

B.C.R.H. & Associés

*Société d'Expertise Comptable
et de Commissariat aux Comptes*



Toolux Sanding SA

3B, boulevard du Prince Henri
L-1724 Luxembourg
RCS Luxembourg B 142 041

INDEPENDENT AUDITOR'S REVIEW REPORT

**CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021**

**INDEPENDENT AUDITOR'S REPORT ON
CONSOLIDATED FINANCIAL STATEMENTS
OF TOOLUX SANDING SA AS AT 31 DECEMBER 2021**

To the shareholders of Toolux Sanding SA,

Following the Company's request, we have audited the accompanying consolidated financial statements of Toolux Sanding SA ("the Company") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at December 31st 2021, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statement based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the auditor, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Toolux Sanding SA, as of December 31st, 2021 and of its financial performance and of its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal requirements

The consolidated management report, which is the responsibility of the board of directors, is consistent with the consolidated financial statements.

Paris, October 10th, 2022

BCRH & Associés

Société d'Expertise Comptable et de Commissariat aux Comptes

François Sors
Associé



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(euros)

TOOLUX SANDING SA

ITEMS	NOTE	From January 1, 2021 to December 31,2021	From January 1, 2020 to December 31,2020
SALES OF MAIN OPERATIONS	IV(II) (1)	21 011 369	14 502 616
Less:cost of main operations	IV(II) (2)	-17 758 656	-11 892 797
GROSS PROFIT		3 252 713	2 609 819
Add: Income from other operations	IV(II) (3)	175 175	185 034
Less: Selling expenses	IV(II) (4)	-358 751	-267 819
Less: General and administrative expenses	IV(II) (5)	-3 228 264	-1 875 242
Less: Financial expenses	IV(II) (6)	-712 924	-798 936
OPERATING INCOME		-872 051	-147 144
Investment income(loss expressed with "-")		49 690	10 297
Non-operating income	IV(II) (7)	8 331	29 024
Less:Sales tax and additions		-44 776	-68 270
Less:Non-operating expenses	IV(II) (8)	-2 369	-815
PROFIT BEFORE TAX (LOSS EXPRESSED WITH "-")		-861 175	-176 908
Less: Income tax		-7 806	-373
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-868 981	-177 281
PROFIT PER SHARE (BASIC AND DILUTED)		-0,50	-0,10

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(euros)

From January 1, 2020 to December 31, 2021

TOOLUX SANDING SA

ITEMS	NOTE	December 31,2021	December 31,2020
NON CURRENT ASSETS :			
Property, plant and equipment	IV(I) (6)	11 018 399	9 008 166
Less:Accumulated depreciation	IV(I) (6)	-7 131 075	-6 149 511
Property, plant and equipment (net value)	IV(I) (6)	3 887 324	2 858 655
Intangible assets	IV(I) (7)	354 352	328 399
Long-term investment		115 977	153 160
Long-term prepaid assets		84 939	9 654
Deferred tax assets			
TOTAL NON CURRENT ASSETS		4 442 592	3 349 868
CURRENT ASSETS:			
Inventories	IV(I) (5)	834 284	982 781
Trade debtors	IV(I) (2)	2 222 231	2 336 069
Other receivable	IV(I) (3)	9 774 212	6 609 892
Advances to suppliers	IV(I) (4)	5 144 096	4 669 967
Cash and cash equivalents	IV(I) (1)	9 394 647	7 229 373
TOTAL CURRENT ASSETS		27 369 470	21 828 082
TOTAL ASSETS		31 812 062	25 177 950
CURRENT LIABILITIES:			
Bank borrowings	IV(I) (8)	13 725 381	11 456 383
Notes payable	IV(I) (9)	1 389 912	1 247 972
Trade creditors	IV(I) (10)	6 833 461	3 177 382
Advances received from customers	IV(I) (11)	868 750	271 637
Welfare benefits payable		156 807	126 839
Taxes payable	IV(I) (12)	98 195	65 123
Other levies payable		12 083	6 496
Other payable	IV(I) (13)	3 165 040	3 150 347
TOTAL CURRENT LIABILITIES		26 249 629	19 502 179
OWNERS'/SHAREHOLDERS' EQUITY			
Subscribed capital		1 753 667	1 753 667
Other reserves		663 620	1 532 602
Exchange differences on translating foreign operations		3 145 146	2 389 502
TOTAL OWNERS' EQUITY		5 562 433	5 675 771
Non-controlling interests			
TOTAL LIABILITIES & OWNERS' EQUITY		31 812 062	25 177 950

