

SMR AUTOMOTIVE (BEIJING) CO., LTD
Financial Statement in 2020
Audit Report

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Beijing chengshengyuan Certified Public Accountants

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Audit Report

chengsheng Audit [2021] No. 047

SMR AUTOMOTIVE (BEIJING) CO., LTD

I. Auditor's Opinion

We have audited the financial statements of SMR AUTOMOTIVE(BEIJING)CO.,LTD (herein after referred to as "the Company"), which comprises the balance sheet at 31, December, 2020, the income statement, the cash flow statement and the statement of changes in owner's equity for the year 2020, and notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects and give a true and fair view of the financial position of the Company as at 31 December 2020 and of its operating results and cash flows for 2020.

II. Basis for opinions

We have conducted our audit in accordance with the Chinese Auditing Standards issued by the Chinese Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the responsibilities of certified public accountants for the audit of the financial statements section of the auditors' report. We are independent of the Company in accordance with the ethical codes of Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Responsibilities of the management and governing bodies for the financial statements

The management of the Company is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Accounting Standards for Business Enterprises, and also designing, implementing and maintaining the internal control

system as necessary such that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing the matters related to the going concern basis (if applicable) and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The governing bodies are responsible for overseeing the financial reporting process of the Company.

IV. Responsibilities of certified public accountants for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following works:

A. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

B. Obtain an understanding of internal control relevant to the audit 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.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

D. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

E. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

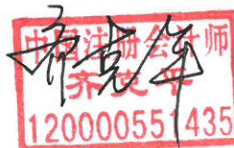
We communicated with the governing bodies regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiency in internal control that we identify during the audit.

Beijing chengshengyuan Certified

Public Accountants

Beijing • China

Auditor's signature:



Auditor's signature:



Date of auditor's report: 20 March, 2021

资产负债表 BALANCE SHEET

单位: 元

编制单位: 斯玛瑞汽车零部件(北京)有限公司

2020年12月31日 (Dec 31, 2020)

项目 ITEM	行次NO.	年末数 AT THE END OF THE YEAR	年初数 AT THE BEGINNING OF THE YEAR
流动资产	1		
货币资金	2	676,153.45	825,860.53
短期投资	3		
应收票据	4		
应收股利	5		
应收利息	6		
应收帐款	7		
减: 坏账准备	8		
应收帐款净额	9	0.00	0.00
其他应收款	10	36,236,162.89	34,958,054.14
预付帐款	11		
存货	12		
其中: 原材料	13		
库存商品(产成品)	14		
一年内到期的长期股权投资	15		
其他流动资产(待摊费用)	16	97,160.00	
	17		
	18		
流动资产合计	19	37,009,476.34	35,783,914.67
非流动资产	20		
长期股权投资	21		
固定资产原价	22	107,388.89	953,174.77
减: 累计折旧	23	107,388.89	953,174.77
固定资产净值	24	0.00	0.00
在建工程	25		
工程物资	26		
固定资产清理	27		
无形资产	28		
其中: 土地使用权	29		
长期待摊费用	30		
其他非流动资产	31		
	32		
	33		
非流动资产合计	34	0.00	0.00
资产总计	35	37,009,476.34	35,783,914.67

资产负债表 BALANCE SHEET (CONTINUED)

编制单位: 斯玛瑞汽车零部件(北京)有限公司

2020年12月31日 (Dec 31, 2020)

