



**Financial Statements and Supplementary Information
(Together with Independent Auditors' Report)**

For the Years Ended March 31, 2021 and 2020

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

INDO COUNT GLOBAL INC.

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)**

FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

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Independent Auditors' Report

To the Board of Directors of Indo Count Global Inc.

We have audited the accompanying financial statements of Indo Count Global Inc. (a Delaware corporation), which comprise the balance sheets as of March 31, 2021 and 2020, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing 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, the auditor 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indo Count Global Inc. as of March 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13 and 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Marks Paneth LLP". The signature is written in dark ink and is positioned above the typed text.

New York, New York
May 4, 2021

**INDO COUNT GLOBAL INC.
BALANCE SHEETS
AS OF MARCH 31,**

ASSETS	2021	2020
CURRENT ASSETS		
Cash	\$ 151,291	\$ 748,511
Due from factor	5,434,247	1,924,364
Inventories, net of allowance of approximately \$116,000 in 2020	7,341,509	2,633,654
Prepaid expenses	65,207	51,788
Prepaid income taxes	21,111	23,057
	<hr/>	<hr/>
Total Current Assets	13,013,365	5,381,374
DEFERRED TAX ASSET	75,000	51,000
PROPERTY AND EQUIPMENT, NET	172,749	270,284
RESTRICTED CASH	500,000	1,000,000
SECURITY DEPOSITS	259,733	79,733
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 14,020,847</u>	<u>\$ 6,782,391</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 4,373,206	\$ 571,176
Due to factor	4,269,776	117,429
Due to customer	-	712,129
	<hr/>	<hr/>
Total Current Liabilities	8,642,982	1,400,734
DEFERRED RENT PAYABLE	4,641	23,201
SUBORDINATED DEBT - RELATED PARTY	2,000,000	2,000,000
	<hr/>	<hr/>
STOCKHOLDER'S EQUITY		
Common stock, no par value, authorized 10,000 shares, issued and outstanding 500 shares	500,000	500,000
Additional paid-in capital	300,000	300,000
Retained earnings	2,573,224	2,558,456
	<hr/>	<hr/>
TOTAL STOCKHOLDER'S EQUITY	3,373,224	3,358,456
	<hr/>	<hr/>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 14,020,847</u>	<u>\$ 6,782,391</u>

**INDO COUNT GLOBAL INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEARS ENDED MARCH 31,**

	<u>2021</u>	<u>2020</u>
SALES	\$ 19,574,171	\$ 26,835,079
LESS: SALES RETURNS, DISCOUNTS AND ALLOWANCES	<u>1,662,275</u>	<u>2,688,537</u>
NET SALES	17,911,896	24,146,542
COST OF GOODS SOLD	<u>13,673,084</u>	<u>18,701,496</u>
GROSS PROFIT	<u>4,238,812</u>	<u>5,445,046</u>
OPERATING EXPENSES		
Selling and shipping	1,243,739	1,828,794
General and administrative	<u>2,818,822</u>	<u>2,697,171</u>
Total Operating Expenses	<u>4,062,561</u>	<u>4,525,965</u>
INCOME BEFORE OTHER EXPENSES AND INCOME TAXES	<u>176,251</u>	<u>919,081</u>
OTHER EXPENSES		
Interest expense	38,419	102,608
Factoring expenses	<u>99,159</u>	<u>176,908</u>
Total Other Expenses	<u>137,578</u>	<u>279,516</u>
INCOME BEFORE INCOME TAXES	<u>38,673</u>	<u>639,565</u>
INCOME TAXES		
Current	47,905	192,998
Deferred tax benefit	<u>(24,000)</u>	<u>(59,000)</u>
	<u>23,905</u>	<u>133,998</u>
NET INCOME	14,768	505,567
RETAINED EARNINGS - beginning of year	<u>2,558,456</u>	<u>2,052,889</u>
RETAINED EARNINGS - end of year	<u>\$ 2,573,224</u>	<u>\$ 2,558,456</u>

The accompanying notes are an integral part of these financial statements.

