.45	14,429,993.33
Add: Beginning balance of Cash and Cash Equivalents	17,434,267.37	3,004,274.04
VI. Ending Balance of Cash and Cash Equivalents	**76,773,832.54**	**17,434,267.37**

Legal Representative: Finance & Accounting Officer:

Consolidated Statement of Changes in Owner's Equity

January 1, 2018 to December 31 2018

Company: Silvrr Technology Co., Ltd. Currency: USD

Item	January 1, 2018 to December 31 2018						
	Equity Attributable to Parent Company					Minority Interest	Total Owners' Equity
	Paid-in Capital	Capital Surplus	Other Comprehensive Income	Retained Earning	Subtotal		
I. Balance at the End of Prior Year	50,000.00	43,782,628.87	-132,123.23	-32,322,406.61	**11,378,099.03**	691,077.36	**12,069,176.39**
Add: Accounting Policy Changes	-	-	-	-	-	-	-
Prior Errors' Correction	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Balance at the Beginning of Current Year	50,000.00	43,782,628.87	-132,123.23	-32,322,406.61	**11,378,099.03**	691,077.36	**12,069,176.39**
III. Increases/Decreases in Current Year（Deduct:"-"）	-	136,332,784.98	1,438,663.23	-41,854,044.92	**95,917,403.29**	-691,077.36	**95,226,325.93**
(I) Total Comprehensive Income	-	-	1,438,663.23	-41,854,044.92	**-40,415,381.69**	-	**-40,415,381.69**
(II) Capital Contributed by Owners and Capital Decreases	-	136,332,784.98	-	-	**136,332,784.98**	-691,077.36	**135,641,707.62**
1. Common Shares Contributed by Owners	-	136,332,784.98	-	-	**136,332,784.98**	-691,077.36	**135,641,707.62**
2. Capital Contributed by Other Equity Instruments Holders	-	-	-	-	-	-	-
3. Amount of Share Payment Credited to Shareholders ' Equity	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
(III) Profit Distribution	-	-	-	-	-	-	-
1. Appropriation of Surplus Reserve	-	-	-	-	-	-	-
2. Appropriation of General Risk Fund	-	-	-	-	-	-	-
3. Profit Distributed to Owners	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
(IV) Transfers within the Owners' equity	-	-	-	-	-	-	-
1. Capital Transferred from Capital Surplus	-	-	-	-	-	-	-
2. Capital or Stock Transferred form Surplus Reserve	-	-	-	-	-	-	-
3. Recovery of Losses by Surplus Reserve	-	-	-	-	-	-	-
4. Set Up Beneficiary Plan Changes Carry-over Retained Earnings	-	-	-	-	-	-	-
5. Ohters	-	-	-	-	-	-	-
(V) Appropriative Reserve	-	-	-	-	-	-	-
1. Current Withdrawals	-	-	-	-	-	-	-
2. Current Spendings	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-
V. Balance at the End of Current Year	50,000.00	180,115,413.85	1,306,540.00	-74,176,451.53	**107,295,502.32**	-	**107,295,502.32**

Legal Representative: Finance & Accounting Officer:

Consolidated Statement of Changes in Owner's Equity (Continued)

January 1, 2017 to December 31 2017

Company: Silvrr Technology Co., Ltd. | Currency: USD

Item	January 1, 2017 to December 31 2017						
	Equity Attributable to Parent Company					Minority Interest	Total Owners' Equity
	Paid-in Capital	Capital Surplus	Other Comprehensive Income	Retained Earning	Subtotal		
I. Balance at the End of Prior Year	50,000.00	7,731,565.43	243,228.59	-8,367,926.84	**-343,132.82**	-	**-343,132.82**
Add: Accounting Policy Changes	-	-	-	-	-	-	-
Prior Errors' Correction	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
II. Balance at the Beginning of Current Year	50,000.00	7,731,565.43	243,228.59	-8,367,926.84	**-343,132.82**	-	**-343,132.82**
III. Increases/Decreases in Current Year（Deduct:"-"）	-	36,051,063.44	-375,351.82	-23,954,479.77	**11,721,231.85**	691,077.36	**12,412,309.21**
(I) Total Comprehensive Income	-	-	-375,351.82	-23,954,479.77	**-24,329,831.59**	-	**-24,329,831.59**
(II) Capital Contributed by Owners and Capital Decreases	-	36,051,063.44	-	-	**36,051,063.44**	691,077.36	**36,742,140.80**
1. Common Shares Contributed by Owners	-	36,051,063.44	-	-	**36,051,063.44**	691,077.36	**36,742,140.80**
2. Capital Contributed by Other Equity Instruments Holders	-	-	-	-	-	-	-
3. Amount of Share Payment Credited to Shareholders ' Equity	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
(III) Profit Distribution	-	-	-	-	-	-	-
1. Appropriation of Surplus Reserve	-	-	-	-	-	-	-
2. Appropriation of General Risk Fund	-	-	-	-	-	-	-
3. Profit Distributed to Owners	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
(IV) Transfers within the Owners' equity	-	-	-	-	-	-	-
1. Capital Transferred from Capital Surplus	-	-	-	-	-	-	-
2. Capital or Stock Transferred form Surplus Reserve	-	-	-	-	-	-	-
3. Recovery of Losses by Surplus Reserve	-	-	-	-	-	-	-
4. Set Up Beneficiary Plan Changes Carry-over Retained Earnings	-	-	-	-	-	-	-
5. Ohters	-	-	-	-	-	-	-
(V) Appropriative Reserve	-	-	-	-	-	-	-
1. Current Withdrawals	-	-	-	-	-	-	-
2. Current Spendings	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-
V. Balance at the End of Current Year	50,000.00	43,782,628.87	-132,123.23	-32,322,406.61	**11,378,099.03**	691,077.36	**12,069,176.39**

Legal Representative: | Finance & Accounting Officer:

Silvrr Technology Co., Ltd.
Notes to Consolidated Financial Statements

As of December 31, 2018

I. The basic information of the company

Silvrr Technology Co., Ltd. (hereinafter referred to as the "Company") is a limited liability company established in Cayman Islands on August 10, 2015, with the certificate of incorporation number SI-302785. The registered address of the company is Suite#5-204, 23 Lime Tree Bay Avenue, P. O. Box 2547, Grand Cayman, KY1-1104 Cayman Islands. With a registered capital of USD 50,000, the Company is the ultimate parent company of Akulaku Group.

Starting its sales operations in 2016, the Company is a virtual credit card service provider focusing on the Indonesian and Southeast Asian markets. The Company embeds consumption installment and cash loan services into proprietary scenarios and third-party e-commerce platforms in the form of virtual credit cards. The main products and services offered by the Company include advanced proprietary scenarios, convenient consumption installment products, instant cash loan products, and upgraded consumer financial services.

II. The basis of preparation of the financial statements

These financial statements have been prepared on the basis of assumption that the company is a going concern, and in accordance with the transactions or events that have actually occurred by observing the provisions of the Accounting Standard for Business Enterprises ("ASBE"). The following principal accounting policies and estimates have also been followed when preparing these financial statements.

III. The statement of compliance

The financial statements of the Company are in compliance with the requirements of the ASBE, as well as truly and completely reflect the financial position, the operating results, and the cash flow of the Company.

IV. The principal accounting policies and accounting estimates

(I) Financial year

The financial year of the Company was from January 1st to December 31st of each calendar year.

(II) Reporting currency

The Company adopts the U.S. dollar as its reporting currency.

(III) The bases of accounting and measurement

The Company's accounts have been prepared on an accrual basis. All items are recorded by using the actual cost as the basis of measurement, except for some financial instruments. With regards to the measurement basis for financial instruments, see accounting policies concerning "financial instruments".

(IV) Business combination

1. Business combinations involving entities under common control

The pooling of interests method will be applied to account for business combinations involving entities under common control taking place during the reporting period of the Company. Assets and liabilities obtained by the absorbing party in the business combination are recognized at their carrying amounts at the combination date as recorded by the party being absorbed on the consolidated statements of the ultimate controlling party. The difference between the carrying amount of the net assets obtained by the absorbing party and the carrying amount of the consideration paid for the combination is adjusted to capital reserves. If the capital reserves are not sufficient to absorb the difference, any excess is adjusted as retained earning. The direct cost incurred by the absorbing party for the business combination, including the expenses for audit, assessment, and legal services, is recorded into the profits and losses at the current period. The bonds issued for business combinations or the handling fees, commissions and other expenses incurred for the purpose of assuming other liabilities are recorded into the amount of initial measurement of the bonds or other liabilities. The handling fees, commissions, and other expenses incurred for the purpose of issuing equity securities during business combinations are credited against the surplus of equity securities; if the surplus is not sufficient, the retained earning are offset. Where a parent-subsidiary relationship is formed due to a business combination, a consolidated balance sheet is prepared in accordance with the accounting policies regarding "consolidated financial statements" formulated by the Company. The adjustment period of the comparative data in the consolidated financial statement should not be earlier than a time when the absorbing party or the party to be absorbed is brought under the control of the ultimate controlling party, whichever is later.

