

**EICHER ENGINEERING SOLUTIONS, INC.
AND SUBSIDIARIES**

REPORT ON AUDIT OF CONSOLIDATED
FINANCIAL STATEMENTS

Years ended December 31, 2016 and 2015

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

Stockholder
Eicher Engineering Solutions, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Eicher Engineering Solutions, Inc. and Subsidiaries (a Michigan company) (the "Company"), which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of operations and retained deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Eicher Engineering Solutions (Shanghai) Co. Ltd., a wholly owned subsidiary, which statements reflect total assets of \$868,029 and \$620,387 as of December 31, 2016 and 2015, respectively, and total revenues of \$3,076,436 and \$2,123,462, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Eicher Engineering Solutions (Shanghai) Co. Ltd., is based solely on the report of the other auditors. 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 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 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.

Stockholder
Eicher Engineering Solutions, Inc. and Subsidiaries
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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 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 referred to above present fairly, in all material respects, the financial position of Eicher Engineering Solutions, Inc. and Subsidiaries as of December 31, 2016 and 2015, 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 consolidated financial statements as a whole. The supplementary information, as identified on the table of contents page, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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, which insofar as it relates to Eicher Engineering Solutions (Shanghai) Co. Ltd., is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The logo for UHY LLP, featuring the letters 'UHY' in a large, stylized, cursive font, with 'LLP' in a smaller, simpler font to the right.

Farmington Hills, Michigan
January 10, 2017

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

| | <u>December 31,</u> | |
|--|---------------------|---------------------|
| | <u>2016</u> | <u>2015</u> |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash in bank | \$ 511,404 | \$ 583,708 |
| Accounts receivable: | | |
| Trade aged less than six months | 1,000,166 | 1,444,618 |
| Trade aged greater than six months | 21,161 | 240 |
| Related party thru common ownership | 39,832 | - |
| Work in process | 50,310 | - |
| Prepaid expenses | 79,840 | 211,212 |
| | <hr/> | <hr/> |
| Total current assets | 1,702,713 | 2,239,778 |
| PROPERTY AND EQUIPMENT - NET | 60,746 | 143,453 |
| OTHER ASSET - Security deposit | 15,303 | 15,303 |
| | <hr/> | <hr/> |
| | \$ 1,778,762 | \$ 2,398,534 |
| | <hr/> | <hr/> |
| LIABILITIES AND STOCKHOLDER'S EQUITY | | |
| CURRENT LIABILITIES | | |
| Revolving credit facility | \$ 1,201,617 | \$ 3,375,000 |
| Accounts payable | 343,942 | 515,203 |
| Accrued expenses | 77,356 | 148,565 |
| | <hr/> | <hr/> |
| Total current liabilities | 1,622,915 | 4,038,768 |
| | <hr/> | <hr/> |
| STOCKHOLDER'S EQUITY | | |
| Capital stock - Common, \$1 and \$500 par value, authorized 50,000 shares, issued and outstanding 9,000 shares of \$1 par value and 8,970 shares of \$500 par value | 6,213,950 | 4,494,000 |
| Paid-in-capital in excess of par value | 2,549 | 2,549 |
| Retained deficit | (6,060,652) | (6,136,783) |
| | <hr/> | <hr/> |
| | 155,847 | (1,640,234) |
| | <hr/> | <hr/> |
| | \$ 1,778,762 | \$ 2,398,534 |
| | <hr/> | <hr/> |

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED DEFICIT

| | <u>Years ended December 31,</u> | |
|---|---------------------------------|-----------------------|
| | <u>2016</u> | <u>2015</u> |
| Contract service revenue | \$ 5,823,402 | \$ 7,798,740 |
| Cost of service revenue | | |
| Direct labor | 1,738,563 | 3,773,646 |
| Payroll taxes | 143,366 | 312,361 |
| Materials | 46,051 | 199,651 |
| Contract labor and independent contractor charges | 3,027,364 | 3,208,716 |
| Insurance - healthcare | 131,514 | 260,375 |
| Cost of service revenue | 5,086,858 | 7,754,749 |
| Gross margin | 736,544 | 43,991 |
| Operating expenses | 524,277 | 876,126 |
| | 212,267 | (832,135) |
| Other income (expenses) | | |
| Interest income | 511 | 872 |
| Loss on foreign currency exchange | (32,411) | (30,147) |
| Interest expense - bank | (103,335) | (165,042) |
| Gain (loss) on sale of property and equipment | (901) | 327,673 |
| Net income (loss) before income taxes | 76,131 | (698,779) |
| Income taxes - Federal | - | 91,913 |
| Net income (loss) | 76,131 | (790,692) |
| Retained Deficit - Beginning | (6,136,783) | (5,346,091) |
| Retained Deficit - Ending | \$ (6,060,652) | \$ (6,136,783) |

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

| | <u>Years ended December 31,</u> | |
|---|---------------------------------|------------------------------|
| | <u>2016</u> | <u>2015</u> |
| OPERATING ACTIVITIES | | |
| Net income (loss) | \$ 76,131 | \$ (790,692) |
| Adjustments to reconcile net income (loss) to net cash flows from operating activities: | | |
| Depreciation | 48,912 | 78,126 |
| Allowance for doubtful accounts | - | (32,513) |
| (Gain) loss on sale of property and equipment | 901 | (327,673) |
| Federal taxes | - | 91,913 |
| Changes in: | | |
| Accounts receivable | 423,531 | 560,422 |
| Work in process | (50,310) | 32,500 |
| Prepaid expenses | 131,372 | 18,654 |
| Deposits | - | 1,634 |
| Accounts payable and accrued expenses | <u>(282,302)</u> | <u>(97,623)</u> |
| Net cash provided by (used in) operating activities | <u>348,235</u> | <u>(465,252)</u> |
| INVESTING ACTIVITIES | | |
| Proceeds from sale of property and equipment | 32,894 | 339,714 |
| Purchase of property and equipment | <u>-</u> | <u>(6,392)</u> |
| Net cash provided by investing activities | <u>32,894</u> | <u>333,322</u> |
| FINANCING ACTIVITIES | | |
| Proceeds from issuance of capital stock | 1,719,950 | 785,000 |
| Net activity under revolving credit facility | <u>(2,173,383)</u> | <u>(625,000)</u> |
| Net cash provided by (used in) financing activities | <u>(453,433)</u> | <u>160,000</u> |
| NET CHANGE IN CASH | (72,304) | 28,070 |
| CASH, Beginning | <u>583,708</u> | <u>555,638</u> |
| CASH, Ending | <u><u>\$ 511,404</u></u> | <u><u>\$ 583,708</u></u> |

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 – BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of these consolidated financial statements. The policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the consolidated financial statements.

History and Business Activity

Eicher Engineering Solutions, Inc. (the “Company”) began its operations in March 1999 and is currently organized as a corporation in the State of Michigan, United States of America. The Company operates as a designing and prototyping company that deals in contract staffing, onsite projects and computer-aided engineering. The Company enters into time and material based contracts, they also enter into only time based contracts, and is located in Farmington Hills, Michigan.