单位: 元

项目 ITEM	行次NO.	THE END OF THE YEAR 年末数	AT	AT THE BEGINNING OF THE YEAR 年初数
流动负债 Current Liabilities:	36			
短期借款 Short-term loans	37			
应付票据 Notes payable	38			
应付账款 Accounting payable	39			
预收账款 Advances from customers	40			
应付职工薪酬 Employee payable	41			
其中: 应付工资 Including Accrued payroll	42			
应付福利费 Accrued Employee's Welfare expenses	43			
应交税费 Tax payable	44	-910,490.26	-910,490.26	-993,728.18
其中: 应缴税金 Including: Tax	45	-910,490.26	-910,490.26	-993,728.18
其他应付款 Other payables	46			
应付利息 Interest payable	47			
应付股利 Dividends payable	48			
其他应付款 Other payables	49			
一年内到期的长期负债 Non-current liabilities due within one y	50			
其他流动负债(预提费用) Other current liabilities	51			
	52			
流动负债合计 Total Current Liabilities	53	-910,490.26	-910,490.26	-993,728.18
非流动负债 Non-current Liabilities	54			
长期借款 Long-term loans	55			
应付债券 Bonds payable	56			
长期应付款 long-term accounts payable	57			
专项应付款 Specific accounts payable	58			
预计负债 Estimated liabilities	59			
非流动负债合计 Total Non-current Liabilities	60			
负债合计 Total Liabilities	61	-910,490.26	-910,490.26	-993,728.18
所有者权益 Owners' Equity:	62			
实收资本 Paid-in capital	63	3,360,471.62	3,360,471.62	3,360,471.62
资本公积 Capital surplus	64	907.24	907.24	907.24
盈余公积 surplus from profits	65	4,321,623.59	4,321,623.59	4,321,623.59
其中:法定盈余公积 Including:statutory surplus from profit	66			
企业储备基金 Reserve fund	67			
企业发展基金 Enterprise expansion fund	68			
未分配利润 Undistributed profit	69	30,236,964.15	30,236,964.15	29,094,640.40
所有者权益合计 Total Owners' Equity:	70	37,919,966.60	37,919,966.60	36,777,642.85
负债及所有者权益总计 Total Liabilities and Owners' Equity	71	37,009,476.34	37,009,476.34	35,783,914.67

利润及利润分配表 INCOME AND DISTRIBUTION STATEMENT

单位: 元

编制单位: 斯玛瑞汽车零部件 (北京) 有限公司 2020年 (YEAR OF 2020)

项目 ITEM	行次NO.	本年数 CURRENT YEAR	上年数 LAST YEAR
一、营业收入 Operation Revenue	1	1, 205, 762. 89	1, 213, 438. 25
其中: 主营业务收入 Including: Revenue from main operation	2		
其他业务收入 Revenue from Other operation	3	1, 205, 762. 89	1, 213, 438. 25
减: 营业成本 Less: operation Cost	4		
其中: 主营业务成本 Including: Cost of main operation	5		
其他业务成本 Cost of Other operation	6		
营业税金及附加 Tax and additional duty of main operation	7		
销售费用 Operating expense	8		
管理费用 General and administrative expenses	9	101, 427. 36	53, 734. 14
其中: 业务招待费 Including: Entertainment expense	10		
研究与开发费 Research and development expense	11		
财务费用 Financial expenses	12	-1, 226. 41	-875. 05
其中: 利息支出 Including: Interest expenses	13		
利息收入 Interest income	14		
汇兑损益 (收益以-号填列) Exchange gain or loss	15		
加: 投资收益 (损失以-号填列) Add: Investment income	16		
二、营业利润 (损失以-号填列) Operation Income	17	1, 105, 561. 94	1, 160, 579. 16
加: 营业外收入 Add: Non-operation income	18	107, 256. 63	36, 283. 19
减: 营业外支出 Less: Non-operating expenses	19	0. 00	200. 00
三、利润总额 (亏损总额以“-”号填列) Income before Tax	20	1, 212, 818. 57	1, 196, 662. 35
减: 所得税费用 Less: Income tax	21	64, 263. 51	59, 832. 32
四、净利润 (净亏损以-号填列) Net Income	22	1, 148, 555. 06	1, 136, 830. 03
加: 年初未分配利润 Add: Undistributed profit at the beginning of	23	29, 094, 640. 40	27, 960, 091. 14
其他转入 Add: Other transfer-in	24	-6, 231. 31	-2, 280. 77
五、可供分配的利润 Profit available for distribution	25	30, 236, 964. 15	29, 094, 640. 40
减: 提取法定盈余公积 Less: Appropriation of statutory surplus re	26	0. 00	0. 00
提取储备基金 Appropriation of reserve fund	27		
提取企业发展基金 Appropriation of enterprise expansion fund	28		
六、可供投资者分配的利润 Profit available for owners' distributi	29	30, 236, 964. 15	29, 094, 640. 40
减: 应付优先股股利 Less: Appropriation of preference share's div	30		
提取任意盈余公积 Appropriation of discretionary surplus reserve	31		
应付普通股股利 Appropriation of ordinary share's dividend	32		
转作资本 (或股本) 的普通股股利 Transfer from ordinary share's di	33		
七、未分配利润 Undistributed profit after Appropriation	34	30, 236, 964. 15	29, 094, 640. 40