2. Business combinations not involving entities under common control

The acquisition method will be applied to account for business combinations not involving entities under common control taking place during the reporting period of the Company. The combination costs will be determined respectively in light of the following circumstances:

(1) For a business combination realized through one transaction of exchange, the combination costs are the fair values, on the acquisition date, of the assets paid, the liabilities incurred or assumed, and the equity securities issued by the acquirer in exchange for the control on the acquiree.

(2) For a business combination realized through two or more transactions of exchange, the equity held by the acquiree prior to the date of acquisition is accounted for respectively on the individual financial statements and the consolidated financial statements: ①In the individual financial statements, the sum of the carrying value of the equity investment originally held by the acquiree and the cost of new investment, is treated as the initial investment cost using the cost method; for equity investment, which is recognized as other consolidated incomes using the equity method, the same basis by which the relevant assets or liabilities are directly disposed by the acquiree is adopted when disposing such an investment. For equity investments held prior to the acquisition date that are accounted for in accordance with provisions of the *Accounting Standards for Enterprises No.22–Recognition and Measurement of Financial Instruments*, the changes in accumulative fair value which were originally recognized as other consolidated incomes are transferred to the current profits and losses after the cost method is applied. ② In the consolidated financial statements, equity held by the acquiree

prior to the acquisition date is remeasured at its acquisition-date fair value, and the difference between the fair value and carrying value is recorded as the current investment income; where equity held by the acquiree prior to the acquisition date involves other consolidated income recognized using the equity method, such other consolidated income is recognized as the current investment income of the acquisition date. The Company discloses the acquisition-date fair value, as well as the amounts of relevant gains or losses remeasured at the fair value, of the equity held by the acquiree prior to the acquisition date on Notes to Financial Statements.

Intermediation costs, such as audit, legal services, assessment consulting fees, and other relevant management fees incurred for the purpose of business combination, are recognized as current gains or losses; transaction expenses of the issued equity securities, or liability securities for the consideration of the combination are recorded into the amount of initial measurement of the equity securities or liability securities.

Where any future event that is likely to affect the combination costs is stipulated in the combination contract or agreement, if it is likely to occur and its effects on the combination costs can be measured reliably, the said amount is recorded into the combination costs.

The Company, on the acquisition date, measures the assets given and liabilities incurred or assumed for a business combination at their fair values, and records the difference between them and their carrying amounts into the current profits and losses.

The Company distributes the combination costs at the acquisition date, and recognizes all identifiable assets, liabilities and contingent liabilities it obtains from the acquiree in accordance with relevant provisions.

(1) Where the cost of a business combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill.

(2) Where the cost of a business combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer reassesses the measurement of the fair values of the acquiree's identifiable net assets, liabilities, and contingent liabilities, as well as the measurement of the cost of combinations. If, after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the remaining difference is recognized in the profit or loss for the current period.

Where a relationship between a parent company and a subsidiary company is formed due to a business combination, the parent company prepares the accounting books for future reference, which shall record the fair values of the identifiable assets, liabilities, and contingent liabilities it obtains from the subsidiary company on the acquisition date. When preparing consolidated financial statements, the parent company adjusts the financial statements of the subsidiary company at the fair values of the identifiable assets, liabilities, and contingent liabilities determined on the acquisition date in accordance with the accounting policies concerning the "consolidated financial statements" formulated by the Company.

(V) Methods regarding the preparation of the consolidated financial statements

1. The scope of consolidation

The consolidation scope for consolidated financial statement is determined based on the concept of control, including the Company and all subsidiaries financial statements. Subsidiaries are those entities which the Company has control over (including but not limited to the parts that can be divided from enterprises and investees and the structured entities controlled by the Company). "Control" means the power over an investee exercised by an investor, who enjoys variable returns by participating in the relevant activities of the investee and has the ability to use its power over the investee to influence the amount of the returns.

2. Method to prepare the consolidated financial statements

The Company prepares the consolidated financial statements on the basis of the financial statements of the Company itself and its subsidiaries, as well as other relevant data.

The Company regards the entire enterprise group as an accounting entity to prepare the consolidated financial statements in accordance with the requirements on recognition, measurement, and presentation, as stipulated by relevant accounting standards for business enterprises, using consistent accounting policies in order to reflect the financial status, operating outcomes, and cash flows of the entire enterprise group.

In preparing the consolidated financial statements, where the accounting policy or accounting period of the Company and subsidiaries is inconsistent, the financial statements of subsidiaries shall be adjusted in accordance with the accounting policies and accounting period of the Company. For the subsidiaries acquired from the business combination not under common control, financial statements of the subsidiaries shall be adjusted based on the fair value of identifiable net assets at the acquisition date.

3. The presentation of minority shareholders' equity and profits/losses

Shares in the owner's equity of subsidiaries not belonging to parent enterprise shall be presented under the item of "minority shareholders' equity" as minority shareholders' equity in the consolidated balance sheet.

The shares belonging to the minority shareholder's equity in the current net profit and loss shall be presented in the item of minority shareholders' equity under the net profit of consolidated financial statement.

4. Treatment of excess losses

If the current losses applicable to the minority shareholders of a subsidiary exceeds the shares of owner's equity enjoyed by them in the subsidiary at the beginning of the reporting period, the balance is still used to offset the minority shareholders' equity.

5. Treatment of consolidated financial statements involving subseries added or reduced during the current accounting period

During the reporting period, for the subsidiary acquired from business combination under common control, the opening balances of the consolidated balance sheet are adjusted when preparing the consolidated balance sheet. For the subsidiary acquired from business combination not under common control, the opening balances of the consolidated balance sheet are not adjusted when preparing the consolidated balance sheet. For the disposed subsidiary, the opening balances of the consolidated balance sheet are not adjusted when preparing the consolidated balance sheet.

During the reporting period, for the subsidiary acquired from business combination under common control, the incomes, expenses, and profits of the subsidiary incurred from the beginning of the combination to the end of the reporting period are incorporated into the consolidated income statement, and the cash flow of the subsidiary incurred from the beginning of the combination to the end of the reporting period is incorporated into the consolidated cash flow statement. For the subsidiary acquired from business combination not under common control, the incomes, expenses and profits of the subsidiary incurred from the acquisition date to the end of the reporting period are incorporated into the consolidated income statement, and the cash flow of the subsidiary incurred from the acquisition date to the end of the reporting period is incorporated into the consolidated cash flow statement. For the subsidiary disposed during the reporting period, the incomes, expenses, and profits of the subsidiary incurred from the beginning of the period to the disposal date are incorporated into the consolidated income statement, and the cash flow of the subsidiary incurred from the beginning of the period to the disposal date is incorporated into the consolidated cash flow statement.

Where control over the original subsidiary is lost due to the disposal of partial equity investment or other reasons, the residual equity will be re-calculated based on the fair value thereof on the day the control is lost. The sum of the consideration for disposal of equity and the fair value of the residual equity minus the difference of the share of the original subsidiary, in proportion to the original shareholding ratio starting from the purchase date, is recorded as the investment incomes in the current period of the control loss. Other consolidated income in relation to the equity investment of the subsidiary is also transferred to the current investment income account at the time when the control is lost.

Where there is a difference between the newly acquired long-term equity investment as a result of purchasing minority shareholders' equity and the share of identifiable net assets of the subsidiary calculated in proportion to the original shareholding ratio that the parent company is entitled to, or a difference between the disposal price obtained due to the disposal of partial equity investment of the subsidiary without losing the control over it and the share of identifiable net assets of the subsidiary proportionate to the disposal of the long-term equity investment, the stock premium of the capital reserve in the consolidated balance sheet is adjusted; if the stock premium of the capital reserve is insufficient to dilute, the retained earning are adjusted.

6. The treatment of consolidated statements involving the disposal of equity in multiple transactions until the loss of control

Where the multiple transactions in the disposal of the subsidiary's equity until the loss of control are "a package deal", these transactions are regarded as one transaction concerning the disposal of the subsidiary and loss of control for accounting treatment; however, the difference between each disposal price prior to the loss of control and the share of the net assets of the subsidiary that the Company is entitled to is recognized as other consolidated income in the consolidated financial statements, and will be collectively transferred to the current profit and loss when the control is lost. If the transactions are not "a package deal", the aforementioned accounting policies involving the disposal of partial equity investment of the subsidiary and the loss of control over the original subsidiary under the circumstance where the control is not lost are applied before and when the control is lost.