Eicher Engineering Solutions (Beijing) Co., Ltd., the Beijing subsidiary, operates as an engineering services firm. Eicher Engineering Solutions (Shanghai) Co. Ltd., the Shanghai subsidiary, operates as a design services firm.

Principles of Consolidation

The consolidated financial statements include the accounts of Eicher Engineering Solutions, Inc. and the accounts of its wholly-owned Chinese subsidiaries, Eicher Engineering Solutions (Beijing) Co., Ltd. and Eicher Engineering Solutions (Shanghai) Co., Ltd. (collectively, the Company). All significant balances and transactions between the entities have been eliminated in consolidation. The operating results of Eicher Engineering Solutions (Beijing) Co., Ltd. and Eicher Engineering Solutions (Shanghai) Co., Ltd. are calculated using the local currency of China, the Yuan. Balance sheet accounts are translated at the year-end exchange rate and income statement accounts are translated at the average exchange rate for the year.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The Company uses the accrual basis of accounting.

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 – BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Project Based Contracts (Time and Material Contracts): The completed contract method of accounting has been used for time and material contracts, primarily because of the short term nature of the contracts. Accordingly, all billings and costs incurred are recorded on the balance sheet as deferred revenue and work in process until the contract is complete. Revenue and the related costs are recognized at the completion of the contract when the customer can be billed.

Time Based Contracts: In cases where the Company bills customers for time based services, revenue is recognized on the basis of the number of hours spent by the employee for the client. The nature of those contracts is such that the Company is providing a service in the nature of the employee's time.

Concentration of Credit Risk

The Company from time to time during the period covered by these consolidated financial statements may have bank balances in excess of its insured limits. Management has deemed this as a normal business risk.

Accounts Receivable

The Company carries its accounts receivable at net realizable value. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, when deemed necessary, based on the history of past write-offs and collections and current credit conditions. Management has determined that an allowance was not needed for both years ending December 31, 2016 and 2015. Generally, the Company does not require collateral for its accounts receivable.

Inventory Valuation

Work in process is valued at cost or realizable value, whichever is lower. Cost means:

In case of time and material based contracts – direct materials, labor cost and appropriate overhead incurred on the project.

In case of time based contracts – labor costs and appropriate overhead incurred on the project.

Sales Tax

The Company reports its sales tax on the net basis in accordance with current accounting standards.

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 – BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds of fixed assets up to the date of commissioning/commercial exploitation of assets. Depreciation on fixed assets is charged on the straight line basis on a prorata basis from the month the assets are put to use using the estimated lives specified under the Internal Revenue Service. The estimated lives for various categories of the assets are as follows:

| | |
|------------------------|---------|
| Computer Software: | 3 Years |
| Computer Equipment: | 5 Years |
| Office Equipment: | 5 Years |
| Furniture & Fixtures: | 7 Years |
| Machinery & Equipment: | 7 Years |

Income Taxes

Income taxes are provided at the applicable rates on the basis of items included in determination of income for income tax purposes.

The Company's effective income tax rate is different than what would be expected if the Federal and State statutory rate were applied to income from continuing operations primarily because of expenses deductible for financial reporting purposes that are not deductible for tax purposes.

Net Operating Loss Carryover

At December 31, 2016, the Company has net operating loss carry-forwards of approximately \$7,444,000 expiring in various years through 2036 that may provide future tax benefits.

Deferred Income Taxes

Deferred tax is recognized, subject to the consideration of prudence, on temporary differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods under the provisions of ASC topic Income Taxes which requires recognition when realization is more likely than not, in the form of deferred tax liabilities and assets, of the future tax consequences of transactions and events that have been recognized in the Company's financial statements. Deferred tax assets are recognized on the temporary tax differences and the carried forward of losses that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect of such differences is included annually on the income statement and on the balance sheet as an adjustment to deferred income taxes. As of December 31, 2016 and 2015, a valuation allowance in the amount of approximately \$2,671,500 and \$2,663,100, respectively, was recorded in relation to the remaining net operating loss.

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 – BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Uncertain Tax Positions

The Company adopted guidance issued by the Financial Accounting Standards Board ("FASB") in accounting for uncertainty in income taxes originally issued as "*FASB Interpretation No. 48 (As Amended), Accounting for Uncertainty in Income Taxes – An Interpretation of FASB Statement No. 109*", codified primarily in Accounting Standards Codification ("ASC") Topic 740, "*Income Taxes*", as amended by Accounting Standards Update ("ASU") "*ASU No. 2009-06 Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities*". This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions subject to ASC 740. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. As of December 31, 2016 and 2015, there were no amounts that have been accrued in respect of uncertain tax positions.

Shipping and Handling Cost

The Company records the amount of shipping and handling costs billed to customers as revenue. The cost incurred for shipping and handling has been included in the cost of service revenue.

Research and Development

Revenue expenditures on research and development are expensed in the year in which it is incurred. Expenditures which result in the creation of capital assets are treated in the same way as expenditures on the fixed assets.

Major Customers

During the year ended December 31, 2016, sales to one customer accounted for approximately 25% of revenues and \$334,504 of accounts receivable. During the year ended December 31, 2015, sales to one customer accounted for approximately 31% of revenues and \$617,983 of accounts receivable.

Advertising

Advertising costs are expensed as incurred and for the years ended December 31, 2016 and 2015 totaled \$419 and \$-, respectively.

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 – BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Company has performed a review of events subsequent to the financial statement date through January 10, 2017, the date the financials were available to be issued.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

| | December 31, | |
|---------------------------------|------------------|-------------------|
| | 2016 | 2015 |
| Furniture and fixtures | \$ 148,317 | \$ 171,208 |
| Computer equipment and software | 549,109 | 637,301 |
| | 697,426 | 808,509 |
| Less accumulated depreciation | 636,680 | 665,056 |
| | <u>\$ 60,746</u> | <u>\$ 143,453</u> |

NOTE 3 – REVOLVING CREDIT FACILITY

At December 31, 2016 and 2015, the Company had drawn \$1,201,617 and \$3,375,000, respectively, under a revolving credit facility with a commercial bank. The Company may borrow up to \$4,000,000 on a revolving basis with interest at the three month LIBOR rate, plus 275 basis points (as of December 31, 2016 and 2015 the three month LIBOR rate was 1.00% and .32%, respectively). The loan is due in April 2017. The indebtedness is secured by all assets of the Company, by an irrevocable letter of credit issued by the State Bank of India and a guarantee by VE Commercial Vehicles Ltd (VECV, the parent company).