CONSOLIDATED CASH FLOW STATEMENT (euros)

ITEMS	31 December 2021	31 December 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	-861 165	-177 665
Adjustements for :		
Exchange difference	890 753	-164 351
Impairment loss for doubtful accounts	4 449	5 476
Depreciation of property, plant and equipment	265 904	379 770
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	299 941	43 230
WORKING CAPITAL CHANGES		
Trade debtors	350 969	-1 077 207
Other receivable	-2 241 721	212 857
Advances to suppliers	53 736	-148 651
Inventories	245 298	1 700 898
Notes payable		1 266 304
Accounts payable	3 105 101	1 394 132
Advances from customers	533 635	-328 866
Welfare benefit payable	14 648	-17 992
Accrued payroll		-25 326
Taxes payable	24 704	-26 368
Other levies payable	9 384	-833
Other payable	-205 174	273 520
CASH FROM OPERATING ACTIVITIES	2 190 521	3 265 698
Income tax	1 023	373
NET CASH FROM OPERATING ACTIVITIES	2 191 544	3 266 071
INVESTING ACTIVITIES		
Long term equity investment	51 461	
Purchase of property, land and equipment	-928 955	-32 455
Intangible assets	10 741	10 384
Construction in progress	0	
Long term prepaid assets	-69 917	5 203
NET CASH FROM INVESTING ACTIVITIES	-936 670	-16 868
FINANCING ACTIVITIES		
Short term loans received	12 935 551	11 624 668
Short term loans repaid	-12 025 151	-13 549 449
NET CASH FROM INVESTING ACTIVITIES	910 400	-1 924 782
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2 165 274	1 324 422
CASH AND CASH EQUIVALENTS BEGINING OF YEAR	7 229 373	5 904 951
CASH AND CASH EQUIVALENTS END OF YEAR	9 394 647	7 229 373
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2 165 274	1 324 422

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(EURO)

	CAPITAL	RESERVES	EXCHANGE DIFFERENCE	MINORITY INTERESTS	TOTAL
Balance as at 31 December 2018	1 753 667	6 191 681	2 396 824	76 396	10 418 568
Exchange difference			170 089		170 089
Net profit for the year/period		-4 481 799			-4 481 799
Minority interests				-76 396	-76 396
Balance as at 31 December 2019	1 753 667	1 709 882	2 566 913	0	6 030 462
Exchange difference			-177 410		-177 410
Net profit for the year/period		-177 281			-177 281
Minority interests					0
Balance as at 31 December 2020	1 753 667	1 532 601	2 389 503	0	5 675 771
Exchange difference			755 643		755 643
Net profit for the year/period		-868 981			-868 981
Minority interests					0
Balance as at 31 December 2021	1 753 667	663 620	3 145 146	0	5 562 433

Toolux Sanding SA

Notes to the Consolidated Financial Statements for the financial year ended December 31, 2021

I. General Information

The consolidated financial statements of Toolux Sanding SA (“the Company”) and its subsidiaries (collectively referred as “the Group”) are prepared for the twelve months period ended December 31, 2021.

The registered office is located at 3B, boulevard du Prince Henri, L-1724 Luxembourg.

The company was incorporated on 2th October 2008 as a Société Anonyme with a fully paid share capital of Euros 350 000.

On 13th October 2008, the directors increased, by a contribution in kind, the capital of the Company by 1 000 000 euros to bring it from 350 000 euros to 1 350 000 euros by the issuance of 1 000 000 new shares with a nominal value of 1 euro each.

The contribution in kind was represented by 100 % of the share capital of Giant Dragon Holdings Ltd (Samoa), a company incorporated in Samoa on 17th January 2007 with registered number 30466 and located at Level 2, Nia Mall, Vaea Street, Apia, Samoa. The contribution in kind value was based on Giant Dragon Holdings Ltd net asset value as at June 30, 2008.