If one or many of the following conditions are met by the terms and conditions for each transaction involving the disposal of the subsidiary's equity investment, the multiple transactional events are regarded as "a package deal" for accounting treatment: (1) They are entered into at the same time or in contemplation of each other; (2) They form a single transaction designed to achieve an overall commercial effect; (3) The occurrence of one arrangement is dependent on the occurrence of at least one other arrangement; (4) One arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

On some financial statements, the accounting policies for the disposal of long-term equity investment are applied for the disposal of equity in multiple transactions until the loss of control.

(VI) Recognition standard for cash and cash equivalents

Cash presented in the cash flow statement comprises cash on hand and the deposits which can be paid on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Short term usually refers to three months or less from the date of acquisition. Cash equivalents usually include bond investments with a maturity of less than three months.

(VII) Foreign currency business and translation of foreign currency statements

For foreign currency transactions, the Company translates the foreign currency into its reporting currency by applying the spot exchange rate at the dates of the transactions.

1. The treatment of difference in currency translation differences

On the balance sheet date, the Company treats the foreign currency monetary items and foreign currency non-monetary items in accordance with the following provisions: The foreign currency monetary items are translated at the spot exchange rate on the balance sheet date. The balance of exchange arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or prior to the balance sheet date is recorded into the profits and losses at the current period. The foreign currency non-monetary items measured at the historical cost are still translated at the spot exchange rate on the transaction date, of which the amount of reporting currency is be changed. The foreign currency non-monetary items measured at the fair value are translated at the spot exchange rate at the date of fair value evaluation, and the translation difference, treated as the variation of fair value (including the variation of exchange rate), is recorded into the profit or loss at the current. During the period of capitalization, the exchange balance on foreign currency borrowings is capitalized, and recorded into the cost of assets eligible for capitalization.

2. Translation of foreign currency statements

When translating the financial statements on overseas businesses, the Company complies with the following provisions: The asset and liability items in the balance sheets are translated at a spot exchange rate on the balance sheet date. Among the owner's equity items, except the ones as "undistributed profits", others are translated at the spot exchange rate at the time when they are incurred. The income and expense items in the profit statements are translated at the spot exchange rate of the transaction date (usually refers to the median price of the exchange quotation published by the People's Bank of China of the day, the same below). The balance arisen from the translation of foreign currency financial statements in compliance with the aforesaid methods are presented as other consolidated income. The translation of comparable financial statements are subject to the aforesaid provisions.

(VIII) Financial instruments

The term "financial instruments" refers to the contracts under which the financial assets of an enterprise are formed and the financial liability or right instruments of any other entity are formed.

1. Recognition and termination of financial instruments

When the Company becomes a party to a financial instrument, it recognizes a financial asset or financial liability.

Where a financial asset satisfies any of the following requirements, the recognition of it shall be terminated:

(1) Where the contractual rights for collecting the cash flow of the said financial asset are terminated; or

(2) Where the right to receive cash flows from the asset is reserved, but the asset has been paid to a third-party without delay as a removal of commitment in accordance with an executed agreement; and the transfer of right to receive cash flows from the asset, and one of the following to circumstances:

① the significant risks and rewards of the ownership of the asset are transferred;

② the significant risks and rewards of the ownership of the asset are not transferred or reserved, but the control of the asset is transferred.

When the prevailing obligations of a liability are relieved, cancelled or expired, the recognition of the financial liability will be terminated.

When an existing financial liability is replaced by a same debtor with a debt instrument which is almost entirely different, or major modifications to existing liability provisions are made, such replacement or modification are considered as the termination of the original liability and recognition of the new liability and the difference of their carrying values are recorded into the income statement.

2. Classification and measurement of financial instruments

(1) Classification of financial assets

Financial assets are classified into the following four categories when initially recognized: financial assets at fair value through profit or loss; hold-to-maturity investment; loans, receivables, and available-for-sale financial assets. Initially-recognized financial assets shall be measured at their fair values. For financial assets at fair value through profit or loss, the relevant transaction expenses are recorded into the current profit and loss, and those of other financial assets are recorded into initial cost.

① Financial assets at fair value through profit or loss, including the transactional financial assets and the financial assets which are measured at their fair values and of which the variation is included in the current profits and losses.

Financial assets at fair value through profit or loss refer to a portfolio of financial instruments that are managed for the purposes of sales in the near future or short-term profitability, or derivative instruments which are designated as invalid arbitrage tool, mainly including short-term investments with market-based prices and equity investments at fair value for the purpose of transactions. These instruments are subsequently measured at their fair values, and the fulfilled and unfulfilled profit or loss is recorded into the current profit and loss.

② Hold-to-maturity investment

Hold-to-maturity investment refers to non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity, which mainly include debt investment that are intended to be held to maturity. The asset is subsequently measured at amortized cost using the effective interest method. Relevant profit or loss arising from recognition termination, depreciation, or amortization is recorded to the current profit or loss.

③ Loans and receivables

Loans and receivables refer to non-derivative financial assets with fixed or determinable payments and fixed maturity that are not quoted in the active market, which mainly include loans (entrusted loans), receivables, and long-term receivables. These assets are subsequently measured at amortized cost using the effective interest method. Relevant profit or loss arising from recognition termination, depreciation, or amortization is recorded to the current profit or loss.

④ Available-for-sale financial assets

Available-for-sale financial assets refer to non-derivative financial assets that are designated as being available for sale when initially recognized or those that cannot be properly classified as one of the above three categories, which mainly include listed or non-listed equity securities that are available for sale. These assets are subsequently measured at their fair values (equity instrument investment that are not quoted in the active market or whose fair values cannot be reliably measured, as well as derivative financial assets that are linked to such equity instruments and must be settled by delivery of such derivative assets are subsequently measured at their costs), and their profit or loss are separated and recorded into the equity items, except for: (1) exchange difference arising from monetary financial assets denominated in foreign currency; (2) interests of available-for-sale financial assets calculated by the effective interest method; (3) cash dividends of available-for-sale equity investments; (4) provision for impairment, which are recorded into the current profit and loss. Such investment is transferred out when the recognition is terminated, and the accumulative profit or loss that have been recorded should be recorded into the income statement.

(2) Classification of financial liabilities

Financial liabilities are classified into the following four categories when initially recognized: financial liabilities measured at their fair values and whose variation is included in the current profits and losses, and other financial liabilities. For financial liabilities that are not classified into the first category, their transactional expenses are recorded as initial cost.

① Financial liabilities measured at their fair values and whose variation is included in the current profits and losses include transactional financial liabilities and the designated financial liabilities which are measured at their fair values and whose variation is included in the current profits and losses;

These refer to the financial liabilities that are assumed due to recent repurchase, or a portfolio of identifiable financial instruments managed for the purpose of short-term profit, or derivative instruments that are designated as invalid arbitrage tools, which mainly include listed short-term financing bills and short-term bond repurchase. These liabilities are subsequently measured at their fair value, and all fulfilled and unfulfilled profits or losses are recorded into the current profits and losses.

② Other financial liabilities

Except for those derivative financial liabilities that are not quoted in the active market and linked to equity instruments and must be settled by delivery of such equity instrument and whose fair values cannot be reliably measured, which are subsequently measured at their costs, other financial liabilities are subsequently measured at the amortized costs by using the effective interest method.

(3) Fair value

For fair values of investments that are actively traded in an orderly financial market, the closing bid prices in the market at the balance sheet date are referenced. For investments that are not actively traded in the market, their fair values are determined by using valuation techniques, which include employing the recent fair market transactions, referring to the current market value of almost identical tools, discounted cash flow analysis, and option pricing model.

3. Reclassification of financial assets

Where an enterprise sells any of its outstanding held-to-maturity investment within the current accounting year or re-classifies it as the amount of available-for-sale financial asset, and the such amount is considerably large (usually refer to an amount exceeding the net value of the asset by more than 5%) as compared to the amount before such investment is sold or re-classified, the surplus of such investment shall be re-classified as a sellable financial asset, and the said financial asset shall not be classified as a held-to-maturity investment within the current accounting year and the following two complete accounting years. However, the following circumstances shall be excluded: the date of sale or re-classification is close to the maturity date or the reclassification date of the said investment (e.g., within 3 months prior to maturity), the sales or reclassification behaviors are uncontrollable, or almost all the initial principal of the investment has been drawn back. The difference between the carrying amount of the said remnant part of the investment at the re-classification date and the fair value shall be recorded into the owner's equity (capital reserve). When the said financial asset is impaired or transferred out when it is terminated from recognition, it shall be recorded into the profits and losses of the current period.

4. Impairment of financial assets

The Company carries out an inspection, on the balance sheet date, on the book value of the financial assets other than those measured at fair value and of which the variation is recorded into the current profits or losses. Where there is any objective evidence proving that such financial assets have been impaired, the impairment losses should be recognized and a provision for impairment shall be made. The expression "objective evidence proving that the financial asset has been impaired" refers to the actually incurred events which, after the financial asset is initially recognized, have an impact on the predicted future cash flow of the said financial asset that can be reliably measured by the enterprise.

