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Report No. J.T.S.Z.(2018) No. 055
Commissioned by Kunming Yundi Behavior and Health Research Centre
Accounting Firm Kunming Skyview Certified Public Accountants Co., Ltd.
Reported on 2018-05-03
Filed on 2018-05-03 11:17
Location of the accounting firm Kunming City
Signed CPA Chang Jiang
Dou Leilei



Kunming Yundi Behavior and Health Research Centre

Auditor's Report

Accounting Firm: Kunming Skyview Certified Public Accountants Co., Ltd.

Tel: 0871-63105335

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Kunming Skyview Certified Public Accountants Co., Ltd.

J.T.S.Z. (2018) No. 055

Auditor's Report

To Kunming Yundi Behavior and Health Research Centre,

I. The auditor's report on the financial statements

We have audited the accompanying financial statements of Kunming Yundi Behavior and Health Research Centre, which comprise the balance sheet as at December 31, 2017, and the operating sheet and cash flow statement for the year then ended.

(I). Management's responsibility for the financial statements

Management of Kunming Yundi Behavior and Health Research Centre is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (a) preparing and fairly presenting these financial statements in accordance with Accounting System for Nongovernmental Nonprofit Organizations; (b) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies.

(II). Auditor's Responsibility

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

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, We considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(III). Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Kunming

Yundi Behavior and Health Research Centre as of December 31, 2017, and of its financial performance for the 2017 then ended in accordance with the Nongovernmental Nonprofit Organization Accounting System.

II. Auditing emphases required to be disclosed on nongovernmental nonprofit organization for annual inspection

According to “III. Annual inspection (IIIV) Financial Auditing: 4. The audit engagement shall state the above auditing emphases. The social organization shall require the accounting firm which undertakes its financial auditing to issue a statement of auditing results and to detail all terms related to the audited unit as required by Yunnan Provincial Civil Affairs Bureau” stated in the Notice on Conducting Annual Inspection of Non-Governmental Nonprofit Units in 2014 (Y.M.M. (2014) No.1) publicized by Yunnan Provincial Civil Affairs Bureau on January 14, 2014, the auditing emphases are disclosed as follows:

(I) Financial management

1. Execution of Nongovernmental Nonprofit Organization Accounting System

Kunming Yundi Behavior and Health Research Centre has executed the Nongovernmental Nonprofit Organization Accounting System and set up related accounts as needed.

2. Establishment of basic account

Kunming Yundi Behavior and Health Research Centre has opened an account in FUDIAN BANK CO., LTD. Lianfa Branch (Account No. 9160120109111327).

3. Revenue and expenditure

The annual revenue in 2017 is RMB 867,462.14 yuan, including donations of RMB 866,606.23 yuan and other revenue of RMB 855.91 yuan. The annual expenditure in 2017 is RMB 804,571.74 yuan, including activity cost of RMB 804,571.74 yuan.

4. Establishment and performance of financial system

Kunming Yundi Behavior and Health Research Centre has set up systems for cashier, accounting books and file management.

5. Net asset

Kunming Yundi Behavior and Health Research Centre has net assets of RMB 88,111.55 yuan for the 2017 then ended, is unlimited assets .

(II) Increase in employment and social insurance joined by employees signed labor contracts

There is 0 staff which signed labor contract with Kunming Yundi Behavior and Health Research Centre as of December 31, 2017.

(III) Collection of membership fees from social organizations

Kunming Yundi Behavior and Health Research Centre has no membership fees as of December 31, 2017.

Appendixes: 1. Balance sheet as of December 31, 2017

2. Operating sheet in 2017

3. Cash flow statement in 2017

4. Notes to financial statements in 2017

Kunming Skyview Certified Public Accountants Co., Ltd.
Kunming China

CPA: Chang Jiang
CPA: Dou Leilei

May 03, 2018

Affixed with the seal of Kunming Skyview Certified Public Accountants Co., Ltd.

