

# **Auditor's Report**

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**Anhui HiTeC Plastics Co., Ltd.**

**Rong Cheng Shen Zi [2020]No.201F0336**

**RSM China CPA LLP**

**China, Shanghai**

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

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## AUDITORS' REPORT

Rong Cheng Shen Zi [2020] No. 201F0336

To the Board of Anhui HiTeC Plastics Co., Ltd.,

### 1. Opinion

We have audited the financial statements of Anhui HiTeC Plastics Co., Ltd. (the Company), which comprise the statement of financial position as at 31 December, 2019, and the income and profit appropriation statement, and cash flow statement for the period from 22 November 2018 (Date of incorporation) to 31 December 2019, and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019 and of its financial performance and its cash flows for the period from 22 November 2018 (Date of incorporation) to 31 December 2019 in accordance with the Accounting System for Business Enterprises.

### 2. Basis for opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with China Code of Ethics for Certified Public Accountants ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 3. Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Accounting System for Business Enterprises, and designing, implementing and maintaining internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **4. Auditor's responsibilities for the audit of the financial statements**

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

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

- 1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the Company to cease to continue as a going concern.

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

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

RSM China CPA LLP  
China, Shanghai

## Balance Sheet

2019/12/31

Company: Anhui HiTeC Plastics Co., Ltd.

RMB

| Item  | Note | Closing balance      |
|---|------|----------------------|
| <b>Current assets:</b>                          |      |                      |
| Cash at bank and on hand                        | 6.1  | 11,668,121.62        |
| Short-term investments                          |      |                      |
| Notes receivable                                |      |                      |
| Dividends receivable                            |      |                      |
| Interest receivable                             |      |                      |
| Accounts receivable                             |      |                      |
| Other receivables                               |      | 599.00               |
| Advances to suppliers                           |      |                      |
| Subsidies Receivable                            |      |                      |
| VAT refunds receivable on export sales          |      |                      |
| Inventories                                     |      |                      |
| Prepaid expenses                                |      |                      |
| Long-term debt investment due within one year   |      |                      |
| Other current assets                            |      |                      |
| <b>Sub-total of current assets</b>              |      | <b>11,668,720.62</b> |
| <b>Long-term investments:</b>                   |      |                      |
| Long-term equity investments                    |      |                      |
| Long-term debt investments                      |      |                      |
| <b>Sub-total of long-term investments</b>       |      |                      |
| <b>Fixed assets:</b>                            |      |                      |
| Fixed assets-cost                               |      |                      |
| Less: Accumulated depreciation                  |      |                      |
| Fixed assets-net book value                     |      |                      |
| Less: Provision for impairment of fixed assets  |      |                      |
| Fixed assets-net                                |      |                      |
| Construction materials                          |      |                      |
| Construction in progress                        | 6.2  | 7,772,908.76         |
| Fixed assets held for disposal                  |      |                      |
| <b>Sub-total of fixed assets</b>                |      | <b>7,772,908.76</b>  |
| <b>Intangible and other assets:</b>             |      |                      |
| Intangible assets                               |      |                      |
| Long-term deferred expenses                     | 6.3  | 558,411.42           |
| Other long-term assets                          |      |                      |
| <b>Sub-total of intangible and other assets</b> |      | <b>558,411.42</b>    |
| <b>Deferred taxes:</b>                          |      |                      |
| Deferred tax assets                             |      |                      |
| <b>TOTAL ASSETS</b>                             |      | <b>20,000,040.80</b> |

## Balance Sheet (Continued)

2019/12/31

Company: Anhui HiTeC Plastics Co., Ltd.