NOTE 4 – ACCOUNTS PAYABLE

Accounts payable consists of the following:

| | December 31, | |
|--------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| Trade | \$ 343,942 | \$ 217,983 |
| Related party - Parent company | - | 297,220 |
| | <u>\$ 343,942</u> | <u>\$ 515,203</u> |

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 5 – CASH FLOWS

Supplemental disclosure of cash flow information is as follows:

| | December 31, | |
|---------------|--------------|------------|
| | 2016 | 2015 |
| Interest paid | \$ 103,335 | \$ 165,945 |

NOTE 6 – LEASES

The Company leases operating facilities from an unrelated party, expiring in August 2018, at various monthly amounts. Rent expense for the years ended December 31, 2016 and 2015 was \$139,357 and \$145,482, respectively.

The Company leases office equipment from an unrelated entity, under an operating lease that expires in May 2020 at \$497 per month. Rent expense for the years ended December 31, 2016 and 2015 was \$5,964 and \$2,485, respectively.

The Company leases office space from an unrelated entity, expiring in September 2016, at various monthly amounts. Rent expense for the year ended December 31, 2016 and 2015 was \$31,914 and \$33,188, respectively.

The Beijing subsidiary leases their operating facility from an unrelated entity, under an operating lease expiring in July 2017 for various amounts per month. Rent expense for the years ended December 31, 2016 and 2015 was \$28,108 and \$98,360 respectively.

The Shanghai subsidiary leases their operating facility from an unrelated entity, under an operating lease expiring in November 2017 for various amounts per month. Rent expense for the years ended December 31, 2016 and 2015 was \$23,250 and \$33,826 respectively.

Total rent expense for the years ended December 31, 2016 and 2015, including rent expensed in other accounts, was \$228,493 and \$313,341, respectively.

The following is a schedule of minimum future rental payments under lease agreements having initial or remaining terms greater than one year:

| Year ended December 31, | Amount |
|-------------------------|------------------|
| 2017 | \$ 55,277 |
| 2018 | 5,963 |
| 2019 | 5,963 |
| 2020 | 2,485 |
| | <u>69,688</u> |
| | <u>\$ 69,688</u> |

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 7 – FOREIGN CURRENCY TRANSLATION

The Parent company's functional currency for all U.S. operations is the U.S. dollar. The functional currency for the foreign subsidiaries is the Yuan. Assets and liabilities are translated at exchange rates in effect at the end of the year. Income statement accounts are translated at average rates for the year. Gains and losses from translation of foreign currency consolidated financial statements into U.S. dollars are included in current results of operations. Gains and losses resulting from foreign currency transactions are also included in current results of operations. Aggregate foreign currency translation and transaction gain/(losses) included in operations for the years ended December 31, 2016 and 2015 totaled \$(32,411) and \$(30,147), respectively.

NOTE 8 – RELATED PARTY TRANSACTIONS

The list of related parties to Eicher Engineering Solutions, Inc. and VE Commercial Vehicles Ltd (VECV, the parent company) are as follows:

- 1) Eicher Motors Ltd (The ultimate holding company)
- 2) AB Volvo, Sweden (Investor in respect of which VECV is a joint venture)
- 3) Eicher Goodearth Pvt Limited (Significant influence of Key Management personnel)
- 4) Key Management Personnel: Mr. Siddhartha Lal
- 5) VECV Lanka Private Limited (Fellow subsidiary Incorporated April 9, 2013)

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 8 – RELATED PARTY TRANSACTIONS (Continued)

The transactions with related parties are as follows:

SALES TO RELATED PARTIES

| | VE Commercial Vehicles Ltd December 31, | |
|-----------------------------------|--|-----------|
| | 2016 | 2015 |
| Opening Balance as on Dec 31st | \$ - | \$ 16,013 |
| Sales for the year | \$ - | \$ 13,281 |
| Payment received(Gross) for Sales | \$ - | \$ 29,294 |
| Receivable Outstanding as on | \$ - | \$ - |

| | Eicher Polaris Limited December 31, | |
|------------------------------------|--|-----------|
| | 2016 | 2015 |
| Opening Balance as on Dec 31st | \$ - | \$ - |
| Sales for the year | \$ - | \$ 14,250 |
| Payment received (Gross) for Sales | \$ - | \$ 14,250 |
| Receivable Outstanding as on | \$ - | \$ - |

PURCHASES OF SERVICES FROM RELATED PARTIES

| Particulars | VE Commercial Vehicles Ltd December 31, | |
|--|--|--------------|
| | 2016 | 2015 |
| Purchase of services | \$ 41,166 | \$ 458,438 |
| Payment for purchase of services | \$ 391,223 | \$ (421,698) |
| Expenses incurred on behalf of VECV | \$ 147,236 | \$ 113,465 |
| Expenses incurred by VECV on behalf of EES, Inc | \$ 9,244 | \$ 56,991 |
| Payments received by EES, Inc. from VECV for expenses incurred | \$ 67,400 | \$ - |
| Equity infusion by VECV | \$ 1,719,950 | \$ 785,000 |
| Outstanding as on | \$ 39,832 | \$ 297,220 |
| Guarantee taken from VECV | \$ - | \$ 4,200,000 |
| Guarantee outstanding as on | \$ 4,200,000 | \$ 4,200,000 |

NOTE 9 – SUBSEQUENT EVENT

Subsequent to December 31, 2016, the parent company of Eicher Engineering Solutions, Inc. accepted an indicative offer (non-binding) from a third party to sell its shares of Eicher Engineering Solutions, Inc. The process is still in the preliminary stages at the issuance date of these financial statements.

EICHER ENGINEERING SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF OPERATING EXPENSES

| | Years ended December 31, | |
|---------------------------------|---------------------------------|--------------------------|
| | 2016 | 2015 |
| General insurance | \$ 25,269 | \$ 59,102 |
| Property taxes | 2,691 | 11,972 |
| State franchise taxes | 8,647 | 1,707 |
| Office supplies | 4,905 | 10,454 |
| Telephone | 21,837 | 37,704 |
| Repairs and maintenance | 12,670 | 22,206 |
| Professional fees | 54,432 | 30,059 |
| Dues and subscriptions | 14,980 | 33,435 |
| Depreciation | 48,912 | 78,126 |
| Advertising | 419 | - |
| Automobile expenses | 69 | 9,918 |
| Rent | 172,204 | 180,024 |
| Travel, meals and entertainment | 27,795 | 45,506 |
| Utilities | 19,571 | 35,211 |
| Computer expenses | 109,876 | 320,702 |
| | <u>\$ 524,277</u> | <u>\$ 876,126</u> |

