

MIXEL (Beijing) Agitator Co., Ltd.
Financial Statements with Auditors' Report
For The Year Ended 31 December 2022
(English Translation for Reference Only)

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AUDITOR'S REPORT

FiveCode Audit Zi [2023] No. 025-1

To The Board of Directors of MIXEL (Beijing) Agitator Co., Ltd.

Audit Opinion

We have audited the accompanying financial statements of MIXEL (Beijing) Agitator Co., Ltd. (the 'company'), which comprise the balance sheet as at 31 December 2022, the income statement and statement of profit distribution and cash flow statement for the year then ended and other explanatory notes.

In our opinion, the financial statements of the Company present fairly, in all material respects, the financial position of the Company as of 31 December 2022, and the results of its operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises and the Accounting System of Business Enterprises.

Basis of Auditor's Opinion

We conducted our audit work in accordance with the Standards on Auditing for Certified Public Accountants. The part of "Auditor's Responsibility for the Financial Statements" in audit report also elaborated the responsibilities of auditors in accordance with the Standards on Auditing for Certified Public Accountants. Based on the code of professional ethics for Chinese Certified Public Accountants, we are independent of MIXEL (Beijing) Agitator Co., Ltd. and fulfil other responsibilities in professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (I) preparing the financial statements in accordance with Accounting Standards for Business Enterprises and Accounting System for Business Enterprises to achieve fair presentation of the financial statements; (II) designing, implementing and maintaining internal control that is necessary to enable the financial statements that are free from material misstatement, whether due to fraud or error.

As compiling the financial statement, the management takes responsible for evaluation of the sustainable operation capability of MIXEL (Beijing) Agitator Co., Ltd., disclosure items relating to sustainable operation (if applicable), and usage of the sustainable operation assumption, unless the management plans to liquidate MIXEL (Beijing) Agitator Co., Ltd., terminates operation or has no other realistic choice.

The management is responsible for the supervision of the financial reporting process of MIXEL (Beijing) Agitator Co., Ltd.

Auditor's Responsibility for the Financial Statements

Our audit objective is to obtain reasonable assurance about whether the financial statement is free of material misstatement caused by fraud or error and issue the audit report including the audit opinion. Reasonable assurance is the high-level assurance, but there is no guarantee that the audit conducted in accordance with the Auditing Standards will always find out material misstatement. Misstatement may be caused by fraud or error. If rational expected misstatement may affect the economic decision made by financial statement users in accordance with the financial statement, the misstatement is significant.

In the process of our audit work in accordance with the Audit Standards, we have professional scepticism and

be able to use professional judgment to assess the sufficiency and appropriateness of audit evidence. Meanwhile, we also execute the following work:

(I) Identifying and evaluating the material misstatement risks of the financial statement caused by fraud or error, design and implement the audit procedures to prevent or reduce audit risks, obtaining sufficient and appropriate audit evidence as the basis of issuing the audit opinion. As fraud June get involved in collusion, counterfeit, deliberate omission, false statement or override its internal control, the risk of failing to discover the material misstatements caused by fraud is higher than the risk of failing to find out the material misstatements caused by error.

(II) Understanding audit related internal control and designing appropriate audit procedures. However, the objective is not to issue an opinion on the effectiveness of internal control.

(III) Evaluating the appropriateness of selection and application of accounting policies, making reasonable accounting estimates and the rationality of relevant disclosure by management.

(IV) Drawing conclusion about the appropriateness of the management's assumption of sustainable operation capacity. If we come to the conclusion that there is significant uncertainty of the sustainable operation capacity of the company, Audit Standards requires to disclosure to remind users of financial statement to be attention. If disclosure is insufficient, we should issue a modified auditing opinion. Our conclusion is based on the information obtained before the audit report date, however, the future items or situations June failure of sustainable operation of the company.

(V) Evaluating the overall presentation, structure and contents of the financial statement (including disclosure) and evaluating whether the financial statement reflect relevant transactions and matters fairly.

We have communicated with the management about the audit scope, time schedule and material audit finding, including the deficiency of internal control system that identified during our audit.

Beijing FiveCode Certified Public Accountants

Beijing, China

10th April 2023



MIXEL (Beijing) Agitator Co., Ltd.