The Company carries out an inspection, at the end of the period, on the book value of the financial assets measured at their fair values and of which the variation is recorded into the current profits or losses. Where there is any objective evidence proving that such financial assets have been impaired, the impairment losses should be recognized and a provision for impairment shall be made. The expression "objective evidence proving that the financial asset has been impaired" refers to the actually incurred events which, after the financial asset is initially recognized, have an impact on the predicted future cash flow of the said financial asset that can be reliably measured by the enterprise. The Company practices the impairment testing when there are objective indications of impairment. The impairment losses are recognized if the test indicates the occurrence of the impairment. The objective indications that can prove the impairment of a financial asset shall include:

(1) A serious financial difficulty occurs to the issuer or debtor, e.g. serious losses for 2 consecutive years, liquidity assets are negative for 2 consecutive years, serious insufficient cash flow, occurrence of natural disasters, or other circumstances that may result in an ability to the recovery of assets;

(2) the debtor has breached the contract, such as failure in repayment of interests for more than 2 interest repayment periods; or a delay of receivables (more than half year since the expiration of the credit period);

(3) the creditor compromises to the debtor in consideration of the economic aspect;

(4) the debtor is very likely to result in bankruptcy or other financial reorganization;

(5) the issuer suffers serious financial difficulty, which results in failure of financial assets to be traded in the active market;

(6) it is found that the predicted future cash flow of the said combination of financial assets has indeed decreased since it was initially recognized and such decrease can be measured, for example, the ability of the debtor of the said combination of financial assets worsens gradually, the unemployment rate of the country or region where the debtor is situated increases, the prices of the region where the guaranty is situated are obviously dropping, or the industrial sector concerned is in slump, etc.;

(7) Any seriously disadvantageous change has occurred to the technical, market, economic, or legal environment, etc. wherein the debtor operates its business, which makes the investor of an equity instrument unable to take back its investment;

(8) Where the fair value of the equity instrument investment drops significantly or not contemporarily.

In addition to the aforesaid circumstances, the Company also provides that impairment losses of financial assets priced at their fair values that are not tested using systematic methods are also recognized.

(1) Financial assets measured at amortized costs

Where a financial asset measured on the basis of post-amortization costs is impaired, the carrying amount of the said financial asset shall be written down to the current value of the predicted future cash flow (excluding the loss of future credits not yet occurred), and the amount as written down shall be recognized as loss of the impairment of the asset and shall be recorded into the profits and losses of the current period; the current value of the predicted future cash flow shall be determined according to the capitalization of the original actual interest rate of the said financial asset (e.g. effective interest rate adopted during the initial recognition). The amount as written down shall be recognized as the loss of the impairment of the asset and shall be recorded into the profits and losses of the current period.

A separate impairment test is practiced on the financial assets with significant single amounts; for financial assets that do not involve individually significant amounts, including any combination of financial assets with similar credit risk features ("collectively"), an impairment test is conducted. Where, upon separate test, the financial asset (including those financial assets with significant single amounts and those with insignificant amounts) has not been impaired, it shall be included in a combination of financial assets with similar risk features so as to conduct another impairment test. The financial assets which have suffered from an impairment loss in any single amount are not included in any combination of financial assets with similar risk features for any impairment test.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognized, the impairment loss is reversed through profit or loss. Any reversal of an impairment loss should be reflected on the income statement, but the carrying value subsequent to the reversal should not exceed the amortized cost of the financial asset at the reversal date under the assumption that the impairment loss is not recognized.

(2) Financial assets measured at costs

Where an impairment occurs, the carrying amount of the financial asset measured at costs shall be written down to the discounted current value of the future cash flow based on the market returns of similar financial assets. The decreased amount is recognized as impairment loss of the assets and is recorded into the current profits and losses. The impairment loss of the said assets is not reversed.

(3) Available-for-sale financial assets

Where an available-for-sale financial asset is impaired, even if the recognition of the financial asset has not been terminated, the accumulative losses arising from the decrease of the fair value of the owner's equity, which was directly included shall be transferred out and recorded into the profits and losses of the current period. The accumulative losses that are transferred out shall be the balance obtained from the initially obtained costs of the sold financial asset after deducting the principals that has been taken back, the current fair value and the impairment-related losses as was recorded into the profits and losses of the current period.

For an available-for-sale debt instrument, if in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognized, the impairment loss is reversed through profit or loss. The impairment loss of an available-for-sale equity instrument shall not be reversed through profit and loss.

(IX) Accounts receivable

1. Recognition of bad debts

In the case where receivables are unable to be collected after settlement with bankruptcy property due to the debtor's bankruptcy or death, or where the debtor has failed to perform his/her/its obligations for a period, such receivables shall be confirmed as bad debts upon approval according to administration authority, this Company recognizes bad debt losses.

2. Accounts receivable that are individually significant and involve bad debt provision

Separate impairment tests are conducted for accounts receivable that are individually significant and other receivables. Where there is objective evidence proving the occurrence of impairment, the depreciation loss is recognized based on the difference between the current value of its future cash flow and carrying value, and a provision of bad debt is booked. If the amount of an impairment loss subsequently decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognized, the impairment loss is reversed through the current profits or losses.

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3. Accounts receivable with bad debt provision made by combination

Basis to determine a combination: for receivables with individually significant amounts but not found to suffer impairment through separate tests, as well as receivables with individually insignificant amounts, the Company combines the receivables based on the credit risk attributes including the property and identity of debtors and account ages.

Combination 1	Accounts in the nature of security deposits and the contracts of which have not been completely performed; employee accounts receivable during their tenure; accounts receivable that belong to affiliates and are very unlikely to suffer bad debts; other receivables that are very unlikely to suffer bad debts.
Combination 2	Receivables wherein impairments are not found in separate tests and those that do not fall within Combination 1, and other receivables
Methods to make bad debt provision by combination:	
Combination 1	Impairment loss is not provided
Combination 2	As per the migration model.

The migration model method is adopted for accounts receivable. For receivables without individually significant amounts, as well as those with individually significant amounts that have not been found to be impaired after separate tests, their credit risks are classified as 0 for those that are not overdue (including overdraft of which the minimum repayment amount has been repaid); 1 for those that have been overdue for 0-29 days; 2 for those that have been overdue for 30-59 days; 3 for those that have been overdue 60-89 days; 4 for those that have been overdue 90-119 days; 5 for those that have been overdue for 120-149 days; 6 for those that have been overdue for 150-179 days; 7 for those that have been overdue for 180 days. At the beginning of the period, the balance of each category of receivable is reclassified based on its assessed credit risk and then migrated to the current period, which gives rise to a different category of receivable. All these receivables in different categories are respectively divided by the receivable under the same category prior to the migration to obtain the migration rate, which is subsequently used to calculate the rate of loss on bad debt. Such a rate of loss on bad debt is multiplied by the receivables without individually significant amounts of the current period to obtain the amount of bad debt that should be provided for the current period.

Specific identification method is applied for other accounts receivable.

(X) Inventory

Inventory is classified as physical and virtual goods.

The weighted average method is applied for dispatched inventories.

The one-off amortization method is applied for low-value consumables.

On the date of balance sheet, the inventories shall be measured according to the cost or the net realizable value, whichever is lower. If the cost of inventories is higher than the net realizable value, the provision for the loss on decline in value of inventories shall be made and be included in the profits and losses of the current period. If the previous influencing factors on the provision for the loss on decline in value of inventories diminish and result in a higher net realizable value of the inventory than its carrying value, then the previously deducted amount should be recovered in the provided loss on decline in the value of inventories and the reversed amount should be recorded into the current profits and losses.

The net realizable value, in the ordinary course of business, refers to the amount after deducting the estimated cost of completion, the estimated sale expense, and the relevant taxes from the estimated sale price of inventories. The provision for the loss on decline in value of inventories is made by the item or category of an individual inventory.

(XI) Long-term equity investments

Long-term equity investments include equity investments in subsidiaries.

1. Initial measurement

The Company initially measures the long-term equity investment respectively in the following two circumstances:

（1）The initial cost of the long-term equity investment formed in the merger of an enterprise shall be ascertained in accordance with the following provisions:

① For the combination of enterprises under common control, if the consideration of the merging enterprise is that it makes payment in cash, transfers non-cash assets, or bear its debts, it shall, on the date of merger, regard the share of the book value of the owner's equity of the merged enterprise as the initial cost of the long-term equity investment. The difference between the initial cost of the long-term equity investment and the payment in cash, non-cash assets transferred as well as the book value of the debts borne by the merging party shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earning shall be adjusted. All direct expenses incurred from the combination of enterprises, including the audit, assessment, and legal services paid for the purpose of combination, are recorded into the current profits and losses when they occur.