Eicher Engineering Solutions, Inc.
Comprehensive Depreciation [Depreciation]
BOOK TAX
For the Period January 1, 2016 to December 31, 2016

| Asset ID | Selected Dates | | Asset Balances | | | Depreciable Basis | | | | | | | Current & Accum Depreciation | | | | | | | | | | | |
|-------------|---|---------------|----------------|-----------|-----------|-------------------|---------------|--------|-----------|-----------|-------------------------|-----------|------------------------------|-----------------------------|------------------|-----------------|--------------|---------------------------|-----------|-----------|--------------|----------|----------------|------|
| | Placed in Service Date | Disposal Date | Beginning | Additions | Deletions | Ending | DeprMeth/Conv | LifeYr | Mc | Book Cost | Credit Reduction Amount | Bus.Use % | Net S179/A & AFYD | Prior Reported Depreciation | Depreciable Base | Beginning Accum | Current Depr | Depr & AFlet Sec 179/179A | Additions | Deletions | Ending Accum | Dej | Net Book Value | |
| Class: 1600 | | | | | | | | | | | | | | | | | | | | | | | | |
| 000720 | S500 BASE-A SYSTEM 5/31/2007 | | 6,134.29 | 0.00 | 0.00 | 6,134.29 | MC200AHY | 7 0 | 6,134.29 | 0.00 | 100.00 | 0.00 | 6,134.29 | 0.00 | 6,134.29 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6,134.29 | 0.00 | | 0.00 |
| 000730 | DELL CONF ROOM CPU 9/1/2007 | | 16,894.49 | 0.00 | 0.00 | 16,894.49 | MC200AHY | 7 0 | 16,894.49 | 0.00 | 100.00 | 0.00 | 16,894.49 | 0.00 | 16,894.49 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 16,894.49 | 0.00 | | 0.00 |
| 000740 | SILICON GRAPHIC SERVER COMPUTERS 10/15/2007 | | 13,909.23 | 0.00 | 0.00 | 13,909.23 | MC200AHY | 7 0 | 13,909.23 | 0.00 | 100.00 | 0.00 | 13,909.23 | 0.00 | 13,909.23 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 13,909.23 | 0.00 | | 0.00 |
| 000750 | QUANTUM SUPERLOADER 11/21/2007 | | 5,152.60 | 0.00 | 0.00 | 5,152.60 | MC200AHY | 7 0 | 5,152.60 | 0.00 | 100.00 | 0.00 | 5,152.60 | 0.00 | 5,152.60 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,152.60 | 0.00 | | 0.00 |
| 000790 | SILICON GRAPHIC COMPUTERS 3/25/2008 | | 24,566.94 | 0.00 | 0.00 | 24,566.94 | MC200AHY | 7 0 | 24,566.94 | 0.00 | 100.00 | 0.00 | 24,566.94 | 0.00 | 24,566.94 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 24,566.94 | 0.00 | | 0.00 |
| 000830 | MYRINET SWITCH 5/9/2008 | | 1,538.75 | 0.00 | 0.00 | 1,538.75 | MC200AHY | 5 0 | 1,538.75 | 0.00 | 100.00 | 0.00 | 1,538.75 | 0.00 | 1,538.75 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,538.75 | 0.00 | | 0.00 |
| 001060 | Computer equipment - 5 nos for Delta project 6/26/2010 | | 13,165.00 | 0.00 | 0.00 | 13,165.00 | MC200AHY | 5 0 | 13,165.00 | 0.00 | 100.00 | 0.00 | 13,165.00 | 13,165.00 | 13,165.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 13,165.00 | 0.00 | | 0.00 |
| 001070 | laptops for internal use 8/27/2010 | | 4,428.00 | 0.00 | 0.00 | 4,428.00 | MC200AHY | 5 0 | 4,428.00 | 0.00 | 100.00 | 0.00 | 4,428.00 | 4,428.00 | 4,428.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,428.00 | 0.00 | | 0.00 |
| 001100 | MICRO SOURCE LAPTOP 2/7/2011 | | 2,106.00 | 0.00 | 0.00 | 2,106.00 | MC200AHY | 5 0 | 2,106.00 | 0.00 | 100.00 | 0.00 | 1,984.69 | 2,106.00 | 1,984.69 | 121.31 | 0.00 | 0.00 | 0.00 | 0.00 | 2,106.00 | 0.00 | | 0.00 |
| 001110 | CAE OFFICE SERVER 3/10/2011 | | 53,094.35 | 0.00 | 0.00 | 53,094.35 | MC200AHY | 5 0 | 53,094.35 | 0.00 | 100.00 | 0.00 | 50,036.12 | 53,094.35 | 50,036.12 | 3,058.23 | 0.00 | 0.00 | 0.00 | 0.00 | 53,094.35 | 0.00 | | 0.00 |
| 001120 | DELL PRECISION DESKTOP 5/9/2011 | | 9,815.67 | 0.00 | 0.00 | 9,815.67 | MC200AHY | 5 0 | 9,815.67 | 0.00 | 100.00 | 0.00 | 9,250.29 | 9,815.67 | 9,250.29 | 565.38 | 0.00 | 0.00 | 0.00 | 0.00 | 9,815.67 | 0.00 | | 0.00 |
| 001180 | DELL LATITUDE E5520 3/5/2012 | | 1,036.53 | 0.00 | 0.00 | 1,036.53 | MC200AHY | 5 0 | 1,036.53 | 0.00 | 100.00 | 0.00 | 857.42 | 1,036.53 | 857.42 | 119.41 | 0.00 | 0.00 | 0.00 | 0.00 | 976.83 | 59.70 | | 0.00 |
| 001190 | DELL LAPTOPS E5520 3/19/2012 | | 3,092.00 | 0.00 | 0.00 | 3,092.00 | MC200AHY | 5 0 | 3,092.00 | 0.00 | 100.00 | 0.00 | 2,557.70 | 3,092.00 | 2,557.70 | 356.20 | 0.00 | 0.00 | 0.00 | 0.00 | 2,913.90 | 178.10 | | 0.00 |