Balance Sheet as at 31 December 2022

Currency: ¥

ASSETS
Current assets

	Notes	31 Dec 2022	31 Dec 2021
Monetary funds	4.1	6,398,590.79	6,011,168.38
Short-term investments			
Notes receivable			
Dividend receivable			
Interest receivable			
Bills receivable	4.2	440,000.00	1,287,000.00
Accounts receivable	4.3	1,017,140.77	2,424,416.59
Other receivables	4.4	275,089.11	196,014.11
Advances to suppliers	4.5	1,080,385.89	466,225.94
Subsidies Receivable			
Inventories	4.6	5,209,684.81	6,121,406.43
Contract assets	4.7	838,141.56	
Prepaid expenses			
Long-term debt investment due within a year			
Other current assets	4.8		21,634.51

Sub-total of current assets

15,259,032.93 16,527,865.96

Long-term investments

Long-term equity investments

Long-term debt investments

Sub-total of long-term investments
Fixed assets

Fixed assets-cost	4.9	2,296,416.14	2,201,707.77
Less: Accumulated depreciation	4.9	1,128,259.08	857,061.43
Fixed assets-net book value	4.9	1,168,157.06	1,344,646.34
Less: Provision for impairment of fixed assets	4.9		
Fixed assets-net	4.9	1,168,157.06	1,344,646.34

Construction materials

Construction in progress

Fixed assets held for disposal

Sub-total of fixed assets

1,168,157.06 1,344,646.34

Intangible and other assets

Right-of-use assets	4.10	5,542,277.18	6,229,851.65
Intangible assets	4.11	2,175.23	3,262.55
Long-term prepayments			
Other long-term assets			
Long-term amortization of costs	4.12	543,605.87	612,271.91

Sub-total of intangible and other assets

7,256,215.34 8,190,032.45

Deferred taxes

Deferred tax assets

TOTAL ASSETS

22,515,248.27 24,717,898.41

The notes to the accounts form an integral part of the financial statements

MIXEL (Beijing) Agitator Co., Ltd.

Balance Sheet as at 31 December 2022 (continued)

Currency: ¥

LIABILITIES AND OWNERS' EQUITY

Current liabilities

Short-term loans

Notes payable

Accounts payable

Advances from customers

Contract liability

Accrued payroll

Welfare expenses payable

Dividend payable

Taxes payable

Other payables

Other amounts payable

Accrued expenses

Estimated liabilities

Long-term liabilities due within a year

Other current liabilities

Sub-total of current liabilities

Long-term liabilities

Long-term borrowings

Bonds payable

Long-term payables

Special payables

Lease liability

Other long-term liabilities

Sub-total of long-term liabilities

Deferred taxes

Deferred tax liabilities

TOTAL LIABILITIES

OWNERS' EQUITY

Paid-in capital

Less: Investments returned

Paid-in capital net value

Capital surplus

Surplus reserve

Including: Reserve fund

Enterprise expansion fund

Undistributed profit

TOTAL OWNERS' EQUITY

TOTAL LIABILITIES AND OWNERS' EQUITY

Notes	31 Dec 2022	31 Dec 2021
4.13	5,076,184.43	3,194,816.01
4.14	5,264,433.34	9,570,695.85
4.15	392,391.14	914,341.42
4.16	295,848.77	255,391.37
4.17	199,051.63	172,622.46
4.18	661,680.20	626,821.98
	11,889,589.51	14,734,689.09
4.19	5,115,580.97	5,731,550.44
	5,115,580.97	5,731,550.44
	17,005,170.48	20,466,239.53
4.20	7,750,658.69	7,750,658.69
4.20	7,750,658.69	7,750,658.69
4.21	705.61	705.61
4.22	-2,241,286.51	-3,499,705.42
	5,510,077.79	4,251,658.88
	22,515,248.27	24,717,898.41

The financial statements have been approved by the management (Approval date: 10th April 2023)

In charge of company:

In charge of accounting function:

In charge of accounting department:

The notes to the accounts form an integral part of the financial statements

MIXEL (Beijing) Agitator Co., Ltd.

Income Statement and statement of profit distribution for the year ended 31 December 2022