现金流量表CASH FLOWS STATEMENT

编制单位: 斯玛瑞汽车零部件(北京)有限公司

2020年(YEAR OF 2020)

单位: 元

项目 ITEM	行次 NO.	本年数 CURRENT YEAR	上年数 LAST YEAR
一、经营活动产生的现金流量 Cash Flows from Operating Activities	1		
销售商品、提供劳务收到的现金 Cash received from sales of goods or rendering of	2		
收到的税费返还 Refund of taxes	3		
收到的其他与经营活动有关的现金 Other cash received relating to operating acti	4	220,308.64	43,709.96
现金流入小计 Sub-total of cash inflows	5	220,308.64	43,709.96
购买商品、接受劳务支付的现金 Cash paid for goods and services	6		
支付给职工以及为职工支付的现金 cash paid to and behalf of employees	7		
支付的各项税费 cash paid for taxes	8		128,468.97
支付的其他与经营活动有关的现金 Other cash paid relating to operating activities	9	502,015.72	85,857.62
现金流出小计 Sub-total of cash outflows	10	502,015.72	214,326.59
经营活动产生的现金流量净额 Net cash flows from operating activities	11	-281,707.08	-170,616.63
二、投资活动的现金流量 Cash Flows from Investing Activities:	12		
收回投资所收到的现金 Cash received from return of investments	13		
取得投资收益所收到的现金 Cash received from investment income	14		
处置固定资产、无形资产和其他资产而收到的现金净额 net cash received from disposal of fixed assets, intangible assets and other long-term assets	15	132,000.00	41,000.00
收到的其他与投资活动有关的现金 Other cash received relating to investing acti	16		
现金流入小计 Sub-total of cash inflows	17	132,000.00	41,000.00
购建固定资产、无形资产和其他长期资产所支付的现金 Cash paid to acquire fixed assets, intangible assets and other long-term assets	18		
投资所支付的现金 Cash paid to acquire equity investments	19		
支付的其他与投资活动有关的现金 Other cash paid relating to investing activit	20		
现金流出小计 Sub-total of cash outflows	21	0.00	0.00
投资活动产生的现金流量净额 Net cash flows from investing activities	22	132,000.00	41,000.00
三、筹资活动的现金流量 Cash Flows from Financing Activities:	23		
吸收投资所收到的现金 proceeds from capital increase	24		
借款所收到的现金 proceeds from borrowings	25		
收到的其他与筹资活动有关的现金 Other proceeds relating to financing activit	26		
现金流入小计 Sub-total of cash inflows	27	0.00	0.00
偿还债务所支付的现金 cash repayments of amounts borrowed	28		
分配股利、利润或偿付利息所支付的现金 cash payments for distribution of dividen	29		
支付的其他与筹资活动有关的现金 cash payments relating to financing activities	30		
现金流出小计 Sub-total of cash outflows	31	0.00	0.00
筹资活动产生的现金流量净额 Net cash flows from financing activities	32	0.00	0.00
四、汇率变动对现金的影响额 Effect of Foreign Exchange Rate Changes on Cash	33		
五、现金及现金等价物净增加额 Net Increase in Cash and Cash Equivalents	34	-149,707.08	-129,616.63