| 001200 | DELL PRECISION T7500 4/1/2012 | | 3,973.00 | 0.00 | 0.00 | 3,973.00 | MC200AHY | 5 0 | 3,973.00 | 0.00 | 100.00 | 0.00 | 3,286.47 | 3,973.00 | 3,286.47 | 457.69 | 0.00 | 0.00 | 0.00 | 0.00 | 3,744.16 | 228.84 | | 0.00 |
| 001210 | DELL LATITUDE E5520 4/17/2012 | | 2,961.00 | 0.00 | 0.00 | 2,961.00 | MC200AHY | 5 0 | 2,961.00 | 0.00 | 100.00 | 0.00 | 2,449.34 | 2,961.00 | 2,449.34 | 341.11 | 0.00 | 0.00 | 0.00 | 0.00 | 2,790.45 | 170.55 | | 0.00 |
| 001220 | DELL LAPTOP E 5520 5/14/2012 | 12/31/2016 | 992.55 | 0.00 | 992.55 | 0.00 | MC200AHY | 5 0 | 992.55 | 0.00 | 100.00 | 0.00 | 821.04 | 992.55 | 821.04 | 57.17 | 0.00 | -878.21 | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 |
| 001230 | EQUIPMENT FOR QUOTE 748997-2 9/5/2012 | | 21,644.97 | 0.00 | 0.00 | 21,644.97 | MC200AHY | 5 0 | 21,644.97 | 0.00 | 100.00 | 0.00 | 17,904.71 | 21,644.97 | 17,904.71 | 2,493.50 | 0.00 | 0.00 | 0.00 | 0.00 | 20,398.21 | 1,246.76 | | 0.00 |
| 001240 | Fortinet Fortigate 100D - As per quote 28175 Firewall 1/28/2013 | | 3,521.22 | 0.00 | 0.00 | 3,521.22 | MC200AMQ | 5 0 | 3,521.22 | 0.00 | 100.00 | 0.00 | 2,697.26 | 3,521.22 | 2,697.26 | 387.69 | 0.00 | 0.00 | 0.00 | 0.00 | 3,084.95 | 436.27 | | 0.00 |
| 001280 | Latitude E6530- 3numbers 3/7/2013 | | 4,414.22 | 0.00 | 0.00 | 4,414.22 | MC200AMQ | 5 0 | 4,414.22 | 0.00 | 100.00 | 0.00 | 3,381.23 | 4,414.22 | 3,381.23 | 486.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,867.23 | 546.99 | | 0.00 |
| 001290 | PREC M4700 Mobile Workstation 3/7/2013 | | 2,079.21 | 0.00 | 0.00 | 2,079.21 | MC200AMQ | 5 0 | 2,079.21 | 0.00 | 100.00 | 0.00 | 1,592.67 | 2,079.21 | 1,592.67 | 228.92 | 0.00 | 0.00 | 0.00 | 0.00 | 1,821.59 | 257.62 | | 0.00 |
| 001300 | PREC M4700 Mobile Workstation H2D04X1 6/1/2013 | | 1,936.65 | 0.00 | 0.00 | 1,936.65 | MC200AMQ | 5 0 | 1,936.65 | 0.00 | 100.00 | 0.00 | 1,413.75 | 1,936.65 | 1,413.75 | 220.20 | 0.00 | 0.00 | 0.00 | 0.00 | 1,633.95 | 302.70 | | 0.00 |
| 001330 | PowerEdge R320 3BZSGX1-Dell network server 7/1/2013 | | 4,775.00 | 0.00 | 0.00 | 4,775.00 | MC200AMQ | 5 0 | 4,775.00 | 0.00 | 100.00 | 0.00 | 3,313.85 | 4,775.00 | 3,313.85 | 584.46 | 0.00 | 0.00 | 0.00 | 0.00 | 3,898.31 | 876.69 | | 0.00 |
| 001340 | 3 Numbers - Precision T7600 MT 1300W Work station GSBO Office 9/1/2013 | | 18,508.00 | 0.00 | 0.00 | 18,508.00 | MC200AMQ | 5 0 | 18,508.00 | 0.00 | 100.00 | 0.00 | 12,844.55 | 18,508.00 | 12,844.55 | 2,265.38 | 0.00 | 0.00 | 0.00 | 0.00 | 15,109.93 | 3,398.07 | | 0.00 |
| 001350 | Mobile Precision M6700 Laptop for the GSBO Office 9/1/2013 | | 2,396.00 | 0.00 | 0.00 | 2,396.00 | MC200AMQ | 5 0 | 2,396.00 | 0.00 | 100.00 | 0.00 | 1,662.82 | 2,396.00 | 1,662.82 | 293.27 | 0.00 | 0.00 | 0.00 | 0.00 | 1,956.09 | 439.91 | | 0.00 |
| 001360 | Precision T7600 MT 1300W- Work station GSBO Office 10/1/2013 | | 6,186.00 | 0.00 | 0.00 | 6,186.00 | MC200AMQ | 5 0 | 6,186.00 | 0.00 | 100.00 | 0.00 | 4,070.39 | 6,186.00 | 4,070.39 | 846.24 | 0.00 | 0.00 | 0.00 | 0.00 | 4,916.63 | 1,269.37 | | 0.00 |
| 001370 | Latitude E6430 - Pankaj Laptop 10/1/2013 | | 1,679.35 | 0.00 | 0.00 | 1,679.35 | MC200AMQ | 5 0 | 1,679.35 | 0.00 | 100.00 | 0.00 | 1,105.01 | 1,679.35 | 1,105.01 | 229.74 | 0.00 | 0.00 | 0.00 | 0.00 | 1,334.75 | 344.60 | | 0.00 |
| 001380 | Polycom VTX 1000/IP 6000 MICS wired (2-pack)-Conference phone GSBO Office 10/10/2013 | | 1,170.94 | 0.00 | 0.00 | 1,170.94 | MC200AMQ | 5 0 | 1,170.94 | 0.00 | 100.00 | 0.00 | 770.48 | 1,170.94 | 770.48 | 160.18 | 0.00 | 0.00 | 0.00 | 0.00 | 930.66 | 240.28 | | 0.00 |
| 001390 | HD Projector Conf Room 4/1/2013 | | 3,066.80 | 0.00 | 0.00 | 3,066.80 | MC200AMQ | 5 0 | 3,066.80 | 0.00 | 100.00 | 0.00 | 2,238.76 | 3,066.80 | 2,238.76 | 348.70 | 0.00 | 0.00 | 0.00 | 0.00 | 2,587.46 | 479.34 | | 0.00 |
| 001400 | Dell - R620 VM Ware servers- 2 Numbers 8/22/2013 | | 10,608.99 | 0.00 | 0.00 | 10,608.99 | MC200AMQ | 5 0 | 10,608.99 | 0.00 | 100.00 | 0.00 | 7,362.64 | 10,608.99 | 7,362.64 | 1,298.54 | 0.00 | 0.00 | 0.00 | 0.00 | 8,661.18 | 1,947.81 | | 0.00 |