Currency: ¥

	Notes	2022	2021
1. Revenue from main operations	4.23	25,146,873.56	33,254,164.38
Less: Cost of main operations	4.24	18,129,079.13	23,247,041.93
Taxes and surcharge for main operations		55,373.40	153,754.42
2. Profit from main operations		6,962,421.03	9,853,368.03
Add: Profit from other operations			
Other Revenue		1,507.36	3,251.97
Less: Operating expenses	4.25	1,906,816.52	2,279,422.87
General and administrative expenses	4.26	3,304,066.43	4,042,863.65
Financial expenses	4.27	521,467.81	16,739.51
Credit impairment losses (losses are listed with "-")	4.28		250,309.50
3. Operating profit		1,231,577.63	3,267,284.47
Add: Investment income/loss			
Revenue from subsidies			
Non-operating revenue	4.29	94,476.11	4,155.48
Less: Non-operating expenditure	4.30	18,983.37	56,314.55
4. Income before tax		1,307,070.37	3,215,125.40
Less: Income tax	4.31	48,651.46	18,689.96
5. Net income		1,258,418.91	3,196,435.44
Add: Undistributed profit at the beginning of the year		-3,499,705.42	-6,696,140.86
Other transfers-in			
6. Profit to be distributed		-2,241,286.51	-3,499,705.42
Less: Appropriation of employee welfare and bonus fund			
Appropriation of reserve fund			
Appropriation of enterprise expansion fund			
Profit capitalised on return of investment			
7. Profit to be distributed to investors		-2,241,286.51	-3,499,705.42
Less: Dividend payable on preferred stock			
Appropriation of discretionary surplus reserve			
Dividend payable on common stock			
Common stock dividend converted into capital			
8. Undistributed profit		-2,241,286.51	-3,499,705.42
9. EBIT		1,307,070.37	3,518,430.95
10. EBITDA		1,578,268.02	3,807,689.74

Supplementary information:

1. Gain on sale and disposal of a department or an invested enterprise
2. Losses arising from natural disasters
3. Increase in income before tax due to a change in accounting policy
4. Increase in income before tax due to a change in accounting estimate
5. Losses arising from debt restructuring
6. Others

The financial statements have been approved by the management (Approval date: 10th April 2022)

In charge of company:

In charge of accounting function:

In charge of accounting department:

The notes to the accounts form an integral part of the financial statements

Cashflow Statement for the year ended 31 December 2022

Currency: ¥

1. Cash flows from operating activities

	2022	2021
Cash received from the sale of goods or rendering of services	24,979,323.55	33,105,488.33
Refunds of taxes	136,986.15	12,145.30
Other cash receipts relating to operating activities	837,793.41	48,465.35
Sub-total of cash inflows	25,954,103.11	33,166,098.98
Cash paid for goods and services	16,314,988.86	26,642,920.24
Cash paid to and on behalf of employees	3,595,690.58	3,026,048.26
Payments of all types of taxes	1,541,083.03	711,824.70
Other cash payments relating to operating activities	3,042,783.31	2,186,649.48
Sub-total of cash outflows	24,494,545.78	32,567,442.68
Net cash flows from operating activities	1,459,557.33	598,656.30

2. Cash flows from investing activities

Cash received from return of investments		
Cash received from return on investment		
Net cash received from the sale of fixed, intangible and other long-term assets		
Other cash receipts relating to investing activities		
Sub-total of cash inflows		
Cash paid to acquire fixed, intangible and other long-term assets	105,708.90	591,646.90
Cash paid to acquire investments		
Other cash payments relating to investing activities		
Sub-total of cash outflows	105,708.90	591,646.90
Net cash flows from investing activities	-105,708.90	-591,646.90

3. Cash flows from financing activities

Cash received from investments by others		
Cash received from borrowings		
Other cash receipts relating to financing activities		
Sub-total of cash inflows		
Cash repayments of amounts borrowed		
Cash paid for distribution of dividends or profits and for interest expenses		
Other cash payments relating to financing activities	992,236.75	752,602.25
Sub-total of cash outflows	992,236.75	752,602.25
Net cash flows from financing activities	-992,236.75	-752,602.25

4. Effect of changes in foreign exchange rate on cash

25,810.73 -13,943.52

5. Net increase in cash and cash equivalents

387,422.41 -759,536.37

The notes to the accounts form an integral part of the financial statements

MIXEL (Beijing) Agitator Co., Ltd.

Cashflow statement for the year ended 31 December 2022(continued)

Currency: ¥

Supplementary information

1. Reconciliation of net income to cash flows from operating activities

	2021	2020
Net income	1,258,418.91	3,196,435.44
Add: Provision for impairment of assets		
Credit impairment loss		250,309.50
Depreciation of fixed assets	271,197.65	289,258.79
Depreciation of right to use assets	742,647.94	742,707.88
Amortisation of intangible assets	51,953.98	1,087.32
Amortisation of long-term prepayments	1,087.32	68,666.04
Decrease / (Increase) in prepaid expenses		
Increase / (Decrease) in accrued expenses		
Losses on disposal of fixed, intangible and other long-term assets		
Losses on scrapping of fixed assets		52,103.51
Financial expenses	274,831.71	3,374.55
Investments losses		
Deferred tax credit		
(Increase) / decrease in inventories	911,721.62	-477,593.16
(Increase) / decrease in operating receivables	735,675.38	-1,932,224.38
Increase in operating payables	-2,787,977.18	-1,595,469.19
Others		
Net cash flows from operating activities	1,459,557.33	598,656.30