现金流量表CASH FLOWS STATEMENT

编制单位: 斯玛瑞汽车零部件(北京)有限公司

2020年(YEAR OF 2020)

单位: 元

项目 ITEM	行次	本年数 YEAR	CURRENT YEAR	上年数 LAST YEAR
补充资料:Supplemental Cimfirmation	35			
1、将净利润调节为经营活动的现金流量 Reconciliation of net profit to cash flows from oprating activities	36			
Net profit	37	1,148,555.06		1,136,830.03
加: 计提的资产减值准备 add: impairment of assets	38			
固定资产折旧 Depreciation of fixed assets	39	0.00		13,549.99
无形资产摊销 Amortisation of intangible assets	40			
长期待摊费用摊销 Amortisation of long-term prepaid expenses	41			
	42			
待摊费用的减少(减: 增加) Decreases of prepaid expenses (less: increase)	43	-97,160.00		0.00
预提费用的增加(减: 减少) Increase of accrued expenses (less: decrease)	44			
处置固定资产、无形资产和其他资产的损失(减: 收益) Losses on disposal of fixed assets	45	-107,256.63		-36,283.19
intangible assets and other long-term assets (or deduct: gains)	46			
固定资产报废损失 Losses on scrapping of fixed assets	47			
财务费用 Financial expenses	48			
投资损失(减: 收益) Losses arising from investments(or deduct:gains)	49			
递延税款贷项(减: 借项) Deferred tax credit(or deduct: increase)	50	0.00		0.00
存货的减少(减: 增加) Decrease in inventories(or deduct:increase)	51	-1,278,108.75		-1,279,020.83
经营性应收项目的减少(减: 增加) increase in operating receivables(or deduct:increase)	52	83,237.92		-5,692.63
经营性应付项目的增加(减: 减少) increase in operating payables(or deduct:decrease)		-30,974.68		
其他 Miscellaneous Others	54	-281,707.08		-170,616.63
经营活动产生的现金流量净额 Net cash flows from operating activities	55			
2. 不涉及现金收支的投资和筹资活动: Investing and financing activities that do not involve in cash receipts and payments	56			
债务转为资本 Capital transferred from debt	57			
一年内到期的可转换公司债券 Convertible Bonds due Within One Year	58			
融资租入固定资产 Fixed assets by finance leased	59			
3. 现金及现金等价物净增加情况: Net increase in cash and cash equivalents	60			
现金的期末余额 Cash at the end of the period	61	676,153.45		825,860.53
减: 现金的期初余额 Less: Cash at beginning of the period	62	825,860.53		955,477.16
加: 现金等价物的期末余额 Plus:Cash equivalents at the end of the period	63			
减: 现金等价物的期初余额 Less:Cash equivalents at beginning of the period	64			
现金及现金等价物净增加额 Net in cash and cash equivalents	65	-149,707.08		-129,616.63

SMR Automotive (Beijing) Co. Ltd

Notes to Financial Statements

For the Year Ended December 31, 2020

(In addition to the special instructions, expressed in RMB Yuan)

1. Corporate information:

SMR AUTOMOTIVE (BEIJING) CO. LTD (the "company") was established according to the Approval Certificate obtained from the government of Beijing. The company is a Gang, Ao. Tai individual investment enterprise invested by SMR automotive Holding Hong Kong Limited.

(1) Certificate of Approval: Shang Wai Zi Jing Zi Zi No.[2003]0051

(2) Finance Registration Certificate: No. 91110113746103773, Business period : from January 20, 2003 to January 19, 2033, Business scope: wholesale, design, assemble the meter, handle, illuminance system, Rearview mirror system of the car, technology service of self-production, technical advisory work, import and export of goods

(3) Foreign Currency Registration Certificate: No. 110000030080

(4) Finance Registration Certificate: 1101130042

(5) Total Investment and Registered Capital:

A. Total Investment: \$580 thousand USD.

B. Registered Capital: \$406 thousand USD.

It is confirmed that the registered capital has been completed which was verified by Beijing Dong Yi Jun An Certified Public Accountants as verification report Dong Yi Yan Zi (2005) No. 022 at Sep. 1 2005.