RMB

| Item  | Note | Closing balance |
|---|------|-----------------|
| <b>Current liabilities:</b>                         |      |                 |
| Short-term loans                                    |      |                 |
| Notes payable                                       |      |                 |
| Accounts payable                                    |      |                 |
| Advances from customers                             |      |                 |
| Accrued payroll                                     |      |                 |
| Staff welfare payable                               |      |                 |
| Dividends payable                                   |      |                 |
| Interest payable                                    |      |                 |
| Taxes payable                                       | 6.4  | 40.80           |
| Other amount payables                               |      |                 |
| Other payables                                      |      |                 |
| Accrued expenses                                    |      |                 |
| Provisions  |      |                 |
| Deferred income                                     |      |                 |
| Long-term liabilities due within one year           |      |                 |
| Other current liabilities                           |      |                 |
| <b>Sub-total of current liabilities</b>             |      | 40.80           |
| <b>Long-term liabilities:</b>                       |      |                 |
| Long-term borrowings                                |      |                 |
| Bonds payable                                       |      |                 |
| Long-term payables                                  |      |                 |
| Special payables                                    |      |                 |
| Other long-term liabilities                         |      |                 |
| <b>Sub-total of long-term liabilities</b>           |      |                 |
| <b>Deferred taxes:</b>                              |      |                 |
| Deferred tax liabilities                            |      |                 |
| <b>TOTAL LIABILITIES</b>                            |      | 40.80           |
| <b>Owners' equity</b>                               |      |                 |
| Paid-in capital                                     | 6.5  | 20,000,000.00   |
| Surplus reserve                                     |      |                 |
| Undistributed profit                                |      |                 |
| Inc: Profit allocation after the balance sheet date |      |                 |
| Currency exchange differences                       |      |                 |
| <b>TOTAL OWNERS' EQUITY</b>                         |      | 20,000,000.00   |
| <b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>         |      | 20,000,040.80   |

Legal representative: Verroios Pavlos Chief Financial Officer: Peng Zhaohui Chief Accountant: Peng Zhaohui

## Profit and Profit Distribution Statement

From 22 November 2018 (Date of incorporation) to 31 December 2019

Company: Anhui HiTeC Plastics Co., Ltd.

RMB

| Item   | Note | Current Period |
|--|------|----------------|
| <b>1. Revenue from principal operations</b>                                      |      |                |
| Less: Cost of principal operations   |      |                |
| Taxes and surcharge  |      |                |
| <b>2. Profit from principal operations</b>                                       |      |                |
| Add: Profit from other operations  |      |                |
| Less: Operating expenses   |      |                |
| General and administrative expenses  |      |                |
| Inc: Entertainment fee   |      |                |
| Research and development fee   |      |                |
| Financial expenses   |      |                |
| Inc: Interest expenses   |      |                |
| Interest income  |      |                |
| Exchange gains   |      |                |
| <b>3. Operating profit</b>   |      |                |
| Add: Investment income/(loss)  |      |                |
| Inc: Investments income in associated companies and joint ventures               |      |                |
| Subsidy income   |      |                |
| Non-operating revenue  |      |                |
| Inc: Gains from non-current assets disposal                                      |      |                |
| Non-monetary assets exchange gains   |      |                |
| Governmental subsidy   |      |                |
| Debt restructuring gains   |      |                |
| Less: Non-operating expenses   |      |                |
| Inc: Losses from non-current assets disposal                                     |      |                |
| Non-monetary assets exchange losses  |      |                |
| Debt restructuring losses  |      |                |
| <b>4. Profit before income tax</b>   |      |                |
| Less: Income tax   |      |                |
| <b>5. Net profit</b>   |      |                |
| Add: Undistributed profit at the beginning of the year                           |      |                |
| Other transfer-in  |      |                |
| <b>6. Profit to be distributed</b>   |      |                |
| Less: Appropriation of reserve fund  |      |                |
| Appropriation of enterprise expansion fund                                       |      |                |
| Appropriation of employee welfare and bonus fund                                 |      |                |
| Profit capitalised on return of investment                                       |      |                |
| <b>7. Profit to be distributed to investors</b>                                  |      |                |
| Less: Distributed profits  |      |                |
| Transfer to paid-in capital  |      |                |
| <b>8. Undistributed profit</b>   |      |                |
| <b>Supplementary information:</b>  |      |                |
| 1. Gain on sale and disposal of a business segment or an investee enterprise     |      |                |
| 2. Losses arising from natural disasters   |      |                |
| 3. Increase/(decrease) in total profit due to [a] change(s) in accounting policy |      |                |
| 4. Increase/(decrease) in total profit due to a change in accounting estimate    |      |                |
| 5. Losses arising from debt restructuring  |      |                |
| 6. Others  |      |                |

Legal representative: Verroios Pavlos    Chief Financial Officer: Peng Zhaohui    Chief Accountant: Peng Zhaohui



## Cash Flow Statement

From 22 November 2018 (Date of incorporation) to 31 December 2019

Company: Anhui HiTeC Plastics Co., Ltd.