On December 17, 2008, in connection with the admission of the Company on Alternext Market of Euronext Paris, the board of directors realized an increase of the issued share capital paid up in cash to bring it from 1 350 000 Euros to 1 753 667 Euros (1 753 667 shares of 1 euro each). The total amount of the contribution is five million eighty-two thousand one hundred and sixty seven Euros fifty three cents (EUROS 5 082 167,53) represented by four hundred and three thousand six hundred and sixty seven Euros (403 667) for the capital and four million six hundred and seventy-eight thousand five hundred euro fifty three cents (4 678 500,53 Euros) for the share premium.

On December 2, 2008, the company acquired from Giant Dragon Holdings Ltd, for a consideration of 2 998 000 usd, 100 % of the share capital of Shaoxing Sanding Tools Ltd, a Chinese company with registered office at Industrial Park, Ganlin Town, Shengzhou City, Zhejiang Province, China.

The principal activities of Shaoxing Sanding Tools and of its subsidiary, Zhejiang Sanding Tools are the manufacturing and selling of plastic and metal tools.

II. Basis of preparation

Basis of accounting

The consolidated financial statements for the financial year starting on January 1, 2021 and ended December 31, 2021 were prepared on the basis of reviewed financial statements of the following companies :

- Toolux Sanding SA (the company)
- Shaoxing Sanding Tools Ltd (People's Republic of China subsidiary) ;
- Zhejiang Sanding Tools Ltd (People's Republic of China subsidiary) ;

The consolidated financial statements of the Group, expressed in euros, have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

Significant accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires the use of judgments, estimate and assumptions, if any, that affect the reported amounts of assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Foreign Currency Translation

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the subsidiaries is Renminbi ("RMB") whereas the consolidated financial statements are presented in euros, which is the Group's presentation currency.

The subsidiaries 'transactions in foreign currencies are converted at the market exchange rate published by People's Bank of China on the transaction date. The ending balances of various foreign currency accounts are adjusted per the exchange rate (the medium rate) prevailing at the last month of the period.

The financial statements of the overseas subsidiaries are translated into the Group's presentation currency using the year end rate for the balance sheet items (1 Euro = 8.013 Rmb as of December 31, 2020, 1 Euro = 7.195 Rmb as of December 31, 2021) and the average rate of exchange for the income statements items (1 Euro = 7.897 Rmb for the year 2020, 1 Euro = 7,634 Rmb for the year 2021). Exchange differences are dealt with as a movement exchange reserve accounted for in equity.

III. Summary of significant accounting policies

Consolidation

All inter-company balances and significant inter-company transactions and resulting unrealized profits or losses are eliminated on the consolidation and the consolidated financial statements reflect external transactions and balances only.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus cost directly attributable to the acquisition. Identifiable assets acquired and liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Group Structure

All subsidiaries of the group are consolidated following the global integration method and all the reporting dates are the same as the reporting date used for the consolidated financial statements (31 December 2021).

The hold interest of the Company in fully consolidated companies is:

Company	Country	% of interest	% of votes
Shaoxing Sanding Tools Ltd	People's Republic of China	100%	100%
Zhejiang Sanding Tools Ltd	People's Republic of China	100%	100%

Cash and cash equivalents

Cash equivalents are investments which are characterized by a short maturity (generally mature within 3 months since the date of purchase), strong liquidity, ready convertibility and low volatility.

Trade and other receivable

Trade and other receivable that have fixed determinable payments that are not quoted in an active market are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition trade and other receivable are measured at amortized cost using the effective interest method, less any impairment.

The accounts are considered as bad debts by Group's management within its authority.

The loss of bad debts of the Company is accounted with allowance method, in which the allowance is allocated to offset the loss arising from bad debts.

The range for allowance accounting of bad debts includes the accounts receivable and other

receivable.

Trade and other payable

Trade and other payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and service received.

Trade and other payable that have fixed determinable payments that are not quoted in an active market are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition trade and other payable are measured at amortized cost using the effective interest method, less any impairment.

Inventories

Inventories are stated at the lower of cost and net realizable value.

Inventories include the finished products or commodities that are reserved for sale during production and operating activities, or the in-process materials that are under production for sale, or the materials that are consumed during production, operating and R&D activities.