② For the combination not under common control, the Company recognizes combination cost in accordance with the following circumstances:

a）For a business combination realized by a transaction of exchange, the combination costs shall be the fair values, on the acquisition date, of the assets paid, the liabilities incurred, or assumed and the equity securities issued by the acquirer in exchange for the control on the acquiree;

b）For a business combination realized by two or more transactions of exchange, the initial investment cost shall be the sum of the carrying value of the equity investment in the acquiree held prior to the acquisition date and the cost of newly added investment at the acquisition date;

c）All relevant direct costs incurred to the acquirer for the business combination, including intermediary fees involving audit, legal service, assessment consultation, and other management fees, shall also be recorded into the current profits and losses when they occur;

d) Where any future event that is likely to affect the combination costs is stipulated in the combination contract or agreement, if it is likely to occur and its effects on the combination costs can be measured reliably, the said amount is recorded into the combination costs.

(2) Initial investment costs for long-term equity investment obtained through other means than business combination should be recognized in accordance with the following provisions:

① The initial cost of a long-term equity investment obtained by making payment in cash shall be the purchase cost which is actually paid. The initial cost consists of the expenses directly relevant to the obtainment of the long-term equity investment, taxes, and other necessary expenses.

② The initial cost of a long-term investment obtained by the exchange of nonmonetary assets shall be ascertained in accordance with the *Accounting Standards for Enterprises No. 7 – Exchange of Non-monetary Assets*.

③ The initial cost of a long-term equity investment obtained by recombination of liabilities shall be ascertained in accordance with *Accounting Standards for Enterprises No. 12 – Debt Restructuring*.

(3) Regardless of the means by which a long-term investment is obtained, the cash dividends or profits that are declared to be paid but have not been paid by the investee included in the consideration should be separately accounted as an receivable item when the investment is obtained, which does not constitute initial investment cost for obtaining long-term equity investment.

2. Subsequent measurement

Long-term equity investment that can be controlled by the investor are accounted by using the cost method in individual financial statements. Long-term equity investments that give rise to common control or significant influence over the investee are accounted by using the equity method.

(1) The price of a long-term equity investment measured by employing the cost method shall be included at its initial investment cost. If there are additional investments or disinvestments, the cost of the long-term equity investment shall be adjusted. The dividends or profits declared by the invested entity as to be distributed shall be recognized as the current investment income.

(2) For long-term equity investment accounted using the equity method, if the initial cost of a long-term equity investment is more than the investing enterprise' attributable share of the fair value of the invested entity's identifiable net assets for the investment, the initial cost of the long-term equity investment may not be adjusted. If the initial cost of a long-term equity investment is less than the investing enterprise' attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profits and losses and the cost of the long-term equity investment shall be adjusted simultaneously.

After obtaining a long-term equity investment, the Company shall, in accordance with the attributable share of the net profits or losses and other consolidated incomes of the invested entity, recognize the investment profits or losses and other consolidated incomes, and adjust the book value of the long-term equity investment. The Company shall, in light of the profits or cash dividends declared as to be distributed by the invested entity, calculate the proportion it shall obtain, and shall reduce the book value of the long-term equity investment correspondingly. For other variations in owner's equity other than the net profits and losses of the invested entity, other consolidated income, and profit distribution, the carrying value of the long-term equity investment shall be adjusted and recorded into owner's equity. The Company, on the ground of the fair value of all identifiable assets of the invested entity when it obtains the investment, recognizes the attributable share of the net profits and losses of the invested entity after it adjusts the net profits of the invested entity. If the accounting policies and accounting periods adopted by the invested entity are different from those adopted by the Company, an adjustment shall be made to the financial statements of the invested entity in accordance with the accounting policies and accounting periods of the Company and recognize the investment profits or losses and other consolidated income. The Company recognizes the net losses of the invested enterprise until the book value of the long-term equity investment and other long-term rights and interests, which substantially form the net investment made to the invested entity, are reduced to zero, unless the Company has the obligation to undertake extra losses. If the invested entity realizes any net profits later, the Company, after the amount of its attributable share of profits offsets against its attributable share of the unrecognized losses, resumes to recognize its attributable share of profits.

（3）When disposing of a long-term equity investment, the Company records the difference between its book value and the actual purchase price in the current profits and losses. For long-term equity investments accounted by using the equity method, the investment should be disposed on the same basis as would be required if the investee directly disposes relevant assets or liabilities, and the part previously recorded into other consolidated income should be proportionately accounted.

3. The basis for determining common control and significant influence on the investee

Common control refers to contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities refer to activities that significantly affect the returns of the arrangement. Significant influence refers to the power to participate in the decision of the financial and operational policies of an enterprise, however with no control or common control with others over the formulation of such policies.

4. The methods for impairment test and impairment provision

The impairment test and impairment provision methods for long-term equity investments are implemented in accordance with the accounting policies concerning "asset impairment" formulated by the Company.

(XII) Fixed assets

Fixed assets are tangible assets held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year.

Fixed assets are only recognized when the economic benefits pertinent to the fixed asset are likely to flow into the Company and the costs of which can be reliably measured. If the subsequent expenses related to a fixed asset meet the above recognition conditions, they shall be included in the cost of fixed asset and the carrying value of the replaced part shall be derecognized; otherwise, they shall be included in the current profits and losses.

The initial measurement of a fixed asset shall be made at its cost. The cost of a purchased fixed asset consists of the purchase price, the relevant taxes, and other expenses that bring the fixed asset to the expected conditions for use and that may be relegated to the fixed asset.

The provision of depreciation of fixed assets is made using the average service life method. The service life, expected net residual value rate, and annual deprecation rate of fixed assets under each category are as follows:

Type of fixed assets	Expected service life	Expected residual value rate	Annual depreciation rate
Office equipment	3	0	33.33%
Other equipment	5	0	20.00%

For components of a fixed asset that have different useful lives or cause economic benefits for the enterprise in different ways, different depreciation rates shall apply.

At least once at the end of each year, this Company will review the service life, estimated net residual value, and the depreciation method of fixed assets, and adjust them if necessary.

(XIII) Intangible assets

The intangible assets of the Company include software licenses, which are accounted for by their costs and amortized in average across different periods based on the service life of the software. When the recoverable amount of intangible assets is lower than their book value, the Company shall write down their book value to the recoverable amount. For expected useful life and amortization method of intangible assets with limited useful life, the Company will conduct a review and make the appropriate adjustment once at the end of each year.

Provision of depreciation in value of intangible assets is carried out in accordance with the accounting policies concerning “asset impairment”.

(XIV) Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for services rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits, and other long-term employment benefits. Benefits provided by the Company to an employee’s spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

1. Short-term benefits

During the accounting period when employees provide services, employee benefits payable is recognized as a liability and recorded into the current profits and losses, with an exception for those involving other requirements stipulated by accounting standards or allowed to be recorded into asset costs.

2. Post-employment benefits

The Company classifies post -employment benefit plans as either defined contribution plans or defined benefit plans. Post-employment benefits are agreements with employees about benefits of employees after their completion of employment, or rules or methods stipulated by the Company for providing benefits to employees after their completion of employment. Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate fund and will have no obligation to pay further contributions. Defined benefit plans are post-employment benefit plans other than the defined contribution plans.

3. Termination benefits

The company should determine the payment to and for staff and account into the current profits and losses on the earlier date of the following circumstances: when the Company cannot unilaterally withdraw an employment relation or the proposal that provides termination benefits; or, when the Company recognizes the costs and expenses concerning the payment of termination benefits.

4. Other long-term employee benefits

When other long-term employee benefits provided by the Company to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan. Otherwise, the Company recognizes and measures the net liability or asset of other long-term employment benefits based on the aforesaid defined contribution plan.

(XV) Expected liabilities

1. Standard for recognizing expected liabilities

The Company recognizes the related obligation of a contingency as an expected liability when the following conditions are satisfied:

（1）That obligation is a present obligation of the Company;

（2）It is likely to cause any economic benefit to flow out of the Company due to the performance of the obligation; and

（3）The amount of the obligation can be measured reliably.

2. The method for the recognition of expected liabilities

The expected liability shall be initially measured according to the best estimate of the necessary expenses for the performance of the present obligation. If there is a continuous range for the necessary expenses and if all the outcomes within this range are equally likely to occur, the best estimate shall be determined according to the middle estimate within the range. In other cases, the best estimate shall be treated according to the following circumstances, respectively:

（1）If the contingency involves a single item, it shall be determined on the basis of the most likely outcome.

（2）If the contingency involves two or more items, the best estimate should be determined according to all the possible outcomes and the relevant probabilities.

To determine the best estimate, the Company takes into full consideration of the risks, uncertainty, time value of money, and other factors pertinent to the Contingencies. If the time value of money is of great significance, the best estimate shall be determined after discounting the relevant future outflow of cash.

When all or some of the expenses necessary for the liquidation of an estimated debts of the Company is expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. The amount recognized for the reimbursement should not exceed the book value of the estimated debts.