2. Basis of preparation of the financial statements

The company accounting statements on the basis of company going-concern assumption, under the actual transactions and events, according to the ministry of finance issued relevant regulations of "enterprise accounting system" and "accounting standards for business enterprises" and the supplementary provisions, and compiled with described based on the following important accounting policies and accounting estimates.

3. Inconformity instructions to the premise of accounting

None

4. Significant accounting policies and estimates

Accounting System

The Company has adopted the Accounting Standards for Business Enterprises, the “Accounting System for Business Enterprises” and the supplementary regulations.

Accounting Year

The Company has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

Recording Currency

The recording currency of the Company is “Renminbi” (RMB).

Basis of Accounting and Measurement Basis

The Company is based on accrual basis for accounting recognition, measurement and reporting. The valuation principle is based on the historical cost to measure the accounting elements. For the replacement cost and net realizable value measurement, the measurement foundation is determined by the amount of accounting elements can be obtained and reliably measured.

Cash Equivalents

The cash equivalents are defined as short-lived (due within 3 months since purchased), with strong liquidity, can be easily converted into known amount of cash and low risk of fluctuation in value.

Accounts Receivable

Accounts receivable including related party payment receivable and accounts receivable not affiliated parties. Accounts receivable is expressed by the net after the actual amount minus the provision for bad debts.

The company should prepare the bad debt losses for the accounts receivable after evaluate the receivables of it. When it is expressed as hard position to receive the accounts receivable, it should record the bad debt losses. It is used following method:

Aging Years	Provision for bad debt losses
Less than 1 year	0%
1-2 years	5%
2-3 years	10%
3-5 years	20%
More than 5 year	50%

Inventory

Classification of Inventory

The company's inventory is including raw material, low-value consumable, inventory goods and goods in process.

Inventory Valuation Method

Inventory is recorded by the actual cost when obtained, consuming and send out. Use the weighted average method to determine the actual cost of inventory. Use the low-value consumable, accessories of raw materials and revolving material recording by individual pricing. The main materials in raw materials and fuel used moving weighted average method.

The Amortization Method of Low-value Products and Packages

Low-value products amortization for use amortized method or double fifth amortization method according to the actual situation.

Stock Inventory System

Perpetual inventory system

Confirm standard of inventory write-down and depreciation

At the end of the year, depend on the comprehensive inventory of inventory. If it finds the inventory is damaged, all or part of the old, obsolete or selling below cost, predict the receivable part of the cost which may not be receivable, according to a single or the difference between net realizable values lower than the cost of extracting inventory write-down.

Fixed Assets**The Standard of Fixed Assets**

The fixed assets is a kind of tangible assets, which that the company used exceed one year and have a high value to produce the product, provide service, rent out or hold to operation control.

Fixed Assets Valuation Method

Fixed assets record by the actual cost, the cost including purchase price, import tax, transportation fee and insurance fee. And the necessary expenditure to let the fixed assets achieve the serviceable condition. The investor's fixed assets, recorded by the confirmed value depend on all parties to the investors.

The Depreciation Method of Fixed Assets

The company depreciated all fixed assets. The estimate using year and ratio of remaining value is 5%, and it depreciated by the straight-line depreciation method.

Type of Fixed Assets	Depreciation period	Estimate net residual value rate (%)	Depreciation rate (%)
Building	5	9	10
Instrument	5-10	9	10
Transportation	5	9-18	10
Electron and other equipment	3-5	18-30	10

Follow-up Expenditure of the Fixed Assets

The follow-up expenditure related to the fixed assets, the received exceed the original estimate of the company, so it should record the book value of the fixed assets. The exceed amount should not exceed the recoverable value, or it should record expending of the company. The conditions are as follows:

- (1) It extends the service life of the fixed assets.
- (2) It increases the quality of the product.
- (3) It decreases the cost of the product.