Cost is determined using the weighted average method. The cost of finished goods comprises raw materials, direct labor costs, other direct costs and related production overhead expenses but excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Depreciation of property, plant and equipment

Property, plant and equipment are booked at their initial cost less accumulated depreciation and impairment losses. The initial cost comprises the purchase price and any directly attributable cost of bringing the assets to its working condition and location for its intended use.

Property, plant and equipment are depreciated on a straight-line basis over their estimate useful lives. Management estimates that the useful lives of these property, plant and equipment to be within 5 to 30 years.

The depreciation rate is based on the initial costs and estimated economic useful lives of all fixed assets after being reduced by the estimated residual value of 5%.

The estimated residual value and annual depreciation rates of each fixed asset category are as bellow:

Category	Year of Depreciation	RV (%)	Annual Depreciation Rate (%)
House & buildings	5-20	5	19 - 4,75
Machinery	5-10	5	19 – 9,5
Office facilities	5-10	5	19 – 9,5
Vehicles	5	5	19
Other Equipments	5	5	19

Impairment of non-financial assets

The carrying amounts of non-current assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss, if any, is recognized when the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are charged in the income statement.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognized for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined of no impairment loss had been recognized.

A reversal of an impairment loss is credited as income in the income statements.

Construction in Progress

The estimated value of the construction in progress is transferred into the fixed assets per its actual cost upon its reaching readiness for use.

At the period end, if one or more of the following cases occur, the provision for construction-in-progress devaluation will be allocated, based on the difference of the recoverable value of a single item of construction in progress less its book value:

- The construction in progress is suspended for a long time and will not be completed in three years;
- The project is outdated in terms of technique and functions and uncertain in terms of profitability for the Company;
- Other cases of devaluation of the construction in progress with sufficient evidences.

Intangible Assets

The intangible assets refer to the land-use rights, trademark rights, property rights and software related to the production that have been obtained by the Company. The intangible assets are accounted at actual cost when acquired, of which the purchased intangible assets are accounted for based upon the actual payments and the intangible assets invested by the investors are accounted for based upon the values rationally assessed

The intangible assets are amortized in equal installments over their expected useful life. In the event that a certain intangible asset cannot presumably bring future benefit to the Company, all the book value of this intangible asset will be transferred to the administrative expenses of the current period.

At the period end, the anticipated economic benefit that the intangible asset can bring to the Company is measured. Based on the difference of the recoverable value of a single intangible asset less than its book value, a provision for impairment is booked.

Related parties

Related parties are entities in which one or more common direct/indirect/ shareholders and/or directors have the ability to control or exercise significant influence over the other party in financial and operating decision making.

Income Recognition Principle

Revenue from the sales of goods is recognized when significant risks and rewards of ownership of goods are transferred to the buyer.

Revenue excludes value added tax.

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of goods.

Retirement benefit plan

The eligible employees of the Group, who are all citizens of the People's Republic of China, are members of a state-managed retirement benefit scheme operated by the local government. The company is required to contribute a certain percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company to respect the retirement scheme is to make the specified contributions.

Income taxes

Current taxation provided at the current taxation rate based on the income for the financial period that is chargeable to tax. Deferred taxation is provided at the current taxation rate on all temporary

differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax liabilities are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profit will be available against which the deductible temporary differences can be recognized.

The statutory tax rates enacted at the balance sheet date are used to determine deferred income tax.

The subsidiaries' income tax rate is 25 % of the income. In the event that the domestic equipments are purchased for the purpose of technical reconstruction and comply with national requirements on tax exempt, credit and refund, the tax will be exempt at the amount approved by the local taxation agency in the current year.

IV. Notes to the Financial Statements

(I). Consolidated statement of financial position

1. CASH AND CASH EQUIVALENTS

Financial years ended December, 31th 2021		
	2021	2020
	€	€
Cash on hand	1 042	4 154
Other monetary fund	2 528 594	1 259 357
Interest receivable	5 419 815	4 866 335
Cash at banks	<u>1 445 196</u>	<u>1 099 527</u>
Total	9 394 647	7 229 373

2. TRADE DEBTORS

Financial years ended December, 31th 2021		
	2021	2020
	€	€
Trade debtors	<u>2 222 231</u>	<u>2 336 069</u>
Total	2 222 231	2 336 069

3. OTHER RECEIVABLE

Financial years ended December, 31th 2021		
	2021	2020
	€	€
Loans to corporations (1)	6 726 765	4 112 953
Loans to individuals (2)	<u>3 047 447</u>	<u>2 496 940</u>
Total	9 774 212	6 609 893

(1) One of directors of the Group is a minor shareholder of Shengzhou Shanghui Real Estate.