**INDO COUNT GLOBAL INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31,**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 14,768	\$ 505,567
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	207,712	207,712
Provision for doubtful accounts	39,787	-
Deferred rent payable	(18,560)	(18,560)
Deferred tax	(24,000)	(59,000)
Allowance for inventory obsolescence	(116,316)	116,316
Changes in cash flows due to changes in operating assets and liabilities:		
Due from factor	(3,549,670)	856,357
Due to customer	(712,129)	712,129
Inventories	(4,591,539)	3,498,052
Prepaid expenses	(13,419)	(14,892)
Security deposits	(180,000)	-
Prepaid income taxes	1,946	189,441
Accounts payable and accrued expenses	3,802,030	(1,288,401)
Total adjustments	(5,154,158)	4,199,154
Net cash provided by (used in) operating activities	(5,139,390)	4,704,721
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(110,177)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net change in due to factor	4,152,347	(3,993,900)
NET CHANGE IN CASH AND RESTRICTED CASH	(1,097,220)	710,821
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR	1,748,511	1,037,690
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 651,291</u>	<u>\$ 1,748,511</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the years for:		
Interest	\$ 38,419	\$ 102,608
Income taxes	<u>\$ 44,964</u>	<u>\$ 3,557</u>
SUPPLEMENTARY SCHEDULE OF NONCASH ACTIVITY:		
Reduction of subordinate debt in the amount of \$1,000,000 for the year ended March 31, 2020		

**INDO COUNT GLOBAL INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Indo Count Global Inc. (the "Company") was incorporated in the State of Delaware in January 2011. The Company is a wholesaler of linens to chain stores throughout the United States and Canada. The Company is a wholly owned subsidiary of an Indian corporation (the "Parent Company").

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Inventories

The Company states inventory at the lower of average cost and net realizable value. A reserve for potentially obsolete or slow-moving inventory is provided based on management's analysis of inventory levels and future sales forecasts. Inventories consist of finished goods totaling \$7,341,509 at March 31, 2021. A reserve was not necessary for the year ended March 31, 2021. Inventories consist of finished goods totaling \$2,633,654, which includes a reserve for slow moving inventory of approximately \$116,000 at March 31, 2020.

Property and Equipment, Net

Property and equipment are stated at cost and include expenditures for major items. Maintenance, repairs and minor replacements are expensed. Depreciation and amortization are provided for under the straight-line method based on expected useful lives of the related assets. Leasehold improvements are amortized over the shorter of their estimated useful lives or the underlying lease term. Gains or losses on dispositions are reflected in income. The Company evaluates property and equipment for impairment using a discounted cash flows method whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There was no impairment adjustment deemed necessary by management for the years ended March 31, 2021 and 2020.

Revenue Recognition

The Company recognizes revenue in accordance with the five-step model as prescribed by Financial Accounting Standards Board ("FASB"), Accounting Standards Update ("ASU") 2014-09, (Topic 606) Revenue from Contracts with Customer, in which the Company evaluates the transfer of promised goods or services and recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration which the Company expects to be entitled to receive in exchange for those goods or services. This requires the Company to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer. The contracts have one single performance obligation which is the promise to transfer the individual goods which occurs when the inventory is shipped to the customer.

**INDO COUNT GLOBAL INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

The Company's customers are large retailers and are located in the USA and overseas. The Company's sales occur throughout the year and are not seasonal.

The Company provides various allowances and discounts to customers including discounts for prompt payment, sales returns, and rebates. Estimates are made of anticipated returns or other allowances based on historical experience and a provision is made. Similarly, accruals for customer discounts and rebates are recorded when the related revenue is recognized.

Net sales for the years ended March 31, 2021 and 2020 reported on the statements of income and retained earnings represents gross sales less discounts, returns, and allowances. The payment terms are typically between 30 to 120 days.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended March 31, 2021 and 2020 were approximately \$9,000 and \$38,000, respectively.

Deferred Rent Payable

Deferred rent represents the amount of excess rent expense on a straight-line basis based on the total rent commitment over the period of the leases and annual rent payable.

Shipping and Handling

A third-party service provider is used by the Company to warehouse the inventory and provide shipping services. Shipping and handling costs are included in selling and shipping expense in the accompanying statements of income and retained earnings, which totaled approximately \$850,000 and \$780,000 for the years ended March 31, 2021 and 2020, respectively.

Income Taxes

The Company is a "C" Corporation and is subject to federal, state and local income taxes.

Deferred income taxes reflect the impact of "temporary differences" between the amounts of assets and liabilities for financial reporting purposes and such amounts measured by tax laws and regulations. The type of temporary differences that gave rise to deferred taxes at March 31, 2021, and 2020 are tax inventory capitalization costs, inventory obsolescence reserves, straight-lining of rent expense, timing of expenses and depreciation.