| Asset ID | Selected Dates | | Asset Balances | | | Depreciable Basis | | | | Current & Accum Depreciation | | | | | | | | | | | | |
|--------------------|--|---------------|----------------|-----------|-----------|-------------------|---------------|--------|------------|------------------------------|-------------------------|-----------|-------------------|-----------------------------|------------------|----------------------|----------------------|--------------|------------|-----------|-------------------|----------------|
| | Placed in Service Date | Disposal Date | Beginning | Additions | Deletions | Ending | DeprMeth/Conv | LifeYr | Mc | Book Cost | Credit Reduction Amount | Bus.Use % | Net S179/A & AFYD | Prior Reported Depreciation | Depreciable Base | Beginning Accum Depr | Current Depr & AFlet | Sec 179/179e | Additions | Deletions | Ending Accum Depr | Net Book Value |
| <i>Class: 1600</i> | | | | | | | | | | | | | | | | | | | | | | |
| 001410 | 4 numbers- Dell Powerconnect 6248- Network Switches and modules | | 11,661.47 | 0.00 | 0.00 | 11,661.47 | MC200AMQ | 5 0 | | 11,661.47 | 0.00 | 100.00 | 0.00 | 7,673.25 | 11,661.47 | 7,673.25 | 1,595.29 | 0.00 | 0.00 | 0.00 | 9,268.54 | 2,392.93 |
| 001480 | 10/9/2013 DELL WORKSTATIONS - N.C. | | | | | | | | | | | | | | | | | | | | | |
| 001490 | 2/1/2014 UPS FOR SERVER ROOM | | 11,278.00 | 0.00 | 0.00 | 11,278.00 | MC200AHY | 5 0 | | 11,278.00 | 0.00 | 100.00 | 0.00 | 5,865.10 | 11,278.00 | 5,865.10 | 2,165.38 | 0.00 | 0.00 | 0.00 | 8,030.48 | 3,247.52 |
| 001500 | 4/24/2014 DELL T7610 - N.C. | | 14,445.55 | 0.00 | 0.00 | 14,445.55 | MC200AHY | 5 0 | | 14,445.55 | 0.00 | 100.00 | 0.00 | 7,511.69 | 14,445.55 | 7,511.69 | 2,773.55 | 0.00 | 0.00 | 0.00 | 10,285.24 | 4,160.31 |
| 001510 | 9/11/2014 DEREK PRICE LAPTOP | | 5,537.00 | 0.00 | 0.00 | 5,537.00 | MC200AHY | 5 0 | | 5,537.00 | 0.00 | 100.00 | 0.00 | 2,879.24 | 5,537.00 | 2,879.24 | 1,063.10 | 0.00 | 0.00 | 0.00 | 3,942.34 | 1,594.66 |
| 001590 | 10/8/2014 BEIJING ASSETS | | 1,199.00 | 0.00 | 0.00 | 1,199.00 | MC200AHY | 5 0 | | 1,199.00 | 0.00 | 100.00 | 0.00 | 623.48 | 1,199.00 | 623.48 | 230.21 | 0.00 | 0.00 | 0.00 | 853.69 | 345.31 |
| 001600 | 12/31/2013 SHANGHAI ASSETS | | 983.00 | 0.00 | 0.00 | 983.00 | MC200AMQ | 7 0 | | 983.00 | 0.00 | 100.00 | 0.00 | 628.00 | 983.00 | 628.00 | 0.00 | 0.00 | 0.00 | 0.00 | 628.00 | 355.00 |
| 001620 | 12/31/2013 SHANGHAI ASSETS | | 69,129.00 | 0.00 | 0.00 | 69,129.00 | MC200AMQ | 7 0 | | 69,129.00 | 0.00 | 100.00 | 0.00 | 45,863.00 | 69,129.00 | 45,863.00 | 0.00 | 0.00 | 0.00 | 0.00 | 45,863.00 | 23,266.00 |
| 001630 | 12/31/2015 BEIJING 2016 DISPOSALS | | 43,852.00 | 0.00 | 43,852.00 | 0.00 | MC200AMQ | 7 0 | | 43,852.00 | 0.00 | 100.00 | 0.00 | 34,072.00 | 43,852.00 | 34,072.00 | 4,982.00 | 0.00 | -39,054.00 | 0.00 | 0.00 | 0.00 |
| | 12/31/2015 SHANGHAI 2016 DISPOSALS | | 43,347.00 | 0.00 | 43,347.00 | 0.00 | MC200AMQ | 7 0 | | 43,347.00 | 0.00 | 100.00 | 0.00 | 2,282.70 | 43,347.00 | 2,282.70 | 14,237.00 | 0.00 | -16,519.70 | 0.00 | 0.00 | 0.00 |
| | Less Disposals Adjustment to eliminate cost values of disposed assets | | | | | | | | | | | | | | | | | | | | | |
| | Subtotal: 1600 (39) | | 446,279.77 | 0.00 | 88,191.55 | 358,088.22 | | | | -88,191.55 | 0.00 | | 0.00 | -37,175.74 | -88,191.55 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | 358,088.22 | 0.00 | | 0.00 | 0.00 | 287,613.21 | 289,891.92 | 324,788.95 | 41,965.85 | 0.00 | -56,451.91 | 0.00 | 310,302.89 | 47,785.33 |
| <i>Class: 1620</i> | | | | | | | | | | | | | | | | | | | | | | |
| 000570 | ACCESS DOOR TO SHOP | | | | | | | | | | | | | | | | | | | | | |
| 000860 | 5/30/2008 12/31/2016 CHAIRS | | 2,280.00 | 0.00 | 2,280.00 | 0.00 | MC200AHY | 7 0 | | 2,280.00 | 0.00 | 100.00 | 0.00 | 2,280.00 | 0.00 | 2,280.00 | 0.00 | 0.00 | -2,280.00 | 0.00 | 0.00 | 0.00 |
| 000870 | 3/28/2001 12/31/2016 CHAIRS | | 695.00 | 0.00 | 695.00 | 0.00 | MC200AHY | 7 0 | | 695.00 | 0.00 | 100.00 | 0.00 | 695.00 | 0.00 | 695.00 | 0.00 | 0.00 | -695.00 | 0.00 | 0.00 | 0.00 |