(2) Loans to individuals, having no contractual maturities and bearing no interest rate, are considered as short-term loans.

(1)	Interest rate	Amount
Shengzhou Shanhu Real Estate	10%	5 419 815

4. ADVANCES TO SUPPLIERS

Financial years ended December, 31th 2021		
	2021	2020
	€	€
Prepayment to suppliers	<u>5 144 096</u>	<u>4 669 967</u>
Total	5 144 096	4 669 967

All advances have a residual maturity of less than one year.

5. INVENTORIES

Financial years ended December, 31th 2021		
	2021	2020
	€	€
Raw Materials	813 876	964 458
Finished Products	20 408	18 324
Total	834 284	982 782

There is no impairment on the inventories as at December 31, 2020 and 2021.

6. PROPERTY, PLANT AND EQUIPMENT

GROSS BOOK VALUES							
€	Buildings	Machine Equipmt	Office Equipmt	Vehicule	Electronic Equipmt	Total	
Total 31/12/2020 en RMB	33 451 047	25 063 189	5 296 356	7 892 612	479 232	72 182 435	
Increase en RMB	2 606 000	5 753 462	0	11 782	90 708	8 461 952	
Decrease en RMB	0	0	-1 370 311	0	0	-1 370 311	
Total 31/12/2021 en RMB	36 057 047	30 816 651	3 926 045	7 904 394	569 940	79 274 077	
Total 2021 en euros	5 011 612	4 283 243	545 686	1 098 641	79 217	11 018 399	
Total 2020	4 174 597	3 127 816	660 970	984 976	59 807	9 008 166	
Increase	341 368	753 663	0	1 543	11 882	1 108 456	
Decrease	0	0	-179 501	0	0	-179 501	
Total 31/12/2021 € Théorique	4 515 965	3 881 479	481 469	986 519	71 689	11 947 354	
Exchange différence	495 648	401 765	64 217	112 122	7 527	1 081 278	
Total 2021	5 011 612	4 283 243	545 686	1 098 641	79 217	11 018 399	

AMORTIZATION							
€	Buildings	Machine Equipmt	Office Equipmt	Vehicule	Electronic Equipmt	Total	
Total 31/12/2020 en RMB	20 982 896	16 298 716	4 398 399	7 140 754	455 270	49 276 036	
Increase en RMB	1 576 176	1 382 126	167 294	123 232	14 362	3 263 190	
Decrease en RMB	0	0	-1 233 279	0	0	-1 233 279	
Total 31/12/2021 en RMB	22 559 072	17 680 842	3 332 414	7 263 986	469 632	51 305 946	
Total 2021 en euros	3 135 513	2 457 482	463 176	1 009 630	65 275	7 131 075	
Total 2020	2 618 607	2 034 034	548 908	891 146	56 816	6 149 511	
Increase	206 468	181 049	21 914	16 143	1 881	427 455	
Decrease	0	0	-161 551	0	0	-161 551	
Total 31/12/2021 € Théorique	2 825 075	2 215 083	409 271	907 289	58 697	7 396 979	
Exchange différence	310 438	242 399	53 905	102 342	6 577	715 660	
Total 2021	3 135 513	2 457 482	463 176	1 009 630	65 275	7 131 075	

7. INTANGIBLE ASSETS

Financial year ended December 31th 2021		
€	2021	2020
Land in use right and software	537 071	519 152
Accumulated	220 070	182 418
Exchange difference	37 351	-8 335
Total	354 352	328 399

The term of the land in use right is 2051.

