

SMR Automotive Servicios México, S.A. de C.V.
(On liquidation process)
(Subsidiary of SMR Automotive Vision Systems México, S.A. de C.V.)
Statement of financial position
(Mexican pesos)

	2018	2017
Assets		
Current assets:		
Cash	\$ 13,431,191	\$ 13,432,443
Customers	\$ -	\$ -
Debtors	\$ -	\$ -
Advance payments	\$ -	\$ -
Tax receivables	\$ -	\$ -
Total of current assets	\$ 13,431,191	\$ 13,432,443
Fixed assets	\$ -	\$ -
Other assets	\$ -	\$ -
Total Assets	\$ 13,431,191	\$ 13,432,443
Liabilities and Equity		
Short term		
Suppliers	\$ -	\$ -
Accruals	\$ -	\$ -
Payable taxes	\$ -	\$ -
Total liabilities short term	\$ -	\$ -
Deferred taxes	\$ -	\$ -
Deferred profit sharing	\$ -	\$ -
Benefits of employees accrual	\$ -	\$ -
Total liability	\$ -	\$ -
Equity:		
Capital stock	\$ 50,000	\$ 50,000
Gain or loss cumulate:		
From prior years	\$ 13,382,443	\$ 13,383,695
For the year	-\$ 1,252	-\$ 1,252
Total equity	\$ 13,431,191	\$ 13,432,443
Total liability and equity	\$ 13,431,191	\$ 13,432,443

José Luis González Gómez
Director General


Thelma Zayas
Finance Manager

SMR Automotive Servicios México, S.A. de C.V.
(On liquidation process)
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Statement of income

(Mexican pesos)

	For the years ended at December 31,			
	2018		2017	
Other income	\$	-	\$	-
Operating expenses	\$	1,252	\$	1,252
Operating loss	-\$	1,252	-\$	1,252
Comprehensive financing cost				
Interest expense, net	\$	-	\$	-
Loss before income tax	-\$	1,252	-\$	1,252
Income tax	\$	-	\$	-
Net loss of the year	-\$	1,252	-\$	1,252

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Statement of changes in stockholders' equity

(Mexican pesos)				
	Capital stock	Retained (losses) earnings		
		From prior years	For the year	Total
Balances at December 31'2015	\$ 50,000.00	\$ 14,829,099.00	\$ - 1,444,035.00	\$ 13,435,064.00
Transfer to results of previous years Comprehensive results	-	1,444,035	1,444,035	- 1,369
Balances at December 31'2016	50,000	13,385,064	1,369	13,433,695
Transfer to results of previous years Comprehensive results	-	1,369	1,369	- 1,252
Balances at December 31'2017	50,000	13,383,695	1,252	13,432,443
Transfer to results of previous years Comprehensive results	-	1,252	1,252	- 1,252
Balances at December 31'2018	\$ 50,000	\$ 13,382,443	\$ - 1,252	\$ 13,431,191

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Director General

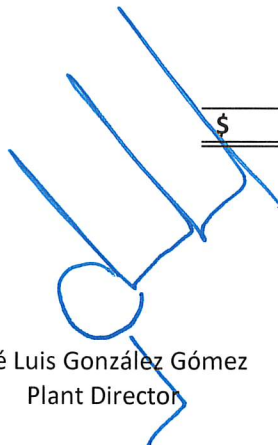

Thelma Zayas
Finance Manager

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Statements of cash flow

(Mexican pesos)

	For the years ended at December 31,			
	2018		2017	
Operating activities				
Loss before income tax	-	1,252	-	1,252
Net cash flow from operating activities	-	1,252	-	1,252
Net decrease in cash	-	1,252	-	1,252
Cash at the beginning of the year		13,432,443		13,433,695
Cash at the end of the year		<u><u>\$ 13,431,191</u></u>		<u><u>\$ 13,432,443</u></u>


 José Luis González Gómez
 Plant Director


 Thelma Zayas
 Finance Manager

SMR AUTOMOTIVE SERVICIOS MÉXICO, S.A. DE C.V.
(In liquidation)
(Subsidiary of SMR Automotive Vision Systems México, S.A. de C.V.)
Notes to the financial statements
At December 31, 2018 and 2017
(Amounts expressed in Mexican pesos, unless otherwise indicated)

1. History, activity of the Company

SMR Automotive Servicios México, S.A. de C.V. it is a 99.99% subsidiary of SMR Automotive Vision Systems México, S.A. de C.V. Its main activity is the provision of operation and administration services, which are provided to its parent and affiliated companies. On January 15, 2014, the Company transferred some of its workers to MSSL México, S.A. de C.V. and Motherson Techno Precision México, S.A. de C.V. (related parties), as well as on February 1, 2014, carried out the transfer of the remaining workers to SMR Automotive Vision Systems México, S.A. de C.V., this transfer was made through the mechanism of employer replacement so these companies assumed all obligations that had been contracted with workers, so that as of that date, the Company has no operations.