| 000880 | 5/14/2001 12/31/2016 DESKS | | 695.00 | 0.00 | 695.00 | 0.00 | MC200AHY | 7 0 | | 695.00 | 0.00 | 100.00 | 0.00 | 695.00 | 0.00 | 695.00 | 0.00 | 0.00 | -695.00 | 0.00 | 0.00 | 0.00 |
| 000890 | 11/30/2001 12/31/2016 DESKS | | 980.00 | 0.00 | 980.00 | 0.00 | MC200AHY | 7 0 | | 980.00 | 0.00 | 100.00 | 294.00 | 686.00 | 0.00 | 980.00 | 0.00 | 0.00 | -980.00 | 0.00 | 0.00 | 0.00 |
| 000900 | 2002 ADDITIONS 6/30/2002 12/31/2016 USED FURN. & PARTITIONS | | 6,553.00 | 0.00 | 6,553.00 | 0.00 | MC200AHY | 7 0 | | 6,553.00 | 0.00 | 100.00 | 1,965.90 | 4,587.10 | 0.00 | 6,553.00 | 0.00 | 0.00 | -6,553.00 | 0.00 | 0.00 | 0.00 |
| 000910 | 4/8/2003 12/31/2016 SCP ENT. PANELS | | 1,500.00 | 0.00 | 1,500.00 | 0.00 | MC200AHY | 7 0 | | 1,500.00 | 0.00 | 100.00 | 450.00 | 1,050.00 | 0.00 | 1,500.00 | 0.00 | 0.00 | -1,500.00 | 0.00 | 0.00 | 0.00 |
| 000920 | 5/27/2003 12/31/2016 2006 ADDITIONS | | 3,028.00 | 0.00 | 3,028.00 | 0.00 | MC200AHY | 7 0 | | 3,028.00 | 0.00 | 100.00 | 1,514.00 | 1,514.00 | 0.00 | 3,028.00 | 0.00 | 0.00 | -3,028.00 | 0.00 | 0.00 | 0.00 |
| 000930 | 6/30/2006 12/31/2016 OTHER EQUIP W/ \$0 NBV | | 2,332.00 | 0.00 | 0.00 | 2,332.00 | MC200AHY | 7 0 | | 2,332.00 | 0.00 | 100.00 | 0.00 | 2,332.00 | 0.00 | 2,332.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,332.00 | 0.00 |
| 000940 | 1/1/1990 12/31/2016 PRESENTATION STAND | | 2,513.00 | 0.00 | 0.00 | 2,513.00 | MC200AHY | 7 0 | | 2,513.00 | 0.00 | 100.00 | 0.00 | 2,513.00 | 2,513.00 | 2,513.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,513.00 | 0.00 |
| 000950 | 6/1/2008 12/31/2016 BINDING MACHINE | | 1,145.33 | 0.00 | 1,145.33 | 0.00 | MC200AHY | 7 0 | | 1,145.33 | 0.00 | 100.00 | 0.00 | 1,145.33 | 0.00 | 1,145.33 | 0.00 | 0.00 | -1,145.33 | 0.00 | 0.00 | 0.00 |
| 001000 | 6/30/2008 12/31/2016 Microsource Laptops | | 401.40 | 0.00 | 0.00 | 401.40 | MC200AHY | 7 0 | | 401.40 | 0.00 | 100.00 | 0.00 | 401.40 | 0.00 | 401.40 | 0.00 | 0.00 | 0.00 | 0.00 | 401.40 | 0.00 |
| 001010 | 7/10/2008 12/31/2016 Computer cables and equipment | | 3,106.44 | 0.00 | 0.00 | 3,106.44 | MC200AHY | 5 0 | | 3,106.44 | 0.00 | 100.00 | 0.00 | 3,106.44 | 0.00 | 3,106.44 | 0.00 | 0.00 | 0.00 | 0.00 | 3,106.44 | 0.00 |
| 001020 | 9/29/2008 12/31/2016 Leasehold renovation | | 955.53 | 0.00 | 0.00 | 955.53 | MC200AHY | 5 0 | | 955.53 | 0.00 | 100.00 | 0.00 | 955.53 | 0.00 | 955.53 | 0.00 | 0.00 | 0.00 | 0.00 | 955.53 | 0.00 |
| 001050 | 9/29/2008 12/31/2016 480V TRANSFORMER | | 100,000.00 | 0.00 | 0.00 | 100,000.00 | MC200AHY | 7 0 | | 100,000.00 | 0.00 | 100.00 | 0.00 | 100,000.00 | 0.00 | 100,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100,000.00 | 0.00 |
| 001420 | 10/16/2009 12/31/2016 Greensboro office security system Details as per description in quote 1-SS9AGHGreensboro | | 4,000.00 | 0.00 | 0.00 | 4,000.00 | MC200AHY | 7 0 | | 4,000.00 | 0.00 | 100.00 | 0.00 | 3,821.60 | 4,000.00 | 3,821.60 | 178.40 | 0.00 | 0.00 | 0.00 | 4,000.00 | 0.00 |
| 001430 | 11/13/2013 Greensboro office equipment - projector | | 957.80 | 0.00 | 0.00 | 957.80 | MC200AMQ | 7 0 | | 957.80 | 0.00 | 100.00 | 0.00 | 486.56 | 957.80 | 486.56 | 134.67 | 0.00 | 0.00 | 0.00 | 621.23 | 336.57 |
| 001440 | 11/25/2013 Office Furniture for Farmington Hills- 6 sets new design | | 1,995.69 | 0.00 | 0.00 | 1,995.69 | MC200AMQ | 7 0 | | 1,995.69 | 0.00 | 100.00 | 0.00 | 1,013.81 | 1,995.69 | 1,013.81 | 280.59 | 0.00 | 0.00 | 0.00 | 1,294.40 | 701.29 |
| 001450 | 8/14/2013 12/31/2016 Office Furniture for Greensboro NC office as described in quote #4575 | | 6,014.44 | 0.00 | 6,014.44 | 0.00 | MC200AMQ | 7 0 | | 6,014.44 | 0.00 | 100.00 | 0.00 | 3,274.26 | 6,014.44 | 3,274.26 | 685.20 | 0.00 | -3,959.46 | 0.00 | 0.00 | 0.00 |
| 001460 | 10/1/2013 Greensboro office equipment- Pantry and Kitchen | | 12,967.26 | 0.00 | 0.00 | 12,967.26 | MC200AMQ | 7 0 | | 12,967.26 | 0.00 | 100.00 | 0.00 | 6,587.37 | 12,967.26 | 6,587.37 | 1,823.20 | 0.00 | 0.00 | 0.00 | 8,410.57 | 4,556.69 |
| | 11/21/2013 Greensboro office equipment- Pantry and Kitchen | | 937.97 | 0.00 | 0.00 | 937.97 | MC200AMQ | 7 0 | | 937.97 | 0.00 | 100.00 | 0.00 | 476.49 | 937.97 | 476.49 | 131.88 | 0.00 | 0.00 | 0.00 | 608.37 | 329.60 |