8. BANK BORROWINGS

Financial year ended December 31th				Financial year ended December 31th			
Euros	2021			Euros	2020		
	Amount	Maturity	Rate		Amount	Maturity	Rate
Bank of China	972 938	26/11/2022	4,7500%	Bank of China	998 378	26/02/2021	5,2200%
Bank of China	138 991	10/08/2022	4,7500%	Bank of China	712 592	28/09/2021	5,0025%
Bank of China	793 640	26/09/2022	4,7500%	Bank of China	735 056	26/08/2021	5,0025%
Bank of China	1 513 614	25/08/2022	4,7500%	Bank of China	960 938	02/09/21	5,0025%
Bank of China	1 070 232	01/09/2022	4,7500%	Bank of China	998 378	23/09/2021	5,0025%
Bank of China	1 104 980	06/09/2022	4,7500%	Bank of China	948 459	15/10/2021	5,0025%
Bank of China	1 056 333	21/09/2022	4,7500%	Bank of communication	374 392	15/09/2021	5,1330%
Bank of Hua Xia	1 250 921	13/05/2022	5,0000%	Bank of communication	524 146	09/11/2021	5,1330%
SPD bank	1 389 912	24/05/2022	5,4810%	Bank of communication	99 838	10/11/2021	5,1330%
SPD bank	347 478	25/05/2022	5,4810%	Bank of Hua Xia	1 123 175	13/05/2021	6,0000%
SPD bank	1 042 434	05/03/2022	5,4810%	Bank of Hua Xia	623 986	13/05/2021	6,0000%
HENGFENG Bank	1 250 921	17/09/2022	4,5000%	SPD bank	1 247 972	26/05/2021	5,4810%
Bank of Hua Xia	1 111 930	07/01/2024	3,8500%	SPD bank	561 587	26/05/2021	5,4810%
Shengzhou Ruitong village bank	681 057	12/08/2022	7,7000%	SPD bank	935 979	06/03/2021	5,4810%
				Shengzhou Ruitong village bank	611 506	02/09/2021	7,7000%
Others				Others			
Total	13 725 381			Total	11 456 382		

9. NOTES PAYABLE

Financial years ended December, 31th 2021				
Euros	2021		2020	
	Amount	Maturity	Amount	Maturity
Bank of China	1 389 912	06/01/2023	1 247 972	06/01/2022
Total	1 389 912		1 247 972	

10. TRADE CREDITORS

Financial years ended December, 31th 2021		
Euros	2021	2020
Suppliers payable	6 833 461	3 177 382
Total	6 833 461	3 177 382

11. ADVANCES RECEIVED FROM CUSTOMERS

Financial years ended December, 31th 2021		
€	2021	2020
Advance from customers	868 750	271 637
Total	868 750	271 637

12. TAXES PAYABLES

Financial years ended December, 31th 2020		
€	2021	2020
vat	25 191	29 207
income tax	7 237	4 476
Stamp duty	310	162
Individual income tax	3 270	1 824
Urban construction tax	7 677	4 571
property tax	28 993	8 088
land in use tax	14 239	-51
Wealth tax-Tax payable	4 815	4 815
Personal income tax	6 464	0
Real estate tax	0	12 031
Total	98 195	65 123

13. OTHER PAYABLE

Financial years ended December, 31th 2021		
€	2021	2020
Other payable	3 165 040	3 150 347
Total	3 165 040	3 150 347

There is no arrears of shareholders holding more than 5% of voting shares in other account payable year end

14. SUBSCRIBED CAPITAL

The company was incorporated on October 2, 2008, as a Société Anonyme with a fully paid capital of 350 000 euros.

On October 12, 2008, the share capital of the company was increased by a contribution in kind of 1 000 000 euros subscribed by Crystal Sky Holding (Samoa).

On December 17, 2008, the board of directors realized an additional capital increase by contribution of 403 667 euros for the capital and 4 678 500 euros for the share premium in connection with the admission of the Company on Alternext Market of Euronext Paris. As of December 31, 2011, the subscribed share capital of the Company amounts to EUR 1 753 667 represented by 1 753 667 shares with a nominal value of EUR 1 each fully paid up.

On December 31, 2021, the shareholders of the Company are:

Crystal Sky Holding Limited, (Samoa) :	1 319 825 shares
Kunyuanyuan Capital Limited, (British Virgin Islands) :	79 428 shares
Meridian International Co Ltd, (Usa) (1) :	350 734 shares
Other :	3 680 shares
Total:	1 753 667 shares

The company has not adopted any share option scheme.

The authorized capital of the company amounts to EUR 14 000 000 as at December 31, 2021.