**INDO COUNT GLOBAL INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

The total deferred tax asset of \$75,000 and \$51,000 at March 31, 2021 and 2020, respectively, has been recorded due to certain qualified costs deducted for financial reporting purposes being capitalized into the inventories for tax purposes, the straight-lining of rent expense for financial reporting purposes as compared to actual rent paid for tax purposes, inventory obsolescence reserves, timing of deduction of expenses for tax purposes and depreciation. When necessary, valuation allowances are established to reduce deferred tax assets to the amounts expected to be realized. No valuation allowance was required as of March 31, 2021 and 2020. The net deferred income tax asset or liability is classified as noncurrent on the balance sheets.

FASB ASC Topic 740, *Income Taxes*, provides standards for establishing and classifying any tax provisions for uncertain tax positions and recognizing any interest and penalties.

The Company's policy is to recognize accrued interest and penalties related to unrecognized tax benefits as income tax expense. As of March 31, 2021 and 2020, the Company has determined that it has no uncertain tax positions that require either recognition or disclosure to the financial statements.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, (Topic 842) *Leases*, which establishes a right of use model ("ROU") that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard requires a modified retrospective approach to adoption. The Company is currently evaluating the impact Topic 842 will have on its financial statements. This new standard is effective for annual periods beginning after December 15, 2021.

NOTE 3 - PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at March 31

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 1,054,578	\$ 1,054,578
Furniture and fixtures	79,929	79,929
Construction in progress	110,177	-
Office equipment	22,875	22,875
	<u>1,267,559</u>	<u>1,157,382</u>
Less: Accumulated depreciation and amortization	<u>1,094,810</u>	<u>887,098</u>
Property and equipment, net	<u>\$ 172,749</u>	<u>\$ 270,284</u>

Depreciation and amortization amounted to approximately \$208,000 for each of the years ended March 31, 2021 and 2020.

**INDO COUNT GLOBAL INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

NOTE 4 - RESTRICTED CASH

The restricted cash balance at March 31, 2021 and 2020 totaled \$500,000 and \$1,000,000, respectively, and is used as collateral for the Company's borrowing facility.

For purposes of the statements of cash flows, the following table provides a reconciliation of cash and restricted cash reported within the balance sheets at March 31 that sum to the total of the same such amounts shown in the statements of cash flows.

	2021	2020
Cash	\$ 151,291	\$ 748,511
Restricted cash	500,000	1,000,000
 Total cash and restricted cash shown in the statements of cash flows	 \$ 651,291	 \$ 1,748,511

NOTE 5 - DUE TO CUSTOMER

As of March 31, 2020, the Company had a net outstanding balance to a customer totaling approximately \$712,000. The outstanding balance was utilized against future orders from the customer in the fiscal year ended March 31, 2021. This customer is one of the major customers noted in Note 8.

NOTE 6 - DUE TO / FROM FACTOR

On July 2, 2015, the Company entered into a factoring agreement with a financial institution where the Company sells approved accounts with or without recourse. The agreement also provides for a line of credit for advances based on a formula as defined in the agreement not to exceed \$19,000,000. On January 7, 2019, the factoring agreement has been amended to reduce the line of credit from \$19,000,000 to \$8,000,000. On July 31, 2020, the agreement was amended to reduce the restricted cash collateral deposit from \$1,000,000 to \$500,000. The interest is accrued on the loan at rates based on 90-day London Interbank Offered Rate ("LIBOR") (0.75% minimum) plus 2%. The financial institution has been given a security interest in substantially all the Company's assets. The loan also requires a deposit to be maintained as collateral during the term of the credit facility, which is discussed in Note 4. There is a guarantee by the parent company, which was reduced from \$7,000,000 to \$5,000,000 per the amended agreement on July 31, 2020. The guaranteed amount as of March 31, 2021 is \$5,000,000 plus expenses of collection in an amount equal to 30% of the guaranteed amounts (the "Maximum Guarantee Amount") plus interest and reasonable attorneys' fees. The agreement contains certain restrictive covenants. As of March 31, 2021, the Company had outstanding borrowings against the credit facility in the amount of \$4,269,776, and outstanding factored balances due from the facility in the amount of \$5,434,247 for a net balance due from the factor in the amount of \$1,164,471. As of March 31, 2020, the Company had outstanding borrowings against the credit facility in the amount of \$117,429, and outstanding factored balances due from the facility in the amount of \$1,924,364 for a net balance due from the factor in the amount of \$1,806,935.

