

Zhuding International Limited

Consolidated Financial Statements

As of and for the Period Ended

September 30, 2016

(Unaudited)

Consolidated Financial Statements:

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NOTICE TO READER

The accompanying financial statements for Zhuding International Limited (the "Company") as of and for the period ended September 30, 2016 have been prepared by management in accordance with accounting principles generally accepted in United States. These financial statements, which are the responsibility of management, are unaudited and have not been reviewed by auditors. Management believes the unaudited financial statements are free of material misstatement and present fairly, in all material aspects, the financial position of the Company as at September 30, 2016 and the result of its operations and its cash flows for the period then ended.

Zhuding International Limited

Consolidated Balance Sheet
As of September 30, 2016

	RMB'000
Assets	
Current assets	
Inventories	12,396
Trade receivables	16,832
Other receivables	101
Cash and cash equivalents	111,556
Total current assets	140,885
Non-current assets	
Property, plant and equipment	5,518
Total non-current assets	5,518
Total assets	**146,403**
Liabilities and Shareholder's Equity	
Current liabilities	
Accounts payable	14,605
Other payables and accruals	21,034
Amount due to directors	1,563
Income tax payable	7,827
Total current liabilities	45,029
Total liabilities	**45,029**
Shareholders' equity	
Share capital	2,643
Additional paid-in capital	103,852
Translation reserves	(335)
Accumulated losses	(4,786)
Total shareholders' equity	**101,374**
Total shareholders' equity and liabilities	**146,403**

The accompanying notes are in integral part of the consolidated financial statements.

Zhuding International Limited

Consolidated Statement of Operations
For the Period Ended September 30, 2016

	RMB'000
Revenue	47,664
Cost of goods sold	(38,351)
Gross Profit	**9,313**
Operating expenses	
Selling and distribution expenses	(1,258)
General and administrative expenses	(2,021)
Total operating expenses	**(3,279)**
Profit from operations	**6,034**
Income taxes	(1,762)
Net Profit	**4,272**

The accompanying notes are in integral part of the consolidated financial statements.

Zhuding International Limited

Consolidated Statement of Changes in Shareholders' Equity
For the Period Ended September 30, 2016

	Share Capital	Additional Paid-in Capital	Translation Reserve	Accumulated (Losses)/Gain	Shareholders' Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at June 30, 2016	**995**	**8,399**	**71**	**(9,058)**	**407**
Arising from reorganisation	1,648	95,453	-	-	97,101
Foreign exchange differences arising from translation of financial statements	-	-	(406)	-	(406)
Profit for the period ended September 30, 2016	-	-	-	4,272	4,272
Balance at September 30, 2016	**2,643**	**103,852**	**(335)**	**(4,786)**	**101,374**

The accompanying notes are in integral part of the consolidated financial statements.

Zhuding International Limited

Consolidated Statement of Cash Flows
For the Period Ended September 30, 2016

	Note	RMB'000
Profit before taxation		**6,034**
Cash flow from operating activities		
Adjusted for non-cash items		1,011
Other working capital		15,699
Net cash generated from operating activities		**22,744**
Cash flow from investing activities		
Net cash generated from investing activities		**89,130**
Cash flow from financing activities		
Net cash used in financing activities		**-**
Net increase in cash and cash equivalent		**111,874**
Cash and cash equivalent as at January 1, 2016		-
Effect of foreign exchange rate changes		(318)
Cash and cash equivalent as at September 30, 2016		**111,556**

The accompanying notes are in integral part of the consolidated financial statements.

1. Nature of Operations

Zhuding International Limited ("ZHUD" or the "Company") (known as Van Gold Resources, Inc. before July 14, 2016) was incorporated in the State of Nevada, on December 18, 2006. The Company invested in 4 wholly owned subsidiaries (collectively referred as the "Group") as below:

Name of subsidiaries	Place of incorporation	Effective interest	Principal activities
YueHong Investment Group Co. Ltd. ("YueHong")	British Virgin Island (BVI)	100%	Investment holding
Zhuding International Limited (Hong Kong) ("Zhuding HK")	Hong Kong	100%	Investment holding
Fujian Ding Yi Trading Co. Ltd. ("Ding Yi")	The Republic of China ("PRC")	100%	Investment holding
Fujian Zhuding Building Materials Co. Ltd. ("Fujian Zhuding")	PRC	100%	Building materials manufacturing

On August 4, 2016, the Company issued 400,000,000 shares of its common stock to acquire 100% equity interest of YueHong. From then on, YueHong, Zhuding HK, Ding Yi and Fujian Zhuding are accounted as subsidiaries of the Company. Fujian Zhuding is focusing in manufacturing of innovative building materials with primary operations in China. This transaction is classified as a "reverse acquisition" for accounting purposes. Consolidated financial statements prepared following a reverse acquisition are issued under the name of the legal parent (ZHUD).

2. Basis of Presentation

These consolidated financial statements are measured and presented in Renminbi under accounting principles generally accepted in the United States of America ("GAAP"). Management is required to make estimates and assumption that affect the reported amounts of assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the years. Actual result could differ from these estimates.

The Company's year-end is December 31st. It was changed during the year ended December 2012, and was previously June 30th.

3. Summary of Significant Accounting Policies

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, YueHong, Zhuding HK, Ding Yi, and Fujian Zhuding. All significant inter-company transactions and balances were eliminated in consolidation.