2. Investing and financing activities not involving cash flows

Conversion of debt into capital
Convertible bonds to expire within one year
Fixed assets under finance lease

3. Net increase in cash and cash equivalents

Cash at the end of the period	6,398,590.79	6,011,168.38
Less: Cash at the beginning of the period	6,011,168.38	6,770,704.75
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase in cash and cash equivalents	387,422.41	-759,536.37

The financial statements have been approved by the management (Approval date: 10th April 2023)

In charge of company:

In charge of accounting function:

In charge of accounting department:

The notes to the accounts form an integral part of the financial statements

MIXEL (Beijing) Agitator Co., Ltd.

Statement of Changes in Owners' Equity for the year ended 31 December 2022

Currency: ¥

	Paid in capital	Capital surplus	Legal reserves	Undistributed profit	Total
At 31 December 2020	7,750,658.69	705.61		-6,696,140.86	1,055,223.44
Current Year Movement				3,204,948.71	3,204,948.71
At 31 December 2021	7,750,658.69	705.61		-3,499,705.42	4,251,658.88
Current Year Movement				1,258,418.91	1,258,418.91
At 31 December 2022	7,750,658.69	705.61		-2,241,286.51	5,510,077.79

The notes to the accounts form an integral part of the financial statements

Note 1 General

MIXEL (Beijing) Agitator Co., Ltd. (the "Company") was established on 7th June 2005, and obtained its social credit code No. 911103027754511811. The type of company is corporation limited (foreign corporate owned); the address of company is Room 530, 5th Floor, Building 1, No. 5 Hongda South Road, Beijing Economic and Technological Development Zone, Beijing. Registered capital is USD 1.13 million, paid-in capital is 1.13 million, and legal representative is Philippe EYRAUD.

The scope of the business is manufacturing agitator and its components; selling your own products; providing technical consulting, technical training and technical services; wholesale and import of the above products.

Note 2 Basis of reporting for financial statements

The financial statements of the Company are prepared in accordance with the going concern basis and the actual transactions and events of the period by the "Accounting Standards for Business Enterprises-Basic Standard"(CaiZhengBuLing No.33) , the " Note to the 'Accounting Standards for Business Enterprises –Practice Guide"(CaiKuai[2006]No.18)(the "New Accounting Standards") and other relative regulations issued by the Ministry of Finance on 15 February 2006 and 30 October 2006 separately; and on the major accounting policies and estimations stated below.

2.1 Financial year

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

2.2 Reporting currency

The reporting currency of the Company is the Renminbi (¥).

2.3 Basis of accounting and principle of measurement

The accrual basis is adopted for throughout these financial statements. Assets are measured at their historical cost.

2.4 Accounting treatment of foreign currency transactions

Transactions denominated in foreign currencies are translated into Renminbi (RMB) at the average market exchange rate prevailing at the dates of transactions. The balances of all foreign currency accounts are restated into RMB at the exchange rate prevailing at the end of an accounting period. The difference between the amounts restated into RMB and the amount recorded in RMB are accounted for as exchange gains or losses of the period.

2.5 Designation of cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.6 Accounts receivable

(1) Criteria for recognition of bad debts

The Company carries out an inspection, on the balance sheet day, on the carrying amount of accounts receivable; where there is any objective evidence described below proving that such accounts receivable has been impaired, an impairment provision is made.

- a. A serious financial difficulty occurs to the debtor;
- b. The debtor breaches any of the contractual stipulations, for example, fails to pay or delays the payments, etc.;
- c. The debtor will probably become bankrupt or carry out other financial reorganizations;
- d. Other objective evidences showing the impairment of the accounts receivable.

(2) The method used in establishment of provision

The individual method is adopted to account for bad debts.

2.7 Receivables including account receivable and other account receivables.

(1) The provision for bad debts:

A provision is established for the Company's receivables (including accounts receivable and other receivables) in accordance with the following notes.

(2) The method and proportion used in establishment of provision:

- i) The individual identification method is used for the provision of bad-debt to receivables from the company's related parties;
- ii) The aging analysis method is used for the provision of bad-debt to receivables from non-related parties.