The Company checks the book value of the estimated debts on the balance sheet date. If there is any exact evidence indicating that the book value cannot really reflect the current best estimate, the Company adjust the book value in accordance with the current best estimate.

(XVI) Revenues

Revenues are recognized when their relevant economic benefits are likely to flow into the Company and the amount of which can be reliably measured and the following conditions are simultaneously met:

1. Revenues from selling goods

The significant risks and rewards of ownership of the goods have been transferred to the buyer by the enterprise, the Company retains neither the continuous management right with which the ownership was related, nor the effective control over the sold goods, the relevant amount of cost, either incurred or to be incurred, can be measured in a reliable way.

2. Revenues from providing labor services

Revenues from labor services that commences and are completed within the same accounting year are recognized when the remuneration or collection receipt are obtained after the said services are provided.

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, the Company recognizes the service revenue by the use of the percentage of completion method. Otherwise, the revenue should be recognized in accordance with the actually incurred labor costs that are expected to be compensated.

The term that the outcome of a transaction concerning the provision of labor services can be measured in a reliable way means that the following conditions shall be met simultaneously: the amount of revenue can be measured in a reliable way; the relevant economic benefits are likely to flow into the Company; the schedule of completion under the transaction can be confirmed in a reliable way; and the costs incurred or to be incurred in the transaction can be measured in a reliable way.

3. Interest revenues

Interest revenues are recognized through a calculation based on the time when the monetary fund was lent and the effective interest rate.

(XVII) Deferred tax assets and liabilities

The Company employs the balance sheet liability method to carry out the accounting treatment of deferred taxes.

1. Deferred tax assets

（1）When there exists a deductible temporary difference between the carrying value and the tax base of assets or liabilities, the deferred tax profits arising from the deductible temporary difference is calculated and recognized under the limit of the taxable income that may very likely to be obtained in future periods to offset the deductible temporary difference and in accordance with the applicable tax rate during the period when the asset is expected to be recovered or the liability is settled.

(2) At the balance sheet date, if there is positive evidence indicating that sufficient taxable profits can be obtained in the future period to deduct a deductible temporary difference, the unrecognized deferred income tax asset in the previous accounting period shall be recognized.

(3) On the balance sheet date, the book value of deferred income tax assets is reviewed. If no sufficient amount of taxes payable is likely to be acquired to set off the benefits of the deferred income tax assets, the book value of deferred income tax assets will decrease. Once a sufficient amount of taxes payable is likely to be acquired, the decreased amount is reversed.

2. Deferred tax liabilities

When there exists a deductible temporary difference between the carrying value and tax base of assets or liabilities, the deferred tax profits arising from the deductible temporary difference is calculated and recognized in accordance with the applicable tax rate during the period when the asset is expected to be recovered or the liability is settled.

(XVIII) Asset Impairment

At the balance sheet date, the Company makes a judgment on all forms of assets applicable to the Accounting Standards for Enterprises No. 8 – Asset Impairment, including long-term equity investment, fixed assets, and intangible assets (excluding those with uncertain useful life). When there is a sign of impairment, the Company shall carry out an impairment test to estimate the recoverable amount. The recoverable amount is determined in light of the higher one of the net amounts of the fair value of the assets minus the disposal expenses and the current value of the expected future cash flow of the assets. When an asset's recoverable amount is lower than its carrying value, the carrying value of the asset shall be recorded down to the recoverable amount, and the reduced amount shall be recognized as the loss of asset impairment and be recorded as the profit or loss for the current period. Simultaneously, a provision for the asset impairment shall be made accordingly.

Where there is any sign indicating a possible impairment of assets, the Company, on the basis of single item assets, estimates the recoverable amount. Where it is difficult to do so, the Company determines the recoverable amount of the group assets on the basis of the asset group to which the asset belongs.

The term "group assets" refers to a minimum combination of assets that may be recognized by an enterprise, by which the flow-in cash generated shall be generally independent of those by other assets or group assets. Group assets are comprised of relevant assets that give rise to cash flows. The recognition of an asset group is based on whether the main cash inflow generated by the asset group is independent of those generated by other assets or other group assets.

Once any loss of asset impairment is recognized, it shall not be reversed in the future accounting periods.

(XIX) The measurement of fair value

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures relevant assets or liabilities at their fair values, taking into account of the nature of such assets or liabilities; assuming that the transactions of market participants to sell assets or transfer liabilities at the measurement date are orderly transactions under the current market conditions; assuming that the orderly transactions to sell assets or transfer liabilities take place in principal markets; in the absence of a principal market, in the most advantageous market for the asset or liability. The Company adopts the same assumption used by the market participants to maximize the economic benefits when pricing such assets or liabilities.

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The Company determines whether the fair value at the initial recognition equals the transaction price based on the nature of transaction and characteristics of relevant assets or liabilities; where the transaction price is not equal to the fair value, relevant gains or losses are recorded into the current profits and losses, unless otherwise provided by relevant accounting standards.

The Company measures non-financial assets at their fair values, taking into account the market participant's ability to generate economic benefits by using the asset in its highest and best utilization, or by selling it to another market participant that would use the asset in its highest and best utilization. A fair value measurement of liabilities assumes that a liability is transferred to another market participant at the measurement date and that the liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. A fair value measurement of the Company's own equity instrument assumes that the said own equity instrument is transferred to a market participant at the measurement date, the equity instrument would remain outstanding, and the market participant transferee would take on the rights and responsibilities associated with the instrument and be required to fulfil the obligation.

V. Major taxes and deductibles

Tax	Tax rate	Tax base
VAT	5%, 6%, 10%, 12%	The amount of output tax is calculated based on the revenues from selling goods and taxable labor services in accordance with the provisions of tax law, which is deducted by the input tax amount allowed to be offset during the current period. The difference is the VAT payable.
Income tax	16.5%, 20%, 24%, 25%, 30%	Taxable income

VI. Business combination and accounting statements

(I) Information of subsidiaries

Company name	Business type	Place of registration	Principal place of operation	Paid-in capital	Investment percentage	Means of acquisition
Yanxin Tech (Shenzhen) Co., Ltd.	Domestic non-financial subsidiary	China	China	RMB 1 million	100%	Established via investment
Shenzhen StreetCorner E-commerce Co., Ltd.	Domestic non-financial subsidiary	China	China	RMB 10 million	100%	Established via investment
Rockcore Information Technology Limited	Foreign subsidiary	Hong Kong	Hong Kong	HKD 10,000	100%	Established via investment

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Company name	Business type	Place of registration	Principal place of operation	Paid-in capital	Investment percentage	Means of acquisition
Streetcorner Ecommerce Limited	Foreign subsidiary	Hong Kong	Hong Kong	USD 14.13 million	100%	Established via investment
Beijing Yanxin Tech Co., Ltd.	Domestic non-financial subsidiary	China	China	RMB 100000	100%	Established via investment
Silvrr Vision Limited Liability Company	Foreign subsidiary	Vietnam	Vietnam	VND 10 million	100%	Established via investment
Streetcorner Ecommerce SDN BHD	Foreign subsidiary	Malaysia	Malaysia	RM 500,000	100%	Established via investment
Rockcore Ecommerce Service Limited	Foreign subsidiary	Hong Kong	Hong Kong	HKD 10,000	100%	Established via investment
Rockcore Financial Technology Co., Ltd	Foreign subsidiary	Cayman	Cayman	USD 50,000	100%	Established via investment
Akulaku Online Service Private Limited	Foreign subsidiary	India	India	INR 10 million	100%	Established via investment
Streetcorner Lending Corp.	Foreign subsidiary	Philippines	Philippines	PHP 1.25 million	100%	Established via investment
PT Silvrr Artha Indonesia	Foreign subsidiary	Indonesia	Indonesia	IDR11,000 million	100%	Established via investment
PT Akulaku Silvrr Indonesia	Foreign subsidiary	Indonesia	Indonesia	DR101,000 million	100%	Established via investment
Streetcorner Finance Co., Inc.	Foreign subsidiary	Philippines	Philippines	PHP 10 million	100%	Established via investment
Streetcorner Remittance Corp	Foreign subsidiary	Philippines	Philippines	PHP 10 million	100%	Established via investment
Streetcorner Finance PVT LTD ICIC	Foreign subsidiary	India	India	INR 100,000	100%	Established via investment
Silvrr Ecommerce Inc.	Foreign subsidiary	Philippines	Philippines	PHP 9.5 million	100%	Established via investment
PT Pintar Belanja Indonesia	Foreign subsidiary	Indonesia	Indonesia	IDR 1,000 million	100%	Established via investment
PT Pintar Inovasi Digital	Foreign subsidiary	Indonesia	Indonesia	IDR 2,500 million	100%	Established via investment