Fixed Assets Depreciation Reserves Confirmation Standard and Depreciation Method

The company's final according to the book value and the recoverable amount of fixed assets is low measurement, the single item assets because the market price continued to fall, old technology, damage, or long-term idle wait for a reason, lead to its recoverable amount is lower than the book value of the difference, component extracted impairment of fixed assets, and included in the current profits and losses.

Other Long-term Assets

Temporary Facilities

The company use temporary facilities, in according to the actual cost of the acquisition, according to the construction schedule, amortization and considering the flow data.

Construction in Process

Valuation of the Construction in Process

Projects under construction according to the engineering project of the company accounted for separately, with actual spending all enter an item in an account, in the construction of a building project is directly related to the translation difference between foreign currency loan payments, exchange gains and losses, and borrowing costs, such as before to the expected conditions for use of the project are capitalized and included in the cost of construction project, after the expected conditions for use of the project, included in the current profits and losses.

The Point Carry Forward the Construction In Process to Fixed Assets.

To the expected conditions for use of projects under construction, according to the engineering cost of carry forward all the fixed assets.

Intangible Asset

The Standard of Intangible Assets

Intangible asset is the non-monetary long-term assets of the company, to produce goods, providing labor services, renting or business management.

Intangible Assets Valuation Method

The intangible assets record by actual cost

The amortization method of intangible assets

According to fixed number of year averagely amortized over, benefiting for the gains or losses

amortization period

Long-term Unamortized Expenses

The company's long-term amortization expenses refers to has been spending, but will be in the normal production and business operation amortization or amortization period for more than a year after fees, including starting expenses, decorate cost. Long-term prepaid expenses in addition to the organization expenses is beginning to production and business operation that month once included in the profit and loss, all in all purpose is expected to benefit from during the period of amortization on average, recorded in the profits and losses of the amortization period.

Borrowing Cost

The company refers to the borrowing costs because of interest on a loan. In addition to the construction of fixed asset borrowings of borrowing costs, other borrowing costs shall be recognized as expenses in the period directly included in the current financial expenses.

Anticipation Liabilities

Recognition Standard of Anticipation Liabilities

When or contingencies related obligations is the company's present obligations undertaken by the outflow is likely to lead to the economic interests of the company, and the amount of the obligation can be measured reliably, it will be identified as liabilities of the company.

The Valuation Method of Anticipation Liabilities

The amount of debt for the liquidation, is to estimate exceed of predict number. If there is an amount of the expenses necessary for the scope, the best estimate according to the scope, the lower amount on the average number of identified; If does not exist an amount of the expenses necessary for the range, the best estimate as follows certain contingencies concern: (1) or a single project, as defined by the most likely amount best estimate; (2) or have matters involving multiple items, the best estimate according to various possible amount calculated and determined and its probability of occurrence.

Confirm all or some of the expenses necessary for the debt is expected to be compensated by a third party or other parties, the compensation amount on basic sure can get, separately recognized as an asset. Confirmation of compensation amount does not exceed the book value of the debt.

Revenue Recognition

The Company's recognized revenue when the amount of revenue can be reliably measured, and when the product already sent or the ownership of the main risks and rewards transfer to the purchaser; it has no longer have continued power and actual control; and the related income have received or gathering of evidence.

Income Tax

The company income tax accounting treatment of the taxes payable method, namely according to the current calculation of the payable income tax amount shall be recognized as income tax expenses of the current period.

Liquidation: quarterly advance payment, the end of the liquidation.

Social Security and Welfare of Staff

The Chinese staff of the company join the social security system build by the government, it is include pension insurance, medical insurance and other social insurance.