Foreign Currency Translation - The Group uses the Chinese Yuan Renminbi (CNY) for financial reporting purposes. The Company maintain their books and records in their functional currency – United States Dollar. The Company's subsidiaries maintain their books and records in their functional currency – Hong Kong Dollar (HKD) and Chinese Yuan Renminbi (CNY), being the primary currency of the economic environment in which their operations are conducted. All assets and liabilities are translated at the current exchange rate, stockholder's equity are translated at the historical rates and income statement and statement of cash flows items are translated at the average exchange rate for the period. As a result, amounts related to assets and liabilities reported on the statement of cash flows may not necessarily agree with changes in the corresponding balances on the balance sheet. The resulting translation adjustments are reported under other comprehensive as a component of shareholders' equity.

Cash and Cash Equivalents – In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheets, any bank overdrafts are shown within borrowings in current liabilities. The Company had no bank overdrafts any balance sheet date.

Share Capital, Share Premium, and Treasury Stock – Ordinary shares are classified as equity. Proceeds received upon issuance of shares are presented as "share capital" to the extent of the par value of shares issued, with the excess over par reflected as "share premium". Incremental cost directly attributable to the issuance of new ordinary shares, such as broker fees, are included within share capital and share premium as deduction from the proceeds received. Where the Company purchases its common shares of stocks, it is deducted from shareholders' equity until the shares are cancelled or reissued, and is classified as treasury stock in the accompanying balance sheet for the cost of shares repurchased. Where such ordinary shares are subsequently reissued, the fair value of any consideration received us included in shareholders' equity as a component of share capital and share premium.

Other Comprehensive Income (Loss) – Other comprehensive income (loss) represents the change in equity of an enterprise during a period from transactions from non-owner sources. The Company has no accounts or transactions that give rise to other comprehensive income (loss) other than its foreign currency translation adjustment which is reported in 'other reserve', a component of shareholders' equity.

Allowance for Doubtful Accounts – The allowance for doubtful accounts reflects our best estimate of probable losses inherent in the accounts receivable balance. The Company determines the allowance based on known troubled accounts, historical experience, and other currently available evidence.

Property, Plant and Equipment – Property, plant and equipment is stated at cost and depreciated using the straight-line method over the shorter of the estimated life of the asset or the lease term, ranging from 3 to 10 years. Computer software developed or obtained for internal use is depreciated using the straight-line method over the estimated useful life of the software, generally 3 years. Repairs and maintenance are charged to expense as incurred.

Accounts Payable – Accounts payable are obligations to pay for good or services that have been acquired in the ordinary courses of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Revenue Recognition – Revenue is recognized when persuasive evidence of an arrangement exists, service has provided or good has been delivered, the fee is fixed or determinable, and collectability is probable.

Operating Expenses – Cost necessary to generate revenue are expensed in the period incurred. Start-up costs, such as fees associated with filing incorporation documents, are expensed as incurred.

Income Taxes – The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an assets and liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. A deferred tax asset is recognized for any unused tax losses, tax credits, and deductible temporary differences, to the extent it is probable that in the future that taxable profit will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefits will be realized. Deferred income tax assets and liabilities are offset when there is a legally

enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Fair Value – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For financial reporting purposes, fair value measurement are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable, and the significant of the inputs to the fair value measurement in its entirely. Level 1 inputs are quoted market price available in active markets for identical assets or liabilities as of the reporting date, Level 2 inputs are those directly or indirectly observable as of the reporting date, other than quoted prices in active markets included in Level 1 and Level 3 pricing inputs are generally unobservable and not corroborated by market data. Fair value is considered to be at Level 3 when pricing models are used, such as discounted cash flow methodologies or similar techniques, and at least one significant model assumption or input is unobservable. The fair value hierarchy gives the highest priority to quoted price in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealing may not exits. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

Related Party Transactions – The Consolidated Financial Statements shall include disclosure of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. The disclosures shall include: the nature of the relationship involved, description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, to an understanding of the effects of the transactions on the Consolidated Financial Statements, the dollar amounts of transactions; and amounts due from or to related parties as of the balance sheet date and, if not otherwise apparent, the terms and manner of settlement.

Basic and Diluted Earnings per Share – Basic earnings per share amounts is computed based on the weighted average number of shares actually outstanding. Diluted earnings per share amounts are computed using the weighted average number of common shares and common equivalent shares outstanding as if shares had been issued on the exercise of any common share rights unless the exercise becomes anti-dilutive and then only the basic per share amounts are shown in the report. As of September 30, 2016, there were no dilutive common shares issued by the Company.

4. Shareholders' Equity

At September 30, 2016, the Company has 401,181,506 shares of common stock issued and outstanding. All shares of the Company's common stock have equal rights and privileges with respect to voting, liquidation and dividend rights. Each share of common stock entitles of the holder thereof to one non-cumulative vote for each share held of record on all matters submitted to a vote of the shareholders, to participate equally and to receive any and all such dividends as may be declared by the board of directors out of funds legally available therefore, and to participate pro rata in any distribution of assets available for distribution upon liquidation. Stockholders have no pre-emptive rights to acquire additional shares of common stock or any other securities. Common shares are not subject to redemption and carry no subscription or conversion rights. All outstanding shares of common stock are fully paid and non-assessable.

On August 2, 2016, the Company has completed a shares reverse split of 1 for 100 and 3,600,000 share rescission.

On August 4, 2016, the Company issued 400,000,000 shares of its common stock to acquire 100% equity interest of YueHong.

5. Commitments and Contingent Liabilities

As of September 30, 2016, the Company is not a defendant in any litigation nor is the Company aware of any potential or threatened litigation. The Company also not aware of material contingent liabilities committed.

6. Subsequent Events

The Company evaluated events that have occurred after the balance sheet date of September 30, 2016, and through November 14, 2016, the filing date for the financial statements. Based upon our review, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the September 30, 2016 financial statements.