RMB

| Item  | Note | Current Period |
|---|------|----------------|
| <b>1. Cash flows from operating activities</b>  |      |                |
| Cash received from the sale of goods or rendering of services                                     |      |                |
| Refunds of taxes  |      |                |
| Other cash received relating to operating activities  |      |                |
| <b>Sub-total of cash inflows</b>  |      |                |
| Cash paid for goods and services  |      |                |
| Cash paid to and on behalf of employees   |      | 49,408.00      |
| Cash paid for all types of taxes  |      |                |
| Other cash paid relating to operating activities  |      | 509,561.62     |
| <b>Sub-total of cash outflows</b>   |      | 558,969.62     |
| <b>Net cash flows from operating activities</b>   |      | -558,969.62    |
| <b>2. Cash flows from investing activities</b>  |      |                |
| Cash received from disposal of investments  |      |                |
| Cash received from return on investments  |      |                |
| Net cash received from the disposal of fixed assets, intangible assets and other long-term assets |      |                |
| Other cash received relating to investing activities  |      |                |
| <b>Sub-total of cash inflows</b>  |      |                |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets           |      | 7,772,908.76   |
| Cash paid for acquisition of investments  |      |                |
| Other cash paid relating to investing activities  |      |                |
| <b>Sub-total of cash outflows</b>   |      | 7,772,908.76   |
| <b>Net cash flows from investing activities</b>   |      | -7,772,908.76  |
| <b>3. Cash flows from financing activities</b>  |      |                |
| Cash received from investors  |      | 20,000,000.00  |
| Cash received from borrowings   |      |                |
| Other cash received relating to financing activities  |      |                |
| <b>Sub-total of cash inflows</b>  |      | 20,000,000.00  |
| Cash repayments of borrowings   |      |                |
| Cash paid for dividends, profits distribution or interest expenses                                |      |                |
| Other cash paid relating to financing activities  |      |                |
| <b>Sub-total of cash outflows</b>   |      |                |
| <b>Net cash flows from financing activities</b>   |      | 20,000,000.00  |
| <b>4. Effect of foreign exchange rate changes on cash</b>   |      |                |
| <b>5. Net increase in cash and cash equivalents</b>   |      |                |
|   |      | 11,668,121.62  |

Legal representative: Verroios Pavlos    Chief Financial Officer: Peng Zhaohui    Chief Accountant: Peng Zhaoh

## Cash Flow Statement (Continued)

From 22 November 2018 (Date of incorporation) to 31 December 2019

Company: Anhui HiTeC Plastics Co., Ltd.

RMB

| Item   | Note | Current Period       |
|--|------|----------------------|
| <b>Supplementary information:</b>  |      |                      |
| <b>1. Reconciliation of net profit to cash flows from operating activities</b>             |      |                      |
| Net profit   |      |                      |
| Add: Provision for impairment of assets  |      |                      |
| Depreciation of fixed assets   |      |                      |
| Amortisation of intangible assets  |      |                      |
| Amortisation of long-term deferred expenses  |      |                      |
| Decrease / (increase) in prepaid expenses  |      |                      |
| Increase / (decrease) in accrued expenses  |      |                      |
| Losses / (gains) on disposal of fixed assets, intangible assets and other long-term assets |      |                      |
| Losses on disposals of fixed assets  |      |                      |
| Financial expenses   |      |                      |
| Losses / (gains) arising from investments  |      |                      |
| Deferred tax credit / (debit)  |      |                      |
| Decrease / (increase) in gross inventories   |      |                      |
| Decrease / (increase) in gross operating receivables                                       |      |                      |
| Increase / (decrease) in operating payables  |      | -559,010.42          |
| Others   |      | 40.80                |
| <b>Net cash flows from operating activities</b>  |      | <b>-558,969.62</b>   |
| <b>2. Investing and financing activities not involving cash flows</b>                      |      |                      |
| Conversion of debt into capital  |      |                      |
| Acquisition of fixed assets under finance leases   |      |                      |
| <b>3. Net increase in cash and cash equivalents</b>  |      |                      |
| Cash at the end of the year  |      | 11,668,121.62        |
| Less: Cash at the beginning of the year  |      |                      |
| Add: Cash equivalents at the end of the year   |      |                      |
| Less: Cash equivalents at the beginning of the year  |      |                      |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                              |      | <b>11,668,121.62</b> |

Legal representative: Verroios Pavlos    Chief Financial Officer: Peng Zhaohui    Chief Accountant: Peng Zhaohui

**Anhui HiTeC Plastics Co., Ltd.**

**Notes to the financial statements**

**For the period from 29 November 2018 (Date of incorporation) to 31 December 2019**

**(Unless otherwise stated, the reporting currency stated in this report is Renminbi (“RMB”))**

**1. COMPANY STATUS**

Anhui HiTeC Plastics Co., Ltd. (the "Company") is a foreign-invested enterprise invested by Shanghai HiTeC Plastics Co., Ltd. and registered in Maanshan City and County, Anhui Province on November 22, 2018. The operating period is from the date of establishment to no fixed period. The registered capital is RMB 120,000,000.00.

