

Shandong SDG Light Source Optical Communication Co., Ltd.

Auditor's Report

TZYZI [2022] No.32454

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## **Audit Report**

TZYZi [2022] No. 32454

Shandong SDG Light Source Optical Communication Co., Ltd. :

### **I. Auditor's Opinion**

We have audited the financial statements of Shandong SDG Light Source Optical Communication Co., Ltd. (hereinafter referred to as "Shandong SDG"), including the balance sheet as of December 31, 2021, and the income statement, cash flow statement, statement of changes in equity and relevant notes to the financial statements in 2021.

In our opinion, the attached financial statements are prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects, and fairly reflect the financial position of Shandong SDG as of December 31, 2021 and its operating results and cash flow in 2021.

### **II. Basis for Forming Auditor's Opinion**

We have performed our audit in accordance with the Auditing Standards for CPAs of China. Our responsibilities under these Standards are further elaborated in the section of the Audit Report titled "Responsibilities of CPAs for the Audit of Financial Statements". In accordance with the Code of Professional Ethics for CPAs of China, we are independent of Shandong SDG and have performed other professional ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the Audit Opinion.

### **III. Responsibilities of Management and Those Charged with Governance with Respect to Financial Statements**

The management shall be responsible for preparing the financial statements in accordance with the Accounting Standards for Business Enterprises so as to achieve a fair presentation, and for designing, implementing and maintaining necessary internal control so as to ensure that the financial statements are free from material misstatement resulting from fraud or error.

While preparing the financial statements, the management is responsible for assessing the ability of Shandong SDG to continue as a going concern, disclosing the matters relating to going concern (if applicable), and applying the going concern assumption, unless the company intends to liquidate, terminate the operation or there is no other realistic alternative.

The management is responsible for supervising the financial reporting process of Shandong

SDG.

#### **IV. Responsibilities of CPAs for the Audit of Financial Statements**

Our objective is to obtain reasonable assurance as to whether the financial statements, as a whole, are free from material misstatement resulting from fraud or error, and to issue an audit report which includes an audit opinion. Reasonable attestation is a high-level attestation, but it does not guarantee that the audit conducted in accordance with the auditing standards can always uncover a material misstatement. Misstatement, which can result from fraud or error, is ordinarily considered material if, individually or in the aggregate, it might reasonably be expected to affect the economic decision taken by users of financial statements based on those financial statements.

We exercise professional judgment and maintain professional skepticism in the conduct of our audits in accordance with the Auditing Standards. In the meantime, we also perform the following tasks:

(1) Identifying and assessing the risks of material misstatement in financial statements resulting from fraud or error, designing and implementing audit procedures so as to cope with such risks, and obtaining adequate and appropriate audit evidence as the basis of issuing the audit opinion. As fraud may involve collusion, forgery, intentional omission, misrepresentation or override of internal control, the risk of failing to detect material misstatement due to fraud is higher than that of failing to detect material misstatement due to error.

(2) Understand internal controls related to audit in order to design appropriate audit procedures, provided, however, that the purpose is not to issue an opinion on the effectiveness of internal controls.

(3) Evaluate the appropriateness of the accounting policies selected by the management and the reasonableness of the accounting estimates and relevant disclosures made by the management.

(4) Draw a conclusion on the appropriateness of the management's use of the going-concern assumption. Meanwhile, based on the obtained audit evidence, a conclusion is drawn on whether there is any major uncertainty in the issues or situations that may lead to significant concerns on the going-concern ability of Shandong SDG. If we conclude that there is material uncertainty, the auditing standards require us to bring relevant disclosures in the financial statements to the attention of the users of such financial statements in the auditor's report; if the disclosure is insufficient, we should modify our opinion. Our conclusions are based on the information available as of the date of the auditor's report. However, future events or circumstances may cause that Shandong SDG may not be able to continue its operations.

(5) Evaluate the overall presentation, structure and content of the financial statements and whether the financial statements fairly reflect the relevant transactions and events.

We will communicate with those charged with governance with respect to the scope of planned audit, time schedule, material audit findings and other matters, including internal control deficiencies that are identified during our audit and are worthy of attention.

Beijing, China

April 28, 2022

Chinese Certified

Public Accountant:

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Chinese Certified

Public Accountant:

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Shandong SDG Light Source Optical Communication Co., Ltd.

Auditor's Report

TZYZI [2021] No.21475

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## **Audit Report**

TZYZi [2021] No. 21475

Shandong SDG Light Source Optical Communication Co., Ltd. :

### **I. Auditor's Opinion**

We have audited the financial statements of Shandong SDG Light Source Optical Communication Co., Ltd. (hereinafter referred to as "Shandong SDG"), including the balance sheet as of December 31, 2020, and the income statement, cash flow statement, statement of changes in equity and relevant notes to the financial statements in 2020.