At the Extraordinary General Shareholders' Meeting held on February 17, 2014 the shareholders of the Company approved the early dissolution of the company and put it into liquidation as of that date, the Administration expects to dissolve the Company in the first quarter of 2019.

Administration plans to liquidate the company are the following:

- Conclude the social operations that would have been pending at the time of the dissolution.
- Collect what is owed to society and pay what it owes.
- Sell the assets of the Company.
- Liquidate each shareholder in his or her Company.
- Practice the final liquidation balances.
- Obtain the cancellation of the registration of the Company from the public of commerce once the liquidation is concluded.

Authorization of financial statements

The accompanying financial statements and their notes were authorized for issue on July 18th, 2019, by Mr. Jose Luis González Gómez, liquidator, with legal power to authorize the financial statements and their notes. His designation was done last November 16th, 2018 as new liquidator, and in the same Extraordinary General Stockholders' Meeting was defined the revocation of Enrique Flores and approval of FS 2017-2016 in order to conclude liquidation process.

2. Summary of significant accounting policies

The most significant accounting policies are summarized below, which have been applied consistently in the years presented, unless otherwise specified.

The Mexican Financial Reporting Standards (MFRS) require the use of certain accounting estimates in the preparation of financial statements. Likewise, it requires the exercise of a judgment on the part of the Administration in the process of defining the accounting policies of the Company.

Effects of inflation on financial information

According to the guidelines of MFRS B-10 "Effects of inflation", the Mexican economy is in a nonmonetary environment, maintaining a cumulative inflation of the last three years of less than 26% (maximum limit to define that an economy should be considered as non-inflationary), therefore, as of January 1, 2008, the recognition of the effects of inflation on financial information (disconnection of inflationary accounting) was suspended. As mentioned above, the Company does not recognize the effects of inflation, as required by the Mexican Financial Reporting Standards and the financial statements as of December 31, 2017 and 2016, are prepared on the basis of original historical value.

Below are the percentages of inflation, as follows:

	Cumulative inflation for 2017	Cumulative inflation for 2018	Inflation for the year
	(%2015,2016 & 2017)	(%2016,2017 & 2018)	(% de 2018)
Inflation rates	12.26%	14.96%	4.83%

Accounting currency, functional and reporting

In accordance with the provisions of MFRS B-15, the Company has identified the following currencies:

Type	Currency 2018 and 2017
Recording	Mexican pesos
Functional	Mexican pesos
Reporting	Mexican pesos

Because both the registration and functional currency and the reporting currency is the peso, no conversion process was necessary.

a) Cash

Cash includes cash balances and bank deposits with minor risks due to changes in their value.

b) Current and deferred income tax

Current and deferred income is recognized as an expense in the results of the period, except when it arises from a transaction or event that is recognized outside of the period's result as other comprehensive income or an item recognized directly in stockholders' equity.

The deferred income tax is recorded based on the asset and liability method with an integral approach, which consists of recognizing a deferred tax for all temporary differences between the accounting and tax values of the assets and liabilities that are expected to materialize in the future, to the rates promulgated in the fiscal provisions in force at the date of the financial statements.

c) Stockholders' equity.

The social capital and accumulated profits (losses) are expressed at historical cost.

d) Comprehensive result

The integral result is composed of the net loss, as well as those items that by specific provision are reflected in stockholders' equity and do not constitute capital contributions, reductions and

distributions. The amounts of the comprehensive loss for 2017 and 2016 are expressed in historical pesos.

e) Presentation of cost, expenses and additional items in the income statement

The Company presents the expenses in the income statements, under the classification criterion based on the function of items, which has the fundamental characteristic of separating costs and expenses. In addition, for a better analysis of its financial situation, the Company has considered it necessary to present the amount of operating income separately in the income statement, since such information is a common practice in the sector to which the entity belongs.

f) Revenue recognition

Revenues from the provision of services are recognized as they are provided and when all of the following requirements are met: a) the amount of income, costs incurred in the provision of the service are reliably determined, b) it probable that the Company receives the economic benefits associated with the provision of the service.