The company's approved business scope is the production of multi-functional films, geomembranes, plastic pipes and masterbatch for agricultural greenhouses and other purposes; self-operated and agent import and export of various goods or technologies. (Except for commodities and technologies that are restricted by the state to operate or prohibited from importing and exporting) (all above business which refer to administrative approval is operated under licenses).

The financial statements have been approved by the legal representative of the Company on April 30, 2020.

**2. Basis of preparation**

**(1) Basis of preparation**

The financial statements have been prepared in accordance with the requirements of the Accounting System for Business Enterprises and its Supplementaries.

**(2) Going concern**

The company evaluated the company's ability to continue operations for 12 months from the end of the reporting period and found no issues affecting the company's ability to continue operations. It is reasonable for the company to prepare its financial statements on the basis of continuing operations.

**3. PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**

**3.1 Accounting policies**

The Company's financial statements are in conformity with the Accounting Regulations for Business Enterprises and its Supplementaries.

### **3.2 Accounting year**

The Company has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December. The accounting year of the Company is from 22 November 2018 to 31 December 2019.

### **3.3 Reporting currency**

The Company's reporting currency is renminbi ("RMB") and these financial statements are also presented in RMB. Unless otherwise stated, the reporting currency stated in this report is RMB.

### **3.4 Basis of preparation and measurement basis**

The financial statements of the Company have been prepared on an accrual basis. Unless otherwise stated, the measurement basis used is historical cost. All the assets of the Company are initially measured at actual cost. Subsequently, if there is any asset impairment incurs, the provision is recognized according to the Accounting Regulations for Business Enterprises.

### **3.5 Translation of foreign currencies**

#### Accounting treatment of foreign currency transactions

Transactions denominated in foreign currencies are translated into RMB at the exchange rate prevailing at the beginning of the month in which the transaction occurs that quoted by the People's Bank of China. The balances of all foreign currency accounts are restated into RMB at the exchange rate prevailing at the end of an accounting period. The difference between the amounts restated into RMB and the amount recorded in RMB are accounted for in the income statement as exchange gains or losses of the period.

Foreign currency capital is translated into RMB at the exchange rate prevailing at the date of transactions/joint capital/contractual exchange rate. Because of the different translation method, the amount difference between the related assets accounts and the paid-in capital account is recorded in capital reserve account.

### **3.6 Cash equivalents**

Cash equivalents represent short-term, highly liquid investments, which are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

### **3.7 Receivables and provision for bad and doubtful debts**

Receivables include accounts receivable and other receivables. The allowance

method is adopted to account for bad debts including account receivable and other receivables, the same below. The Company's accounts receivable are accounted with bad debt provision.

(1)Accounts receivable

Including the affiliated party accounts receivable and accounts receivable not affiliated parties. For accounts receivable, due to the significant differences in collectability between the non-related party and related parties account, the provision for bad debts is based on their judgment of collectability of an individual receivable.

For the accounts receivable and notes receivable without transferred to financial institutions or discounted without reclaimed, which shall be deemed to have received cash from the purchaser or the receiving service. The difference between the amount of the transaction deduct the transferred trade receivables and notes receivables and the related taxes and fees, which recognized in the income statement of the period.

(2)The recognition criteria of provision

The Company carries out an inspection, on the balance sheet day, on the carrying amount of accounts receivable; where there is any objective evidence described below proving that such accounts receivable has been impaired, an impairment provision is made:

- ① The debtor is deceased or has been declared bankrupt and the debts remain uncollectible after considering the assets of the bankrupt or the estate of the deceased debtor;
- ② Debts that are long overdue where there is also evidence indicating that the debts are uncollectible or the possibility of collection is remote.

**3.8 Inventory**

Inventories include finished goods, packing materials and low-value consumables and etc. The inventories are initially measured at cost.

Low-value consumables are expensed in full when issued for use.

Inventories are valued at the lower of cost and net realizable value at the balance sheet date. The difference between the cost and the lower net realizable value is stated as a provision. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and estimated expenses and related taxes necessary to make the sale. The net realizable value is determined based on market prices.