The company's board of directors is authorized until October 2nd, 2014, to increase the subscribed capital of the company within the limits of the authorized capital.

(II) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1. SALES OF MAIN OPERATIONS

All the sales are contracted in RENMIMBI with Chinese distributors which export through to final customers. The products sold by the Company mainly consist of injected or extruded handle screwdrivers.

€		December, 31th 2021
Domestic Sales		21 011 369
Total		21 011 369

2. MAIN OPERATING COSTS

€		December 31th, 2021
Raw materials		17 758 656
Total		17 758 656

3. INCOME FROM OTHER OPERATIONS

€		December, 31th 2021
Electricity bill		36 016
Rent		37 880
Mold Sales		51 416
Sample sales		20
Interest		49 842
Total		175 175

4. SELLING EXPENSES

€		December, 31th 2021
Avertising		707
Inspection fees		1 977
Freight		240 965
Exhibition fee		62
Express fee		2 653
Wages		112 048
Sales service fee		262
Other		77
Total		358 751

5. GENERAL & ADMINISTRATIVE EXPENSES

€	December, 31th 2021
Depreciation	245 315
Salary	519 745
House accumulation fund	13 163
Expenses on bussiness entertainment	120 469
Social Sécurité cost	213 591
Taxe	58 642
Audit and consulting fees	27 132
Bad debt provision	-47
Service charge	80 724
R & D Cost	693 280
Repair cost	172 301
Office allowance	20 557
Labor wages	619 126
Consulting fee assets	34 799
Other	409 475
Total	3 228 264

6. FINANCIAL EXPENSES

€	December, 31th 2021
Interest expenses	714 706
Procedures fees	1 461
Interest income	-5 614
Exchange gains and losses	111
Foreign exchange loss	2 261
Total	712 924

7. NON-OPERATING INCOME

€	December, 31th 2021
Compensate	8 187
Others	144
Total	8 331

8. NON-OPERATING EXPENSES

€	December, 31th 2021
Fixed assets liquidation	1 141
Penalties	192
Donation payment	393
overdue payment	8
Fine expenditures	596
Others	39
Total	2 369

9. INCOME TAX

The tax burden is equal to the sum of current taxes and deferred taxes. Deferred taxes are calculated according to the expiration periods for tax liabilities set by local legislation and the availability of deferrable losses in view of a favorable outlook for the companies in question so as to be able to offset deferred and related taxes. The income tax rate level in China is 25 % of benefit.

III. EMPLOYEES

	2021	2020
Administration staff	51	51
Production staff	151	157
Recherche et développement	21	21
Service staff	0	0
Selling staff	8	8
Total	231	237

IV. MORTGAGE AGREEMENTS & GUARANTEES GIVEN

Pledged Assets	Area	Amount (€)	Mortgagee
House Propety (Shaoxing sanding)	1090,31 MP	1 389 912	SPD Bank
House Propety (Shaoxing sanding)	147,58 MP	387 785	Bank of Jia Xing
House Propety (Shaoxing sanding)	253,35 MP	863 135	Bank of Jia Xing
House Propety (zhejiang sanding)	1057,43 MP	1 250 921	Bank of Hua Xia
House Propety (zhejiang sanding)	31330,98 MP	6 671 578	Bank of China
TOTAL		10 563 331	

Pledged Assets	Amount (€)	Beneficiary	Mortgagee
Shaoxing sanding	681 056,89	Shengzhou Qiandai Necktie Weaving Co., Ltd.	Bank of Ruifeng
Shaoxing sanding	1 389 912,02	Shengzhou Qiandai Necktie Weaving Co., Ltd.	SPD Bank
Total	2 070 968,91		

V. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The management meets periodically to analyze and formulate measures to manage the group's exposure to market risk, including principally changes in interest rates and market prices. Generally, the company employs a conservative strategy regarding its risk management: The Company has not used any derivative or other instruments for hedging purposes. The company does not hold or issue derivative financial instruments for trading purposes.

As at December 31, 2021, the company's financial instruments mainly consist of cash equivalents, receivables and payables.

VI. POST BALANCE SHEET EVENTS

After the balance sheet date, there were no significant events that would have an impact on the present consolidated financial statements or be worth mentioning in the notes attached to the present consolidated financial statements.