In our opinion, the attached financial statements are prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects, and fairly reflect the financial position of Shandong SDG as of December 31, 2020 and its operating results and cash flow in 2020.

### **II. Basis for Forming Auditor's Opinion**

We have performed our audit in accordance with the Auditing Standards for CPAs of China. Our responsibilities under these Standards are further elaborated in the section of the Audit Report titled "Responsibilities of CPAs for the Audit of Financial Statements". In accordance with the Code of Professional Ethics for CPAs of China, we are independent of Shandong SDG and have performed other professional ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the Audit Opinion.

### **III. Responsibilities of Management and Those Charged with Governance with Respect to Financial Statements**

The management shall be responsible for preparing the financial statements in accordance with the Accounting Standards for Business Enterprises so as to achieve a fair presentation, and for designing, implementing and maintaining necessary internal control so as to ensure that the financial statements are free from material misstatement resulting from fraud or error.

While preparing the financial statements, the management is responsible for assessing the ability of Shandong SDG to continue as a going concern, disclosing the matters relating to going concern (if applicable), and applying the going concern assumption, unless the company intends to liquidate, terminate the operation or there is no other realistic alternative.

The management is responsible for supervising the financial reporting process of Shandong

SDG.

#### **IV. Responsibilities of CPAs for the Audit of Financial Statements**

Our objective is to obtain reasonable assurance as to whether the financial statements, as a whole, are free from material misstatement resulting from fraud or error, and to issue an audit report which includes an audit opinion. Reasonable attestation is a high-level attestation, but it does not guarantee that the audit conducted in accordance with the auditing standards can always uncover a material misstatement. Misstatement, which can result from fraud or error, is ordinarily considered material if, individually or in the aggregate, it might reasonably be expected to affect the economic decision taken by users of financial statements based on those financial statements.

We exercise professional judgment and maintain professional skepticism in the conduct of our audits in accordance with the Auditing Standards. In the meantime, we also perform the following tasks:

(1) Identifying and assessing the risks of material misstatement in financial statements resulting from fraud or error, designing and implementing audit procedures so as to cope with such risks, and obtaining adequate and appropriate audit evidence as the basis of issuing the audit opinion. As fraud may involve collusion, forgery, intentional omission, misrepresentation or override of internal control, the risk of failing to detect material misstatement due to fraud is higher than that of failing to detect material misstatement due to error.

(2) Understand internal controls related to audit in order to design appropriate audit procedures, provided, however, that the purpose is not to issue an opinion on the effectiveness of internal controls.

(3) Evaluate the appropriateness of the accounting policies selected by the management and the reasonableness of the accounting estimates and relevant disclosures made by the management.

(4) Draw a conclusion on the appropriateness of the management's use of the going-concern assumption. Meanwhile, based on the obtained audit evidence, a conclusion is drawn on whether there is any major uncertainty in the issues or situations that may lead to significant concerns on the going-concern ability of Shandong SDG. If we conclude that there is material uncertainty, the auditing standards require us to bring relevant disclosures in the financial statements to the attention of the users of such financial statements in the auditor's report; if the disclosure is insufficient, we should modify our opinion. Our conclusions are based on the information available as of the date of the auditor's report. However, future events or circumstances may cause that Shandong SDG may not be able to continue its operations.

(5) Evaluate the overall presentation, structure and content of the financial statements and whether the financial statements fairly reflect the relevant transactions and events.

We will communicate with those charged with governance with respect to the scope of planned audit, time schedule, material audit findings and other matters, including internal control deficiencies that are identified during our audit and are worthy of attention.

Beijing, China

April 23, 2021

Chinese Certified

Public Accountant:

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Chinese Certified

Public Accountant:

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Shandong SDG Light Source Optical Communication Co., Ltd.

Auditor's Report

TZYZI [2020] No.20353

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## **Audit Report**

TZYZi [2020] No. 20353

Shandong SDG Light Source Optical Communication Co., Ltd. :

### **I. Auditor's Opinion**

We have audited the financial statements of Shandong SDG Light Source Optical Communication Co., Ltd. (hereinafter referred to as "Shandong SDG"), including the balance sheet as of December 31, 2019, and the income statement, cash flow statement, statement of changes in equity and relevant notes to the financial statements in 2019.

In our opinion, the attached financial statements are prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects, and fairly reflect the financial position of Shandong SDG as of December 31, 2019 and its operating results and cash flow in 2019.

### **II. Basis for Forming Auditor's Opinion**

We have performed our audit in accordance with the Auditing Standards for CPAs of China. Our responsibilities under these Standards are further elaborated in the section of the Audit Report titled "Responsibilities of CPAs for the Audit of Financial Statements". In accordance with the Code of Professional Ethics for CPAs of China, we are independent of Shandong SDG and have performed other professional ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the Audit Opinion.