NOTE 7 - SUBORDINATED DEBT – RELATED-PARTY

As required by the factoring agreement noted in Note 6, the Company has subordinated trade payables due to its parent to the financial institution. On September 6, 2019, the subordination agreement has been amended to reduce the amount from \$3,000,000 to \$2,000,000. On July 31, 2020, the subordination agreement was amended to reduce the subordinated indebtedness to \$1,500,000 for the period beginning on July 13, 2020 and ending on September 30, 2020. Subsequent to September 30, 2020, the subordinated indebtedness was restored to the original \$2,000,000 based on the September 6, 2019 amendment.

**INDO COUNT GLOBAL INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

NOTE 7 - SUBORDINATED DEBT – RELATED-PARTY (continued)

This loan is long-term and non-interest bearing. The parent company charges a fee related to the limited guarantee noted in Note 6. The fee is based on 1.05% and 0.25% of the corporate guaranteed balance for the years ended March 31, 2021 and 2020, respectively. At March 31, 2021 and 2020, these amounts were approximately \$80,000 and \$24,000, respectively, and are included in bank charges and other fees on the schedules of operating expenses.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Concentration of Credit Risk

The Company maintains its cash at financial institutions, which are insured by the Federal Deposit Insurance Corporation (“FDIC”) and are federally insured. Deposits held in non-interest-bearing transaction accounts are aggregated with any interest-bearing deposits up to the combined amount of \$250,000 per depositor, per insured financial institution.

At March 31, 2021 and 2020, cash balances were in excess of FDIC insurance limits by approximately \$401,000 and \$1,499,000, respectively. All the Company’s cash was on deposit at one major bank for the years ended March 31, 2021 and 2020.

Financial instruments, other than cash balances, that potentially subject the Company to a concentration of credit risk, relate primarily to accounts receivable. At March 31, 2021 and 2020, the Company had balances due from one and three major customers, which is considered a concentration.

Operating Leases

In June 2016, the Company signed an operating lease for showroom space that was scheduled to expire in June 2021. During the current fiscal year, the Company amended the lease so that it expired on November 30, 2020. The Company is paying month-to-month rent until they vacate the property. In August 2020, the Company signed a new lease agreement for a new showroom space that will expire in June 2028. The rent will commence upon the latter of February 1, 2021 or the completion of the landlord’s work. The Company is planning to move into the location subsequent to year end. The minimum annual lease payments (exclusive of real estate taxes, insurance, etc.) are approximately as follows:

<u>Years Ending March 31,</u>	<u>Amount</u>
2022	\$ 395,000
2023	405,000
2024	415,000
2025	426,000
2026	436,000
thereafter	<u>1,101,000</u>
	<u>\$ 3,178,000</u>

Rent expense charged to operations was approximately \$514,000 and \$492,000 for the years ended March 31, 2021 and 2020, respectively.

**INDO COUNT GLOBAL INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020**

NOTE 8 - COMMITMENTS AND CONTINGENCIES (continued)

Major Customers

The Company sold 81% of its product to three customers for the year ended March 31, 2021. The total amount due from these customers was approximately \$4,919,000 at March 31, 2021.

The Company sold 84% of its product to three customers for the year ended March 31, 2020. The total amount due from two of these customers was approximately \$1,046,000 at March 31, 2020. The balance due to one of the customers was approximately \$712,000 and is disclosed separately on the balance sheet and in Note 5.

Related Party and Major Supplier

The Company purchased 100% of its products from the overseas Parent Company for the years ended March 31, 2021 and 2020. The balance owed to the Parent Company for such trade payables was \$5,901,566 and \$2,239,247, of which \$2,000,000 was subordinated to the financial institution at March 31, 2021 and 2020, respectively.

NOTE 9 - 401(K) PLAN

On June 1, 2015, the Company adopted a defined contributions 401(K) Plan covering all eligible employees of the Company. Employees are eligible to become contributing participants of the Plan on the first day of employment. The Plan is subject to the provisions of Employee Retirement Income Security Act of 1974 ("ERISA"). The Company's discretionary contribution to the Plan for the years ended March 31, 2021 and 2020 was approximately \$32,000 and \$31,000, respectively, and is included in general and administrative expenses on the statements of income and retained earnings.