Balance Sheet

K.M.F. No.01 sheet

Prepared by Kunming Yundi Behavior and Health Research Institute

December 31, 2017

Unit: yuan

Assets	Line No.	At beg. of year	At end of year	Liabilities and owner's equity	Line No.	At beg. of year	At end of year
Current Assets				Current Liability:			
Cash and Cash Equivalents	1	25,334.00	50,499.40	Short-term Loans	61		
Short-term Investment	2			Accounts Payable	62	26,309.45	3,284.85
Accounts Receivable	3	19,450.00	34,150.00	Wage payable	63		
Prepayment	4			Taxes Payable	65	439.00	439.00
Inventory	8	7186.00	7186.00	Accrued Expense	71		
Deferred Expense	9			Accrued Liabilities	72		
Long-term Investment on Bonds Due within One Year	15			Long-term Liability Due within One Year	74		
Other Current Assets	18			Other Current Liability	78		
Total Current Assets	20	51,970.00	91,835.40	Total Current Liability	80	26,748.45	3,723.85
Long-term Investment:							
Long-term Investment on Stocks	21			Long-term Liability:			
Long-term Investment on Bonds	24			Long-term Loans	81		
Total Long-term Investment	30			Long-term Payable	84		
Fixed Assets:				Other Long-term Liability	88		
Original Value of Fixed Asset	31			Total Long-term Liability	90		
Less: Accumulated Depreciation	32						
Net Value of Fixed Assets	33			Fiduciary agent Liability:			
Construction in process	34			Fiduciary agent Liability	91		
Cultural assets	35			Total Liability	100	26,748.45	3,723.85
Disposal of Fixed Assets	38						
Total Fixed Assets	40						

				Net Assets:			
Intangible Assets:				Unlimited Net Assets	101	4,471.55	88,111.55
Intangible Assets	41			Limited Net Assets	105	20,750.00	
				Total Net Assets	110	25,221.55	88,111,55
Fiduciary agent Assets:							
Fiduciary agent Assets	51						
Total Assets	60	51,970.00	91,835.40	Total Liability and Net Assets	120	51,970.00	91,835.40

Operating sheet

K.M.F. No.02 sheet

Prepared by Kunming Yundi Behavior and Health Research Institute

December 31, 2017

Unit: yuan

Item	Line No.	Current month			Current year cumulative		
		Unlimited	Limited	Total	Unlimited	Limited	Total
I. Revenue							
Among: donation revenue	1	65,641.00	20750.00	86,391.00	566,606.23	300,000.00	866,606.23
Revenue from membership fees	2						
Revenue from offering service	3						
Revenue from commodity sales	4						
Revenue from government grants	5						
Investment income	6						
Other revenue	8	740.71		740.71	855.91		855.91
Total revenue	9	66,381.71	20,750.00	87,131.71	567,462.14	300,000.00	867,462.14
II. Expenses							
(I) Activity costs	12	621,756.13		621,756.13	483,821.74	320,750.00	804,571.74
Among: staff the cost	13						
Running expense	14						
Allocated cost of fixed assts	15						
Taxes	16						
(II) Overhead expense	24						
(III) Cost of raising funds	28						
(IV) Others							
Total expenses	35	621,756.13		621,756.13	483,821.74	320,750.00	804,571.74
III. Convert limited assets into unlimited assets	40						
IV. Changes in net assets (reduction in net assets uses "-")	45	-555,374.42	20,750.00	-534,624.42	83,640.40	-20,750.00	62,890.40

Cash Flow Statement

K.M.F. No.03 sheet

Prepared by Kunming Yundi Behavior and Health Research Institute

December 31, 2017

unit: yuan

Items	Line No.	Amount
I. Cash flow from operating activities:	1	
Cash received from donation	2	866,606.23
Cash received from membership fees	3	
Cash received from service offering	4	
Cash received from government grants	5	
Other cash received relating to operating activities		855.91
Sub-total of cash inflows	6	867,462.14
Cash paid to donation	7	804,571.74
Cash paid to interest 、poundage and commission	8	
Cash paid to employees and behalf of employees	9	
Cash paid to all types of taxes	10	
Other cash paid relating to operating activities	11	37,725.00
Sub-total of cash outflows	12	842,296.74
Net cash flow from operating activities	13	25,165.40
II. Cash flow from investing activities	14	
Cash received from return of investment	15	
Cash received from investments	16	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	17	
Net cash received from disposal of subcompany and other business unit	18	
Other cash received relating to operating activities	19	
Sub-total of cash inflows	20	
Cash paid to acquire fixed assets, intangible assets and long-term assets	21	
Cash paid for investments	22	
Cash paid to gain subcompany and other business unit	23	
Other cash paid relating to investing activities	24	
Sub-total of cash outflows	25	

Net cash flow from investing activities	26	
III. Cash flow from financing activities	27	
Cash from investing	28	
Cash from borrowing	29	
Other cash received relating to financing activities	30	
Sub-total of cash inflows	31	
Cash repayments of amount borrowed	32	
Cash payments for interest	33	
Other cash payment relating to financing activities	34	
Sub-total of cash inflows	35	
Net cash flow from financing activities	36	
IV. Effect of foreign exchange rate changes on cash	37	
V. Net increase in cash and cash equivalents	38	25,165.40
Add: beginning balance of cash equivalents	39	25,334.00
VI.ending balance of cash equivalents	40	50,499.40

The business license for the legal entity

Name of the entity: Kunming Skyview Certified Public Accountants Co., Ltd.

Legal representative: Wang ling

Registered No.: 9153010068125358XH

The Business License for the Legal Entity

(Counterpart) No. 3-3

Unified social credit code: 9153010068125358XH

The enterprise name: Kunming Skyview Certified Public Accountants Co., Ltd.