The allowance for uncollectible accounts, bonuses and discounts is recognized based on studies carried out by the Company's management and is considered sufficient to absorb losses due to uncollectibility. The increases to said estimate are recognized in the result of the exercise.

g) Accounting estimates

The Company makes estimates and projections about future events to recognize and measure certain items of the financial statements. The recognized accounting estimates are likely to differ from actual results or events. The estimates and projections that have a significant risk of deriving material adjustments on the assets and liabilities recognized during the following year are detailed below.

h) Income taxes

The Company is subject to the payment of income taxes. Significant judgments are required to recognize the tax on income caused and deferred. There are many operations and calculations for which the exact determination of the tax is uncertain. In case of matters observed in fiscal audits, the Company recognizes a liability for those matters that it considers probable derive in the determination of an additional tax to the originally caused. When the final result of these processes is different from the estimated liability, the and / or caused by the year. At the date of issuance of these financial statements there are no matters observed by the Tax Authorities.

3.Cash

The cash balances as of December 31, 2018 and 2017, are mainly composed of bank deposits, all of which are highly liquid and subject to insignificant risks or change in value. The integration of this balances is shown below:

	2018	2017
Cash in banks	\$13,431,191	\$13,432,443

4. Stockholders' equity

The Company's capital stock is represented by nominative and ordinary Series "B" shares, with a par value of \$1.00 (One Peso 00/100 M.N.) and free transfers. Its integration is as follows:

Shares	Description	Amount
50,000	Serie "B", represents the fixed portion of capital without right of withdrawal	\$50,000
	Capital stock	\$50,000

The profit for the year is subject to the legal provision that requires that at least 5% of the profit for each year be allocated to increase the legal reserve until it is equal to one fifth of the amount of paid-in capital.

Dividends paid will be free of income tax, if they come from the Net Tax Profit Account (CUFIN). Dividends in excess of CUFIN and CUFINRE will cause a tax equivalent to 42.86% if paid in 2016. The tax will be paid by the Company and may be credited against the income tax for the year or the following two years. Dividends paid that come from profits previously taxed by the IT will not be subject to any withholding or additional payments of taxes.

As of 2014, income tax law sets an additional tax of 10% for the profits generated as of 2014 to the dividends distributed to residents abroad and Mexican individuals.

Also, income tax law grants a fiscal stimulus to individuals residing in México who are subject to an additional payment of 10% on distributed dividends or profits. The stimulus is applicable as long as said dividends or profits have been generated in 2014, 2015 and 2016 and are reinvested in the legal entity that generates said profits, and consists of a tax credit equivalent to the amount that results from applying the dividend or profit that, the percentage that corresponds to the year of distribution is distributed as follows:

Year of distribution for the dividend profit	Percentage of application to the amount of the dividend or distributed profit
2017	1%
2018	2%
2019 onwards	5%

The determined tax credit will be creditable only against the additional 10% of income tax that the entity must withhold and complete and provided that the requirements established in the income tax Law are met.

In order to apply the credit, the following requirements must be met:


- The legal entity must identify in its accounting the requirements corresponding to profits or dividends generated in 2014, 2015 and 2016, as well as the respective distributions.
- Present in the notes to the financial statements the analytical information of the period in which the profits were generated, the dividends were reinvested or distributed.
- For legal entities whose shares are not placed on the Mexican Stock Exchange and apply this stimulus, they should choose to dictate their financial statements for tax purposes in terms or Article 32-A of the Fiscal Code of the Federation. In case of capital reduction, the procedures established by the Income Tax Law (ITL) provide that any excess of stockholders' equity be given over the balances of the contributed capital accounts, the same tax treatment as applicable to the dividends.

5. Income Tax Law (ITL)

In 2018, the Company determined a tax carryforward loss of \$1,252 (tax carryforward loss of \$1,252 in 2017) related with bank commissions.

The tax result differs from the accounting result, mainly for those items that accumulate over time and are deducted differently for accounting and tax purposes, due to the recognition of the effects of inflation for fiscal purposes, as well as those items that only affect the accounting result or the fiscal.

Jose Luis González Gómez
Plant Director


Thelma Zayas
Finance Manager