

Report and Financial Statements

Retech Technology Co., Limited

睿泰科技有限公司

For the period from 10 May 2016 (date of
incorporation) to 30 June 2016

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Expressed in Hong Kong Dollars ("HK\$")

Independent review report

GTCNZZ(2016) No. 310B0004-I

To the members of Retech Technology Co., Limited

睿泰科技有限公司

(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial statements of Retech Technology Co., Limited 睿泰科技有限公司 (the “Company”) set out on pages 3 to 13, which comprise the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 10 May 2016 (date of incorporation) to 30 June 2016, and a summary of significant accounting policies and other explanatory information. The preparation of a report on interim financial information to be in compliance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

Our responsibility is to express a conclusion on these interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements do not give a true and fair view of the interim financial position of the Company as at 30 June 2016, and of its financial performance and its cash flows for the period from 10 May 2016 (date of incorporation) to 30 June 2016 in accordance with Hong Kong Financial Reporting Standards.



Grant Thornton
Certified Public Accountants
45/F Raffles City
268 Xizang Zhong Road
Shanghai, People's Republic of China.

21 November 2016

Statement of profit or loss and other
comprehensive income
for the period from 10 May 2016 (date of
incorporation) to 30 June 2016

		For the period from 10 May 2016 (date of incorporation) to 30 June 2016 HK\$ (Unaudited)
Revenue		-
Administrative expenses		2,000
Loss before income tax		(2,000)
Income tax expense	5	-
Loss and total comprehensive loss for the period		(2,000)

Director

The notes on pages 9 to 13 form part of these interim financial statements.

Statement of financial position as at 30 June 2016

	Notes	30/06/2016 HK\$ (Unaudited)
ASSETS AND LIABILITIES		
Current assets		
Amount due from immediate holding company	6	7,126
Amounts due from other shareholders	6	2,874
		<hr/> 10,000
Current liability		
Other payable	7	(2,000)
Net current assets		<hr/> 8,000
EQUITY		
Share capital	8	10,000
Accumulated loss		(2,000)
Total equity		<hr/> 8,000

Director

The notes on pages 9 to 13 form part of these interim financial statements.

Statement of cash flow

For the period from 10 May 2016 (date of incorporation) to 30 June 2016

	For the period from 10 May 2016 (date of incorporation) to 30 June 2016 HK\$ (Unaudited)
Cash flows from operating activities	
Loss before tax	(2,000)
Operating loss before working capital changes	(2,000)
Increase in amount due from immediate holding company	(7,126)
Increase in amounts due from shareholders	(2,874)
Increase in other payable	2,000
<i>Cash used in operating activities</i>	(10,000)
Cash flows from financing activities	
Proceeds from shares issued	10,000
<i>Cash generated from operations</i>	10,000
Net increase in cash and cash equivalents	-
Cash and cash equivalents at the end of the period	-

The notes on pages 9 to 13 form part of these interim financial statements.

Statement of changes in equity

For the period from 10 May 2016 (date of incorporation) to 30 June 2016

	Share capital HK\$ (Unaudited)	Accumulated loss HK\$ (Unaudited)	Total equity HK\$ (Unaudited)
Shares issued during the period	10,000	-	10,000
Loss and total comprehensive loss for the period	-	(2,000)	(2,000)
Balance as at 30 June 2016	10,000	(2,000)	8,000

The notes on pages 9 to 13 form part of these interim financial statements.

Notes to the financial statements

For the period from 10 May 2016 (date of incorporation) to 30 June 2016

1. GENERAL INFORMATION

Retech Technology Co., Limited 睿泰科技有限公司 ("the Company") is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office and principal place of business is Room 1405A, 14/F., Lucky Centre, 165-171 Wanchai Road, Wanchai Hong Kong.

The Company is controlled by Retech Investment Group Co., Limited, a company incorporated and domiciled in British Virgin Islands. The director also considers Retech Investment Group Co., Limited is the ultimate holding company of the Company. The principal activity of the Company is investment holding.

The interim financial statements for the period from 10 May 2016 (date of incorporation) to 30 June 2016 were approved for issue by the director on 21 November 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis of preparation

These interim financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the accounting principles generally accepted in Hong Kong.

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the period presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the financial statements, if any, are disclosed in note 3.

The financial statements have been prepared on the historical cost basis. The measurement bases are fully described in the accounting policies below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Statement of compliance and basis of preparation (Continued)

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.2 Financial assets

The Company's financial assets are classified as loans and receivables.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Company about one or more of the following loss events:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal payments;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Financial assets (Continued)

- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;

Loss events in respect of a company of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the Company of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the Company and, national or local economic conditions that correlate with defaults on the assets in the Company.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in the profit or loss of the reporting period in which the impairment occurs.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss of the reporting period in which the reversal occurs.

2.3 Financial liabilities

The Company's financial liabilities include other payable. Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the profit or loss.

Other payable

Other payable is recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.5 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the tax periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax liabilities are not recognised if the temporary difference arises on investment in a subsidiary, except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit and loss or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Related parties

For the purposes of these interim financial statements, a party is considered to be related to the Company if:

- (a) The party, is a person or a close member of that person's family and that person,
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company; or

- (b) The party is an entity where any of the following conditions applies:
 - (i) The entity and the Company are members of the same group;
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
 - (iii) The entity and the Company are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. FIRST ADOPTION OF HKFRSs

This is the first financial statements prepared by the Company since incorporation date. The Company has adopted all new and amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Company's financial statements for the annual period beginning on 10 May 2016.

At the date of authorisation of these interim financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Company.

The director anticipate that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement and the adoption is not expected to have a material impact on the Company's financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

No critical accounting estimates and judgements are used by the director during the reporting period.

5. INCOME TAX EXPENSE

No Hong Kong Profits tax has been provided as the Company had no estimated assessable profits arising in or derived from Hong Kong.

	For the period from 10 May 2016 (date of incorporation) to 30 June 2016 HK\$
Loss before income tax	2,000
Tax on loss before income tax, calculated at 16.5%	330
Deductible temporary differences not recognised	(330)
Income tax expense	-

No provision for deferred taxation has been recognised in the financial statements as there are no material temporary differences at the reporting date.

6. AMOUNT DUE FROM IMMEDIATE HOLDING COMPANY/ AMOUNTS DUE FROM SHAREHOLDERS

Amount due from immediate holding company/Amounts from shareholders are unsecured, interest free and repayable on demand.

7. OTHER PAYABLE

	30/06/2016 HK\$
Other payable	2,000

8. SHARE CAPITAL

	Number of shares	HK\$
Issued and fully paid:		
Shares issued during the period.	1,000,000	10,000
At 30 June 2016	1,000,000	10,000