NOTE 10 - INCOME TAXES

The components of income tax expense (benefit) are as follows:

<u>March 31, 2021</u>	<u>Federal</u>	<u>State & Local</u>	<u>Total</u>
Current	\$ 39,121	\$ 8,784	\$ 47,905
Deferred benefit	<u>(22,000)</u>	<u>(2,000)</u>	<u>(24,000)</u>
	<u>\$ 17,121</u>	<u>\$ 6,784</u>	<u>\$ 23,905</u>
<u>March 31, 2020</u>	<u>Federal</u>	<u>State & Local</u>	<u>Total</u>
Current	\$ 163,919	\$ 29,079	\$ 192,998
Deferred benefit	<u>(53,000)</u>	<u>(6,000)</u>	<u>(59,000)</u>
	<u>\$ 110,919</u>	<u>\$ 23,079</u>	<u>\$ 133,998</u>

INDO COUNT GLOBAL INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 11 - ROYALTIES

During the year ended March 31, 2016, the Company and its Parent Company entered into an agreement with a non-related entity. The agreement grants both entities the right to distribute merchandise under a patent. The Parent Company will make all the required payments under the agreement.

On May 10, 2016, the Company entered into a design licensing agreement with another company. The licensing agreement allows the Company to use certain designs and brands with the Company products in accordance with the terms of the agreement. The agreement calls for quarterly royalty payments to be made based upon specific percentages of the sales of the covered products. The agreement expired on September 30, 2020 and was not renewed.

On March 1, 2019, the Company entered into a licensing agreement with another company. The licensing agreement allows the Company to use designs and brands with the Company products in accordance with the terms of the agreement. The agreement calls for quarterly royalty payments to be made based upon specific percentages of the sales of the covered products. In addition to the royalty percentages, there is an annual payment due for marketing support. The agreement expired on March 1, 2021 and was not renewed. The Company sold the product to one of the major customers in Note 8 as well as to the licensor. As of March 31, 2021, the balance due to the licensor was approximately \$14,000. As of March 31, 2020, the balance due to the licensor was approximately \$84,000 and the balance due from the licensor was approximately \$148,000.

Royalties charged to operations for the years ended March 31, 2021 and 2020 were approximately \$33,000 and \$194,000, respectively. Advertising expense related to the licensing agreement for the years ended March 31, 2021 and 2020, was approximately \$9,000 and \$37,000, respectively.

NOTE 12 - RISKS AND UNCERTAINTIES

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Company's business and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Company is currently unable to fully determine the extent of COVID-19's impact on its business in future periods. The Company's performance in future periods will be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. The Company continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results of operations.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the balance sheet through May 4, 2021, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**INDO COUNT GLOBAL INC.
SUPPLEMENTARY INFORMATION
SCHEDULES OF COST OF GOODS SOLD
FOR THE YEARS ENDED MARCH 31,**

	2021	2020
Inventories – beginning	\$ 2,633,654	\$ 6,248,022
Purchases	18,380,939	15,087,128
	21,014,593	21,335,150
Inventories – ending	(7,341,509)	(2,633,654)
Total Cost of Goods Sold	\$ 13,673,084	\$ 18,701,496

**INDO COUNT GLOBAL INC.
SUPPLEMENTARY INFORMATION
SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED MARCH 31,**

	<u>2021</u>	<u>2020</u>
Selling and Shipping		
Shipping and handling	\$ 850,165	\$ 779,974
Showroom expenses	272,310	398,664
Commissions	73,079	364,123
Royalty expense	33,491	194,269
Travel and entertainment	5,388	53,599
Advertising and promotion	9,306	38,165
	<u>1,243,739</u>	<u>1,828,794</u>
Total Selling and Shipping Expenses	<u>\$ 1,243,739</u>	<u>\$ 1,828,794</u>
General and Administrative		
Salaries and benefits	\$ 1,317,090	\$ 1,242,102
Rent and utilities	525,381	504,873
Professional fees	282,769	413,101
Computer expenses	255,157	182,410
Depreciation and amortization	207,712	207,712
Bank charges and other fees	85,922	29,971
Provision for doubtful accounts	39,787	-
Commercial rent tax	38,310	-
Office, stationery and printing	33,480	83,412
Insurance	32,954	21,590
Charitable contributions	260	12,000
	<u>2,818,822</u>	<u>2,697,171</u>
Total General and Administrative Expenses	<u>\$ 2,818,822</u>	<u>\$ 2,697,171</u>