Items	Proportion
Basic endowment insurance	19.00%
Basic medical insurance	10.00%
Unemployment insurance	1.50%
Accident insurance	1.00%
The worker bears insurance	0.80%
Housing fund	8.00%

6. Taxation

Main tax and tax rate

Tax	Basis	Rate (%)
VAT	Revenue	13
Enterprise Income Tax	Profit	25

7. The Explain of Accounting Policies, Accounting Estimate Change and Accounting Errors Correction

Changes in Accounting Policies

None

Changes in Accounting Estimate

None

Correction of Accounting Errors

None

8. Explain the Important Items of Financial Statement

(1)Monetary Capital

Items	Begin balances	Closing balances
Cash	1,386.47	2,586.47
Bank Deposit	824,474.06	673,566.98
Total	825,860.53	676,153.45

(2)Other ReceivablesAging analysis

Time	Begin amount			Closing amount		
	Begin balances	ratio	bad debt	Closing balances	ratio	bad debt
Less than 1 year	34,958,054.14	100%		36,236,162.89	100%	
1-2 years						
2-3 years						
More than 3 years						
Total	34,958,054.14	100%		36,236,162.89	100%	

Main debtors of other receivables

No.	Company Name	Closing balances	Period
1	SMR Automotive (Langfang) Co., Ltd	36,236,162.89	less than 1 year

(3)Fixed AssetsFixed asset

Types	Opening balance	Increase	Decrease	Closing balance
Transportation	477,606.03	0.00	477,606.03	
Other equipment	475,568.74	0.00	368,179.85	107,388.89
Total	953,174.77	0.00	845,785.88	107,388.89

Accumulated Depreciation

Types	Opening balance	Increase	Decrease	Closing balance
Transportation	477,606.03		477,606.03	
Other equipment	475,568.74		368,179.85	107,388.89
Total	953,174.77		845,785.88	107,388.89

(4) Tax Payable

Items	Begin Balance	Increase	Decrease	Closing Balance
VAT	-1,008,741.78	85,265.41		-923,476.37
Business Income tax	15,013.60	80,698.29	82,725.78	12,986.11
Total	-993,728.18	165,963.70	82,725.78	-910,490.26

(5) Owner's equity

Investor's name	Begin amount	Increase	Decrease	Closing amount
Elemental Growth Limited	3,360,471.62			3,360,471.62
Total	3,360,471.62			3,360,471.62

(6) Capital Reserve

Investor's name	Begin amount	Increase	Decrease	Closing amount
Capital Premium	82.77			82.77
Donation	824.47			824.47
Total	907.24			907.24

(7) Surplus Public Accumulation

Investor's name	Begin amount	Increase	Decrease	Closing amount
Legal surplus	3,436,153.06			3,436,153.06
Discretionary surplus reserve	885,470.53			885,470.53
Total	4,321,623.59			4,321,623.59

(8) Undistributed Profit

Items	Amount
Closing amount in last year	29,094,640.40
add: adjustment in begin of this year	
include: change in account policy	
change in correct the account	
other factors	
The begin amount of this year	29,094,640.40

increase in this year	1,148,555.06
include: net profit	1,148,555.06
other increase	
decrease in this year:	6,231.31
include: surplus reserves number	
numbers of cash dividend distribution	
number of stock dividend distribution	
other decrease	6231.31
Closing amount	30,236,964.15

(9) Operating Income and operating Cost

Items	Income		Cost	
	This Year	Last Year	This Year	Last Year
Main Business				
Other Business	1,205,762.89	1,213,438.25		
Total	1,205,762.89	1,213,438.25		

(10) Administration Expenses

Items	This Year	Last Year
Total	101,427.36	53,734.14
Communication fees	12,051.18	17,160.00
Depreciation		13,549.99
Labor union dues	69,400.00	
Others	19,976.18	19,976.18
Disability benefits		3,047.97

(11) Financial Expenses

Items	This Year	Last Year
Interest expense		
minus: interest earn	-2,318.47	-1,941.93
Exchange loss		
minus: Exchange gain		
Handling Charge	1,092.06	1,066.88
Total	-1,226.41	-875.05

(12) Non-business Income

Items	This Year	Last Year
Others	107,256.63	36,283.19
Total	107,256.63	36,283.19

(13)Non-business Expense

Items	This Year	Last Year
Fixed Assets Loss		
Current Assets Loss		200.00
Total		200.00