### **3.9 Profit Distribution**

The cash dividends approved by the board of directors are recognized as liabilities at the time of approval.

### **3.10 Revenue recognition**

#### (1) Revenue from sale of goods

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

#### (2) Revenue arising from use of the company's assets by others

Royalty fees are recognised when economic benefits associated with the transaction can flow into the Company and their amount can be measured reliably. They should be recognised according to the period and method of charging as specified in relevant contract or agreement.

### **3.11 Income tax**

Income tax is accounted for using the tax payable method, whereby the income tax provision is calculated based on the applicable income tax rate and the accounting results for the year after adjusting for items which are non-assessable or disallowed in accordance with the relevant tax laws.

### **3.12 Related parties**

If a party has the power to directly or indirectly control, jointly control or exercise significant influence over another party, they are regarded as related parties. Two or more parties are also regarded as related parties if they are subject to control from the same party.

## **4. CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND CORRECTION OF ACCOUNTING ERRORS**

### **4.1 Changes in accounting policies, accounting estimates**

#### 4.1.1 Changes in accounting policies

There is no accounting policy change in current year.

#### 4.1.2 Accounting estimates

There is no accounting estimates change in current year.

#### 4.2 Correction of accounting errors

There is no Correction of accounting errors in current year.

#### 5. PRINCIPAL TAXATION

The major categories of taxes applicable to the Company and the respective tax rates

| Categories of taxes                    | Tax basis and applicable rate  |
|--|--|
| Value added tax ("VAT")                | Taxable income is calculated at the tax rate of 13% and 9%, and the VAT is calculated based on the difference after deducting the input tax allowable in the current period. |
| Urban maintenance and construction tax | 7% of net turnover taxes.  |
| Income taxes                           | 25% of taxable income.   |

The original 16% and 11% tax rate is applicable to the taxable sales of VAT or imported goods. According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment of VAT Tax Rate (Finance and Tax [2019] 39), the applicable tax rate has been adjusted to 13% and 9% since April 1, 2019.

#### 6. NOTES TO THE FINANCIAL STATEMENTS

Unless otherwise defined, the closing balance refers to the balance as at 31 December 2019.

##### 6.1 Cash at bank and on hand

| Items                | Closing balance |
|----------------------|-----------------|
| Cash at bank         | 1,668,121.62    |
| Other Monetary Funds | 10,000,000.00   |
| Total                | 11,668,121.62   |

Note: As of December 31, 2019, the company had no restricted monetary funds at the end of the period.

### 6.2 Construction in progress

| Items           | Closing balance |            |              |
|-----------------|-----------------|------------|--------------|
|                 | Ending balance  | Impairment | Net value    |
| Building        | 2,622,908.76    |            | 2,622,908.76 |
| Land use rights | 5,150,000.00    |            | 5,150,000.00 |
| Total           | 7,772,908.76    |            | 7,772,908.76 |

### 6.3 Long-term deferred expenses

| Items        | Closing balance |
|--------------|-----------------|
| Start-up fee | 558,411.42      |

### 6.4 Taxes payable

| Items               | Closing balance |
|---------------------|-----------------|
| Personal income tax | 40.80           |

### 6.5 Paid-in capital

| Investors                         | Closing balance        |                        |
|-----------------------------------|------------------------|------------------------|
|                                   | Shareholding Ratio (%) | Amount of Contribution |
| Shanghai HiTeC Plastics Co., Ltd. | 100.00                 | 20,000,000.00          |

## 7. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

### 7.1 Related parties with controlling relationships

| Name                              | Place of registration | Relationship   |
|-----------------------------------|-----------------------|----------------|
| Shanghai HiTeC Plastics Co., Ltd. | Republic of China     | Parent company |

The Company's ultimate holding company is PLASTIKA KRITIS S.A. registered in Greece.

### 8. Commitments

#### Capital commitments

The following are capital expenditure commitments that have been signed but not yet recognized in the financial statements at the balance sheet date:

| Item                   | Closing Balance |
|------------------------|-----------------|
| Warehouse and Workshop | 623,046.80      |

### 9. Contingencies

As at 31 December 2019, there are no material contingent liabilities which need



disclosure.

#### **10. POST BALANCE SHEET EVENTS**

As at the approval date of the financial statements, there are no post balance sheet events incurred which need disclosure.

#### **11. OTHER SIGNIFICANT ISSUES**

As at 31 December 2019, the Company has no other significant events which need disclosure.