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Company name	Business type	Place of registration	Principal place of operation	Paid-in capital	Investment percentage	Means of acquisition
PT Akulaku Finance Indonesia	Foreign subsidiary	Indonesia	Indonesia	IDR 100,000 million	100%	Established via investment
PT Klik Digital Indonesia	Foreign subsidiary	Indonesia	Indonesia	IDR 20,000 million	100%	Established via investment
Akulaku voyage	Foreign subsidiary	Vietnam	Vietnam	VND 10 million	100%	Established via investment
Rockcore Vista	Foreign subsidiary	Vietnam	Vietnam	USD 1 million	100%	Established via investment
Vi Than Tai Co., Ltd	Foreign subsidiary	Vietnam	Vietnam	VND 2,330 million	100%	Established via investment
Kwago Inc	Foreign subsidiary	Philippines	Philippines	PHP 400,000	100%	Established via investment
PT Aku Grosir Indonesia	Foreign subsidiary	Indonesia	Indonesia	IDR 255 million	100%	Established via investment
Shenzhen Douzi Tech Co., Ltd.	Domestic non-financial subsidiary	China	China	RMB 1 million	100%	Established via investment

VII. Notes to major items in the consolidated accounting statements

(I) Monetary funds

1. Classification of monetary funds

Item	Ending balance	Beginning balance
Cash on hand	47,463.20	28,262.28
Bank deposits	76,726,369.34	17,406,005.09
Total	**76,773,832.54**	**17,434,267.37**

(II) Financial assets measured at fair values whose variations are recorded into current profits and losses of Current Period

Item	Ending balance	Beginning balance
Refer to financial assets measured at fair values whose variations are recorded into current profits and losses	287,381.01	-
Where: financing hedge funds	287,381.01	-
Total	**287,381.01**	-

Notes: Streetcorner Ecommerce, a subsidiary, purchased foreign currency hedging instrument in 2018 at the cost price of USD 1.1178 million. As of December 31, 2018, the market value of such a hedging instrument was USD 0.2874 million.

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(III) Notes receivable and accounts receivable

Item	Ending balance	Beginning balance
Notes receivable	-	-
Accounts receivable	69,653,107.54	32,692,147.85
Total	**69,653,107.54**	**32,692,147.85**

1. Accounts receivable

(1) Accounts receivable presented by category

Category	Ending amount			Beginning amount		
	Book value	Percentage (%)	Bad debt provision	Book balance	Percentage (%)	Bad debt provision
Accounts receivable whose bad debt provision are made by specific combinations	7,742,523.27	8.05	-	4,297,492.87	8.87	-
Accounts receivable whose bad debt provision are made by migration model method	88,404,123.61	91.95	26,493,539.34	44,149,846.41	91.13	15,755,191.43
Total	**96,146,646.88**	**100.00**	**26,493,539.34**	**48,447,339.28**	**100.00**	**15,755,191.43**

(2) Accounts receivable whose bad debt provision are made by specific combinations

Item	Ending balance	Beginning balance
Gateway transaction accounts receivable	7,519,513.63	3,875,526.23
Accounts receivable from mall customers	69,271.76	-
Others	153,737.88	421,966.64
Total	**7,742,523.27**	**4,297,492.87**

(3) Accounts receivable whose bad debt provision are made by migration model method:

Account age	Ending balance		Beginning balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Installment business	66,782,290.24	16,985,560.91	40,648,748.23	15,755,191.43
Cash loan business	21,621,833.37	9,507,978.43	3,501,098.18	-
Total	**88,404,123.61**	**26,493,539.34**	**44,149,846.41**	**15,755,191.43**

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(IV) Advances to suppliers

Account age	Ending balance		Beginning balance	
	Amount	Bad debt provision	Amount	Bad debt provision
Suppliers	1,923,739.44	-	43,364.66	-
Rent	1,091,988.37	-	92,385.73	-
Xendit top-up	905,289.48	-	143,000.79	-
Iris top-up	281,065.14	-	528,199.39	-
Others	313,395.31	-	50,976.06	-
Total	**4,515,477.74**	**-**	**857,926.63**	**-**

(V) Other receivables

Item	Ending balance		Beginning balance	
	Book balance	Bad debt provision	Book balance	Bad debt provision
Other receivables	6,609,182.39	-	3,296,265.37	-
Total	**6,609,182.39**	**-**	**3,296,265.37**	**-**

1. Details of other account receivables

Item	Ending balance	Beginning balance
Security deposit	3,205,171.79	167,099.30
Security deposit for borrowings	1,791,719.82	2,887,832.25
Personal borrowing	937,616.86	43,720.06
Taxes withheld for third parties	104,329.28	-
Others	570,344.64	197,613.76
Total	**6,609,182.39**	**3,296,265.37**

(VI) Inventories

Item	Ending balance			Beginning balance		
	Book balance	Provision for decline in value	Book value	Book balance	Provision for decline in value	Book value
Physical goods	6,083,337.53	-	6,083,337.53	6,671,853.53	-	6,671,853.53
Virtual goods	76,127.41	-	76,127.41	1,015,238.26	-	1,015,238.26
Total	**6,159,464.94**	**-**	**6,159,464.94**	**7,687,091.79**	**-**	**7,687,091.79**

(VII) Other current assets

Item	Ending balance	Beginning balance
Input tax to be deducted	127,905.36	-
Prepayment	749,417.61	923,997.66
Total	**877,322.97**	**923,997.66**

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(VIII) Fixed assets

Item	Ending balance	Beginning balance
Fixed assets	659,744.44	253,294.66
Total	**659,744.44**	**253,294.66**

1. Fixed assets

Variations in fixed assets in 2017 are as follows:

Category	Beginning balance	Increase in current period	Decrease in current period	Ending balance
1. Cost of fixed assets	126,028.58	196,325.05	-	322,353.63
Office and other equipment	126,028.58	196,325.05	-	322,353.63
2. Accumulated depreciation	23,701.00	45,357.97	-	69,058.97
Office and other equipment	23,701.00	45,357.97	-	69,058.97
3. Provision for impairment	-	-	-	-
Office and other equipment	-	-	-	-
4. Net book value	102,327.58	150,967.08	-	253,294.66
Office and other equipment	102,327.58	150,967.08	-	253,294.66

Variations in fixed assets in 2018 are as follows:

Category	Beginning balance	Increase in current period	Decrease in current period	Ending balance
1. Cost of fixed assets	322,353.63	585,015.49	-	907,369.12
Office and other equipment	322,353.63	585,015.49	-	907,369.12
2. Accumulated depreciation	69,058.97	178,565.71	-	247,624.68
Office and other equipment	69,058.97	178,565.71	-	247,624.68
3. Provision for impairment	-	-	-	-
Office and other equipment	-	-	-	-
4. Net book value	253,294.66	406,449.78	-	659,744.44
Office and other equipment	253,294.66	406,449.78	-	659,744.44

Silvrr Technology Co., Ltd. All amounts are denominated in USD unless otherwise indicated

(IX) Intangible assets:

Variations in intangible assets in 2017 are as follows:

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
1. Cost of intangible assets	-	20,249.15	-	20,249.15
Software	-	20,249.15	-	20,249.15
Non-patented technology	-	-	-	-
2. Accumulated amortization	-	-	-	-
Software	-	-	-	-
Non-patented technology	-	-	-	-
3. Provision for impairment	-	-	-	-
Software	-	-	-	-
Non-patented technology	-	-	-	-
4. Net book value	-	20,249.15	-	20,249.15
Software	-	20,249.15	-	20,249.15
Non-patented technology	-	-	-	-

Variations in intangible assets in 2018 are as follows:

Item	Beginning balance	Increase in current period	Decrease in current period	Ending balance
1. Cost of intangible assets	20,249.15	211,280.02	-	231,529.17
Software	20,249.15	170,482.72	-	190,731.87
Non-patented technology	-	40,797.30	-	40,797.30
2. Accumulated amortization	-	8,235.79	-	8,235.79
Software	-	8,235.79	-	8,235.79
Non-patented technology	-	-	-	-
3. Provision for impairment	-	-	-	-
Software	-	-	-	-
Non-patented technology	-	-	-	-
4. Net book value	20,249.15	203,044.23	-	223,293.38
Software	20,249.15	162,246.93	-	182,496.08
Non-patented technology	-	40,797.30	-	40,797.30

(X) Short-term borrowings

1. Classification of short-term borrowings

Item	Ending balance	Beginning balance
Secured Loans	40,410,078.58	40,483,231.74
Total	**40,410,078.58**	**40,483,231.74**

The detailed short-term borrowings are as follows:

Silvrr Technology Co., Ltd. All amounts are denominated in USD unless otherwise indicated

(XIV) Taxes and fees payable

Item	Ending balance	Beginning balance
VAT	1,384,584.98	2,056,793.62
Corporate income tax	303,708.56	-
Individual income tax	64,075.70	-
Total	**1,752,369.24**	**2,056,793.62**

(XV) Other payables

Item	Ending balance	Beginning balance
Interests payable	336,991.07	287,925.28
Other payables	1,468,611.09	467,335.55
Total	**1,805,602.16**	**755,260.83**

1. Interests payable

Item	Ending balance	Beginning balance
Interests of loans	336,991.07	287,925.28
Total	**336,991.07**	**287,925.28**

2. Other payables

Other payables are presented by their nature:

Item		Ending balance	Beginning balance
Payables to non-related parties		**1,468,611.09**	**467,335.55**
Where:	Temporary receipts payable	605,073.64	-
	Temporary borrowings payable	393,575.42	4,026.28
	Social security and housing provident fund payable	6,074.49	-
	Security deposits and earnest money	215.45	6,838.48
	Others	463,672.09	456,470.79
Total		**1,468,611.09**	**467,335.55**

(XVI) Long-term borrowings

Item	Ending balance	Beginning balance
Secured loans	1,965,517.20	3,000,000.00
Total	**1,965,517.20**	**3,000,000.00**

The Company entered into a Loan Contract with Innoven Capital Singapore Pte. Ltd. on November 20, 2017 providing a principal amounting to USD 3 million over the period of 30 months at an interest rate of 9.25%. As of December 31, 2018, the balance of unpaid balance was USD 1,965,517.20.