9. Contingency

None

10. Description of events occurring after the date of the balance sheet

None

11. The explain of important asset transfer and sell

None

12. The instruction of enterprise merger, division and restructuring

None

13. Related party relationships and transactions**(1)Related transactions****A. Direct Control relationship of related parties.**

Business Name	Registered address	Relationship
SMR Automotive Holding Hong Kong Limited	Pacific place, 1 queen's road east, Hong Kong 3 period, 28 floor	Parent company

B. Under one control relationship of related parties.

Business Name	Registered address	Main Business	Relationship
SMR Automotive (Langfang) Co., Ltd	Lang Fang	Light Len system	under control

(2)Related Party Transaction**Pricing Policy**

Market price

Important related transaction

Purchase production

None

Sales production

None

(3) Accounts payable of Related party

Other accounts receivable

Business Name	Year of 2020		Year of 2019	
	Amount	Proportion	Amount	Proportion
SMR Automotive (Langfang) Co., Ltd	36,236,162.89	100%	34,958,054.14	100.00%

Establishment: SMR Automotive (Beijing) Co. Ltd

December 31st, 2020

北京诚晟源会计师事务所(普通合伙)

统一社会信用代码

91110113MA01NJ1W3C

营业执照

(副本)(1-1)



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名称 北京诚晟源会计师事务所 (普通合伙)

类型 普通合伙企业

法定代表人 齐克平

经营范围 从事会计师事务所业务；代理记账；销售办公用品。(下期出资时间为2069年11月01日；企业依法自主选择经营项目，开展经营活动；从事会计师事务所业务、代理记账以及依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事本市产业政策禁止和限制类项目的经营活动。)

成立日期 2019年11月07日

合伙期限 2019年11月07日至 2069年11月06日

主要经营场所 北京市顺义区昌金路赵全营段169号院3幢3层335室



登记机关

2020年10月20日

证书序号: 0011971

说明

- 1、《会计师事务所执业证书》是证明持有人经财政部门依法审批, 准予执行注册会计师法定业务的凭证。
- 2、《会计师事务所执业证书》记载事项发生变动的, 应当向财政部门申请换发。
- 3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所终止或执业许可注销的, 应当向财政部门交回《会计师事务所执业证书》。

发证机关: 北京市财政局

二〇一九年十二月三日

中华人民共和国财政部制



会计师事务所

执业证书

名称: 北京诚晟源会计师事务所(普通合伙)

首席合伙人: 齐克平

主任会计师:

经营场所: 北京市顺义区昌金路赵全营段169号院3幢3层335室

组织形式: 普通合伙

执业证书编号: 11010336

批准执业文号: 京财会许可[2019]0063号

批准执业日期: 2019年12月03日



年度检验登
Annual Renewal Register



姓名：齐克平

本证书经检验合格 证书编号：120000551435

This certificate is valid for another year after this renewal.

2014
3.31

证书编号：
No. of Certificate 120000551435

批准注册协会：
Authorized Institute of CP 天津市注册会计师协会

发证日期：
Date of Issuance 2013 年 11 月 01 日

2015
3.31 年 月 日



中国注册会计师协会

齐克平



120000551435

齐克平

姓名	Full name	性别	Sex	出生日期	Date of birth	工作单位	Working unit	身份证号码	Identity card No.
齐克平		男		1952-12-13		天津市津联有限责任会计师事务所		120114195212130418	



证书编号:
No. of Certificate

批准注册协会: 110000342384
Authorized Institute of CPAs

发证日期: 2006-4-15
Date of Issuance



姓名: 刘颖辉
证书编号: 110000342384



姓名: 刘颖辉
性别: 女
出生日期: 1975-3-14
工作单位: 北京城晟源会计师事务所有限公司
Working unit: 北京城晟源会计师事务所有限公司
身份证号码: 510215197503147125
Identity card No.