### **III. Responsibilities of Management and Those Charged with Governance with Respect to Financial Statements**

The management shall be responsible for preparing the financial statements in accordance with the Accounting Standards for Business Enterprises so as to achieve a fair presentation, and for designing, implementing and maintaining necessary internal control so as to ensure that the financial statements are free from material misstatement resulting from fraud or error.

While preparing the financial statements, the management is responsible for assessing the ability of Shandong SDG to continue as a going concern, disclosing the matters relating to going concern (if applicable), and applying the going concern assumption, unless the company intends to liquidate, terminate the operation or there is no other realistic alternative.

The management is responsible for supervising the financial reporting process of Shandong

SDG.

#### **IV. Responsibilities of CPAs for the Audit of Financial Statements**

Our objective is to obtain reasonable assurance as to whether the financial statements, as a whole, are free from material misstatement resulting from fraud or error, and to issue an audit report which includes an audit opinion. Reasonable attestation is a high-level attestation, but it does not guarantee that the audit conducted in accordance with the auditing standards can always uncover a material misstatement. Misstatement, which can result from fraud or error, is ordinarily considered material if, individually or in the aggregate, it might reasonably be expected to affect the economic decision taken by users of financial statements based on those financial statements.

We exercise professional judgment and maintain professional skepticism in the conduct of our audits in accordance with the Auditing Standards. In the meantime, we also perform the following tasks:

(1) Identifying and assessing the risks of material misstatement in financial statements resulting from fraud or error, designing and implementing audit procedures so as to cope with such risks, and obtaining adequate and appropriate audit evidence as the basis of issuing the audit opinion. As fraud may involve collusion, forgery, intentional omission, misrepresentation or override of internal control, the risk of failing to detect material misstatement due to fraud is higher than that of failing to detect material misstatement due to error.

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(3) Evaluate the appropriateness of the accounting policies selected by the management and the reasonableness of the accounting estimates and relevant disclosures made by the management.

(4) Draw a conclusion on the appropriateness of the management's use of the going-concern assumption. Meanwhile, based on the obtained audit evidence, a conclusion is drawn on whether there is any major uncertainty in the issues or situations that may lead to significant concerns on the going-concern ability of Shandong SDG. If we conclude that there is material uncertainty, the auditing standards require us to bring relevant disclosures in the financial statements to the attention of the users of such financial statements in the auditor's report; if the disclosure is insufficient, we should modify our opinion. Our conclusions are based on the information available as of the date of the auditor's report. However, future events or circumstances may cause that Shandong SDG may not be able to continue its operations.

(5) Evaluate the overall presentation, structure and content of the financial statements and whether the financial statements fairly reflect the relevant transactions and events.

We will communicate with those charged with governance with respect to the scope of planned audit, time schedule, material audit findings and other matters, including internal control deficiencies that are identified during our audit and are worthy of attention.

Chinese Certified

Public Accountant:

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Beijing, China

Chinese Certified

April 27, 2020

Public Accountant:

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Chinese Certified

Public Accountant:

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Shandong SDG Light Source Optical Communication Co., Ltd.

Auditor's Report

TZYZI [2019] No.20066

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## **Audit Report**

TZYZi [2019] No. 20066

Shandong SDG Light Source Optical Communication Co., Ltd. :

### **I. Auditor's Opinion**

We have audited the financial statements of Shandong SDG Light Source Optical Communication Co., Ltd. (hereinafter referred to as "Shandong SDG"), including the balance sheet as of December 31, 2018, and the income statement, cash flow statement, statement of changes in equity and relevant notes to the financial statements in 2018.

In our opinion, the attached financial statements are prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects, and fairly reflect the financial position of Shandong SDG as of December 31, 2018 and its operating results and cash flow in 2018.

### **II. Basis for Forming Auditor's Opinion**

We have performed our audit in accordance with the Auditing Standards for CPAs of China. Our responsibilities under these Standards are further elaborated in the section of the Audit Report titled "Responsibilities of CPAs for the Audit of Financial Statements". In accordance with the Code of Professional Ethics for CPAs of China, we are independent of Shandong SDG and have performed other professional ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the Audit Opinion.

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The management is responsible for supervising the financial reporting process of Shandong

SDG.

#### **IV. Responsibilities of CPAs for the Audit of Financial Statements**

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(5) Evaluate the overall presentation, structure and content of the financial statements and whether the financial statements fairly reflect the relevant transactions and events.

We will communicate with those charged with governance with respect to the scope of planned audit, time schedule, material audit findings and other matters, including internal control deficiencies that are identified during our audit and are worthy of attention.

Chinese Certified

Public Accountant:

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Beijing, China

Chinese Certified

April 12, 2019

Public Accountant:

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Chinese Certified

Public Accountant:

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