Silvrr Technology Co., Ltd. All amounts are denominated in USD unless otherwise indicated

(XVII) Paid-in capital

Item	Ending balance	Beginning balance
Paid-in capital	50,000.00	50,000.00
Total	**50,000.00**	**50,000.00**

The registered capital of the Company is USD 50,000, which was originally invested by Yanxin Technology Co., Limited and Douzi Technology Co., Limited. After the seed, A, A-2, B, C and D financing rounds from 2016 to 2018, the equity structure of the Company as of December 31, 2018 is as follows:

No.	Name of shareholder	Number of shares	Percentage
1	Yanxin Technology Co., Limited	5,125,000	8.16%
2	Douzi Technology Co., Limited	1,708,333	2.72%
3	IDG Technology Venture Investment V, L.P.	4,393,164	7.00%
4	CGC Ace Honor Limited	2,444,444	3.89%
5	DCM Ventures China Fund (DCM VII), L.P.	7,207,875	11.48%
6	Arbor Venture Fund I, L.P.	4,570,588	7.28%
7	FIL Capital Investments (Mauritius) II Limited	4,159,578	6.62%
8	Welight Capital, L.P.	1,613,728	2.57%
9	Qiming Venture Partners V, L.P.	3,586,879	5.71%
10	LC Fund VII, L.P.	3,596,785	5.73%
11	FinUp Capital (Global) Limited	533,797	0.85%
12	Blue Sky	1,627,693	2.59%
13	SCI Investments V	1,627,693	2.59%
14	SPD Silicon Valley Bank Co. Ltd	173,316	0.28%
15	Innoven Capital Singapore Pte. Ltd.	69,326	0.11%
16	Antfin (Hong Kong) Holding Limited	12,558,076	20.00%
17	ESOP	7,794,107	12.41%
	Total	**62,790,382**	**100.00%**

(XVIII) Capital reserves

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Captial reserve (capital surplus)	43,782,628.87	136,332,784.98	-	180,115,413.85
Total	**43,782,628.87**	**136,332,784.98**	-	**180,115,413.85**

As of December 31, 2018, the Company has received investment amounting to USD180,165,422.85, where USD50,000.00, amounting to 62,790,382 shares, was recorded into paid-in capital, and USD 180,115,413.85 was recorded into capital reserve as capital surplus.

Silvrr Technology Co., Ltd. All amounts are denominated in USD unless otherwise indicated

(XIX) Other comprehensive income

Item	Beginning balance	Amount incurred before income tax in the current period	Less: income tax expenses	Ending balance
Converted difference in foreign currency statements	-132,123.23	1,438,663.23	-	1,306,540.00
Total	**-132,123.23**	**1,438,663.23**	**-**	**1,306,540.00**

(XX) Retained earning

Item	Current period	Previous period
Retained earning at the beginning of the period	-32,322,406.61	-8,367,926.84
Add: net profits of the current period	-41,854,044.92	-23,954,479.77
Retained earning at the end of the period	-74,176,451.53	-32,322,406.61

(XXI) Operating revenues

Business type	Amount incurred in the current period	Amount incurred in the previous period
Sales of goods	64,690,374.02	44,997,842.47
Revenue from handling fees	2,840,441.17	1,595,193.65
Installment interests	36,442,321.64	11,448,056.98
Cash loan interests	35,053,834.43	396,239.64
Revenue from penalty interest	4,467,060.70	936,717.07
Revenue from service fees	6,106.92	-
Others	14,268.00	-
Total	**143,514,406.88**	**59,374,049.81**

(XXII) Operating costs

Business type	Amount incurred in the current period	Amount incurred in the previous period
Sales of goods	66,783,512.18	43,162,286.50
Handling fees	301,462.98	-
Fund costs	5,700,881.50	3,819,824.67
Others	21,402.00	17,291.86
Total	**72,807,258.66**	**46,999,403.03**

Silvrr Technology Co., Ltd. All amounts are denominated in USD unless otherwise indicated

(XXIII) Sales expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Advertising and publicity fees	22,601,308.61	6,684,256.16
Outsourcing fees	7,008,734.57	1,215,587.35
Coupons	3,834,234.54	706,980.15
Communication fees	1,255,819.88	161,738.07
Courier fees	757,115.23	826,907.74
Insurance fees	642,195.60	493.56
Others	387,433.72	124,255.54
Total	**36,486,842.15**	**9,720,218.57**

(XXIV) General & Administration expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Compensation fees	18,697,986.27	6,616,120.97
Office expenditure	3,639,487.77	1,623,291.08
Intermediary consultancy fees	3,780,882.30	1,562,160.43
Development costs	2,034,291.62	404,840.40
Traveling expenses	657,856.92	317,057.04
Depreciation of fixed assets	187,983.96	44,929.99
Amortization of intangible assets	8,443.13	-
Others	33,913.77	14,547.10
Total	**29,040,845.74**	**10,582,947.01**

(XXV) Financial expenses

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	1,091,186.39	182,169.59
Interest revenue	-157,059.43	-3,307.94
Net exchange loss	4,521,218.14	268,679.16
Other financial expenses	5,410,791.73	767,181.06
Total	**10,866,136.83**	**1,214,721.87**

(XXVI) Asset impairment loss

Item	Amount incurred in the current period	Amount incurred in the previous period
Provision for bad debts	12,536,342.09	14,797,954.40
Total	**12,536,342.09**	**14,797,954.40**

Silvrr Technology Co., Ltd. All amounts are denominated in USD unless otherwise indicated

(XXXII) Consolidated cash flow statement

1. Supplementary information of cash flow statement

Supplementary information	Amount incurred in the current period	Amount incurred in the previous period
1. Net profit adjusted as cash flow of operating activities:		
Net profit	-41,854,044.93	-23,954,479.77
Add: provision for asset impairment	12,536,342.09	14,797,954.40
Fixed asset depreciation	187,983.96	44,929.99
Amortization of intangible assets	8,443.13	-
Loss on changes in fair value	830,418.99	-
Financial expenses	12,122,171.43	4,674,413.46
Decrease in deferred income tax assets	-73,424.11	-
Decrease in inventories	1,527,626.85	-6,104,126.52
Decrease in operating receivables	-55,213,323.17	-37,704,498.94
Increase in operating payables	8,601,771.88	4,718,090.27
Net cash flow generated by operating activities	**-61,326,033.88**	**-43,527,717.11**
2. Significant investment and financing activities not involving cash income or expenditure:		
Debt-to-capital conversion	-	-
Convertible corporate bonds maturing in less a year	-	-
Fixed assets acquired under finance leases	-	-
3. Changes in cash and cash equivalents		
Ending balance of cash	76,773,832.54	17,434,267.37
Less: Beginning balance of cash	17,434,267.37	3,004,274.04
Add: Ending balance of cash equivalents	-	-
Less: Beginning balance of cash equivalents	-	-
Net increase in cash and cash equivalents	59,339,565.17	14,429,993.33

2. Disclosure of information about cash and cash equivalents:

Item	Ending balance	Beginning balance
I. Cash	76,773,832.54	17,434,267.37
Where: Cash on hand	47,463.20	28,262.28
Bank deposits readily for payments	76,726,369.34	17,406,005.09
II. Cash equivalents	-	-
III. Ending balance of cash and cash equivalents	76,773,832.54	17,434,267.37

VIII. Contingencies

As of December 31, 2018, the Company hasn't any significant contingencies to be disclosed.

IX. Events after the balance sheet date

As of the audit report date, the Company hasn't any significant events after the balance sheet date to be disclosed.

X. Approval of the financial statements

The consolidated accounting statements of 2018 were approved by the board of directors of the Company.

Silvrr Technology Co., Ltd.
Legal representative:
May 31, 2019