| Asset ID | Selected Dates | | Asset Balances | | | | Depreciable Basis | | | | | Current & Accum Depreciation | | | | | | | | | | | |
|----------------------------|--|---------------|----------------|-----------|------------|------------|-------------------|--------|------------|------------|-------------------------|------------------------------|-------------------|-----------------------------|-------------------|-----------------|--------------|-------------------|------------|------------|--------------|----------|----------------|
| | Placed in Service Date | Disposal Date | Beginning | Additions | Deletions | Ending | DeprMeth/Conv | LifeYr | Mc | Book Cost | Credit Reduction Amount | Bus.Use % | Net S179/A & AFYD | Prior Reported Depreciation | Depreciable Basis | Beginning Accum | Current Depr | AFlet Sec 179/179 | Additions | Deletions | Ending Accum | Dej | Net Book Value |
| <i>Class: 1620</i> | | | | | | | | | | | | | | | | | | | | | | | |
| 001470 | Tyco Security system for Greensboro | | | | | | | | | | | | | | | | | | | | | | |
| | 12/1/2013 | | 4,582.64 | 0.00 | 0.00 | 4,582.64 | MC200AMQ | 7 | 0 | 4,582.64 | 0.00 | 100.00 | 0.00 | 2,327.98 | 4,582.64 | 2,327.98 | 644.32 | 0.00 | 0.00 | 2,972.30 | | 1,610.34 | |
| 001520 | MAIL SERVER HARDWARE | | | | | | | | | | | | | | | | | | | | | | |
| | 1/1/2014 | | 3,393.80 | 0.00 | 0.00 | 3,393.80 | MC200AHY | 5 | 0 | 3,393.80 | 0.00 | 100.00 | 0.00 | 1,764.78 | 3,393.80 | 1,764.78 | 651.61 | 0.00 | 0.00 | 2,416.39 | | 977.41 | |
| 001530 | NC F&F | | | | | | | | | | | | | | | | | | | | | | |
| | 2/15/2014 | | 9,339.85 | 0.00 | 0.00 | 9,339.85 | MC200AHY | 7 | 0 | 9,339.85 | 0.00 | 100.00 | 0.00 | 3,621.99 | 9,339.85 | 3,621.99 | 1,633.54 | 0.00 | 0.00 | 5,255.53 | | 4,084.32 | |
| 001540 | REFRIDGE FROM SEARS | | | | | | | | | | | | | | | | | | | | | | |
| | 5/6/2014 | | 834.18 | 0.00 | 0.00 | 834.18 | MC200AHY | 7 | 0 | 834.18 | 0.00 | 100.00 | 0.00 | 323.49 | 834.18 | 323.49 | 145.90 | 0.00 | 0.00 | 469.39 | | 364.79 | |
| Less Disposals | Adjustment to eliminate cost values of disposed assets | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | -22,890.77 | 0.00 | | -4,223.90 | -15,926.69 | -6,014.44 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal: 1620 (25) | | | 171,208.33 | 0.00 | 22,890.77 | 148,317.56 | | | 148,317.56 | 0.00 | | 0.00 | 129,732.44 | 41,522.19 | 149,883.03 | 6,309.31 | 0.00 | -20,835.79 | 135,356.55 | | 12,961.01 | | |
| <i>Class: 1630</i> | | | | | | | | | | | | | | | | | | | | | | | |
| 000130 | ICEM - SOFTWARE | | | | | | | | | | | | | | | | | | | | | | |
| | 6/8/1999 | | 37,713.00 | 0.00 | 0.00 | 37,713.00 | SL100FM | 3 | 0 | 37,713.00 | 0.00 | 100.00 | 0.00 | 37,713.00 | 37,713.00 | 37,713.00 | 0.00 | 0.00 | 0.00 | 37,713.00 | | 0.00 | |
| 000140 | BASE SOFTWARE - ICEM | | | | | | | | | | | | | | | | | | | | | | |
| | 9/7/1999 | | 25,067.00 | 0.00 | 0.00 | 25,067.00 | SL100FM | 3 | 0 | 25,067.00 | 0.00 | 100.00 | 0.00 | 25,067.00 | 25,067.00 | 25,067.00 | 0.00 | 0.00 | 0.00 | 25,067.00 | | 0.00 | |
| 000150 | BASE SOFTWARE - ICEM | | | | | | | | | | | | | | | | | | | | | | |
| | 2/16/2000 | | 23,403.00 | 0.00 | 0.00 | 23,403.00 | SL100FM | 3 | 0 | 23,403.00 | 0.00 | 100.00 | 0.00 | 23,403.00 | 23,403.00 | 23,403.00 | 0.00 | 0.00 | 0.00 | 23,403.00 | | 0.00 | |
| 000160 | ADDITIONAL ICEM | | | | | | | | | | | | | | | | | | | | | | |
| | 3/2/2000 | | 8,400.00 | 0.00 | 0.00 | 8,400.00 | SL100FM | 3 | 0 | 8,400.00 | 0.00 | 100.00 | 0.00 | 8,400.00 | 8,400.00 | 8,400.00 | 0.00 | 0.00 | 0.00 | 8,400.00 | | 0.00 | |
| 000180 | THEOREM SOLUTIONS - BI DIRECTIONAL CATIA V5 ICEM SURF CONVERTER SOFTWARE | | | | | | | | | | | | | | | | | | | | | | |
| | 11/11/2004 | | 15,000.00 | 0.00 | 0.00 | 15,000.00 | SL100FM | 3 | 0 | 15,000.00 | 0.00 | 100.00 | 15,000.00 | 0.00 | 0.00 | 15,000.00 | 0.00 | 0.00 | 0.00 | 15,000.00 | | 0.00 | |
| 000380 | SOFTWARE - SURF PROFESSIONAL | | | | | | | | | | | | | | | | | | | | | | |
| | 10/18/2005 | | 57,024.00 | 0.00 | 0.00 | 57,024.00 | SL100FM | 3 | 0 | 57,024.00 | 0.00 | 100.00 | 0.00 | 57,024.00 | 57,024.00 | 57,024.00 | 0.00 | 0.00 | 0.00 | 57,024.00 | | 0.00 | |
| 001080 | Catia V5 software purchased for JCI staffing job | | | | | | | | | | | | | | | | | | | | | | |
| | 6/26/2010 | | 8,124.25 | 0.00 | 0.00 | 8,124.25 | SL100FM | 3 | 0 | 8,124.25 | 0.00 | 100.00 | 0.00 | 8,124.25 | 8,124.25 | 8,124.25 | 0.00 | 0.00 | 0.00 | 8,124.25 | | 0.00 | |
| 001140 | CATIA V5 SOFTWARE | | | | | | | | | | | | | | | | | | | | | | |
| | 2/11/2011 | | 12,467.28 | 0.00 | 0.00 | 12,467.28 | SL100FM | 3 | 0 | 12,467.28 | 0.00 | 100.00 | 0.00 | 12,467.28 | 12,467.28 | 12,467.28 | 0.00 | 0.00 | 0.00 | 12,467.28 | | 0.00 | |
| 001310 | QLP Single office STD 2013 NL | | | | | | | | | | | | | | | | | | | | | | |
| | 7/1/2013 | | 1,662.00 | 0.00 | 0.00 | 1,662.00 | SL100FM | 3 | 0 | 1,662.00 | 0.00 | 100.00 | 0.00 | 1,385.00 | 1,662.00 | 1,385.00 | 277.00 | 0.00 | 0.00 | 1,662.00 | | 0.00 | |
| 001320 | Windows 8 Pro Upgrade License - 1 PC - MOLP: Open Business - Single Language | | | | | | | | | | | | | | | | | | | | | | |
| | 7/1/2013 | | 2,160.00 | 0.00 | 0.00 | 2,160.00 | SL100FM | 3 | 0 | 2,160.00 | 0.00 | 100.00 | 0.00 | 1,800.00 | 2,160.00 | 1,800.00 | 360.00 | 0.00 | 0.00 | 2,160.00 | | 0.00 | |
| Subtotal: 1630 (10) | | | 191,020.53 | 0.00 | 0.00 | 191,020.53 | | | 191,020.53 | 0.00 | | 15,000.00 | 175,383.53 | 176,020.53 | 190,383.53 | 637.00 | 0.00 | 0.00 | 0.00 | 191,020.53 | | 0.00 | |
| Grand Total | | | 808,508.63 | 0.00 | 111,082.32 | 697,426.31 | | | 697,426.31 | 0.00 | | 15,000.00 | 592,729.18 | 507,434.64 | 665,055.51 | 48,912.16 | 0.00 | -77,287.70 | 636,679.97 | | 60,746.34 | | |