Business type: limited liability company (natural investment or holdings)

Address: Room 912, Floor 9, Fangzhou Building, #2 Dianchi Road, Kunming

Legal representative: Wang ling

Registered capital: RMB 1,000,000.00 yuan

Established on: October 17, 2008

Valid from October 17, 2008 to long time

Scope of management: To examine accounting report of an enterprise, and issue the auditor's reports; to verify the capital of the enterprise, and issue the capital verification report; to conduct the auditing operation on the reorganization, amalgamation, separation, rectification, dissolution and bankrupt liquidation events of an enterprise, and issue relevant report; book keeping; accounting consultation; tax advisory, management consulting, account training; to sell office supplies and paper products (The business items involved in special approval shall be operated according to the License).



Registration authority: Administration for Industry & Commerce of Yunnan Province (Seal)

May 3, 2018

This is only used to audit Kunming Yundi Behavior and Health Research Centre

Date: May 03, 2018

Affixed with the seal of Kunming Skyview Certified Public Accountants Co., Ltd.

Accounting Firm Practising Certificate

Name of the firm: Kunming Skyview Certified Public Accountants Co., Ltd.

Chief accountant: Wang ling

Certificate No.: 0003477

Accounting Firm
Practising Certificate

Chief accountant: Wang ling

Address: Room 912, Floor 9, Fangzhou Building,
#2 Dianchi Road, Kunming

Business Type: Limited Liability Company

Accounting Firm No.: 53010154

Registered (Paid-in) Capital: RMB 1,000,000 yuan

Establishment Approval No.: Y.C.H. (2008) No. 51

Establishment Approved on: October 8, 2008

Notice:

1. The certificate is granted by the financial authority to qualify CPAs' statutory business.
2. The certificate shall be updated by the financial authority in case of any record alteration.
3. The certificate shall not be counterfeited, altered, lent and transferred.
4. The certificate shall be returned to the financial authority in case the accounting firm ceases its business.

Issued by Yunnan Department of Finance (Seal)
March 30, 2018

Prepared by Chinese Ministry of Finance

This is only used to audit Kunming Yundi Behavior and Health Research Centre

Date: May 03, 2018

Affixed with the seal of Kunming Skyview Certified Public Accountants Co., Ltd.

Certificate of Chinese Certified Public Accountant

Name of the entity: Kunming Skyview Certified Public Accountants Co., Ltd.

Name: Chang Jiang

Certificate No.: 530101540008

Qualification: CPA



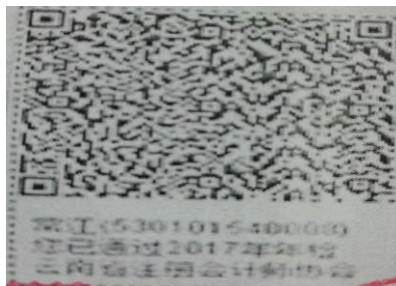
Full name: Chang Jiang

Sex: male

Date of birth: August 27, 1983

Working unit: Kunming Skyview
Certified Public Accountants Co.,
Ltd.

IdentitycardNO.:530112198308270316



No. of Certificate: 530101540008

Authorized Institute of CPA: Yunnan Institute of CPA

Date of Issurance: September 25, 2014

Chang Jiang (530101540008) has passed the
annual inspection of Yunnan Institute of
Certified Public Accountants in 2017

Signature: Chang Jiang

This is only used to audit Kunming Yundi Behavior and Health Research Centre

Date: May 03, 2018

Affixed with the seal of Kunming Skyview Certified Public Accountants Co., Ltd.

Certificate of Chinese Certified Public Accountant

Name of the entity: Kunming Skyview Certified Public Accountants Co., Ltd.

Name: Dou Leilei

Certificate No.: 530101540002

Qualification: CPA

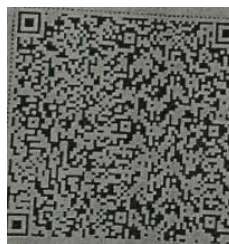


Full name: Dou Leilei

Sex: female

Date of birth: January 19, 1976

Working unit: Kunming Skyview
Certified Public Accountants Co.,
Ltd.



Identity card No. :
530112197601190329

Dou Leilei (530101540002) has passed the
annual inspection of Yunnan Institute of
Certified Public Accountants in 2017

No. of Certificate: 530101540002

Authorized Institute of CPA: Yunnan Institute of CPA

Date of Issurance: April 18, 2011

Signature: Dou Leilei

This is only used to audit Kunming Yundi Behavior and Health Research Centre

Date: May 03, 2018

Affixed with the seal of Kunming Skyview Certified Public Accountants Co., Ltd.