The notes to the accounts form an integral part of the financial statements

The method and proportion used in aging analysis method:

Aging	Proportion of accounts receivable (%)	Proportion of other receivables (%)
Within 1 year	10.00	10.00
1-2 years	20.00	20.00
2-3 years	40.00	40.00
Over 3 years	80.00	80.00

(3) *Criteria for recognition of bad debts:*

Bad debts are recognised under the following situations:

There are reasonable grounds to believe that the receivables are unlikely to be recovered. (e.g., the debtor has been disbanded or has gone bankrupt or is insolvent, is experiencing cash flow difficulties; or the occurrence of a severe natural disaster causes the debtor to cease production and therefore cannot repay the debt in the short term, and the receivables are more than 3 years old).

2.8 Inventory

(1) *Classification of inventory*

The Company's inventories comprise raw materials; work in process, finished goods, goods for resale, etc.

(2) *Measurement of inventories*

- 1) The inventories are initially measured at cost. The cost of inventory consists of purchase costs, processing costs and other costs.
- 2) In determining the cost of inventories transferred out or issued for use the first-in-first-out method, the actual costs are determined by the first-in-first-out method.

(3) *Amortization of low-value consumables and packing materials*

The low-value and short-lived consumables and packaging materials are amortized by applying immediate write-off method when using these items.

(4) *Recognition and measurement for inventory impairment provision*

On balance sheet date, the inventories are measured at lower of cost and net realisable value. If the cost of On balance sheet date, the inventories are measured at lower of cost and net realisable value. If the cost of inventories is higher than the net realizable value as a result of deterioration, trends of reducing market prices, entire or partial obsolescence, or technical improvements, then a provision is made and recorded in the current period income statement. The Company makes impairment loss of inventories on individual basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated expenses and related taxes necessary to make the sale. The net realizable value of goods inventories is the estimated sale price of inventories deducts the estimated sale expense and relevant taxes; the net realizable value of materials inventories is the estimated sale price of finish goods deducting the cost of completion, the estimated sale expense and relevant taxes. The net realizable value of inventories held for the execution of sales contracts or labour contracts is calculated on the ground of the contract price. If the Company holds more inventories than the quantities subscribed in the sales contract, the net realizable value of the excessive part of the inventories is calculated on the ground of the general sales price.

2.9 Fixed assets

(1) *Definition*

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; have useful life more than one year; and have relatively high unit price.

(2) *Measurement*

Fixed assets are initially recorded at their cost.

(3) *Fixed assets depreciation method*

Depreciation is provided monthly using the straight-line method. The estimated residual value rate, useful life and annual depreciation rate of each category of fixed assets are as follows:

	Residual value rate (%)	Useful life (year)	Depreciation rate (%)
Production equipment	10	10	9
Office furniture	10	5	18
Electronic equipment	10	3-5	18-30
Transportation equipment	10	5	18

Fixed assets held under finance lease are depreciated on the same basis as owned assets. If it is reasonably certain that the ownership of the leased asset will be transferred at the end of the lease term, depreciation is provided over the useful life of the leased asset. If it is not reasonably certain that the ownership of the leased asset at the end of the lease term will be transferred, depreciation is provided over the shorter of the lease term and the estimated useful life of the leased asset.

(4) *Provision for impairment of fixed assets:*

The Company examined its fixed assets at the end of an accounting period. If the recoverable amount of a fixed asset is lower than its carrying amount, the Company will make a provision for impairment of fixed asset at an amount equal to the difference between the asset's recoverable amount and its carrying amount. The impairment loss is recognised in the income statement for the current period.

2.10 Revenue recognition

(1) *Revenue from sale of goods:*

Revenue is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, it retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the economic benefits associated with the transaction will flow to the Company, and the relevant amount of revenue and costs can be measured reliably.

(2) *Revenue from rendering of services:*

When the provision of services is started and completed within the same accounting year, revenue is recognised at the time of completion of the services. When the provision of services is started and completed in different accounting years and the outcome of a transaction involving the rendering of services can be estimated reliably. Revenue is recognised at the balance sheet date by the use of the percentage of completion method. Revenue is otherwise, recognised at the balance sheet date only to the extent of the costs incurred that are expected to be recoverable and charge an equivalent amount of cost to the profit and loss account. When the costs incurred are not expected to be recovered, revenue is not recognised and the costs incurred are recognised as an expense in the current period.

2.11 Borrowing costs

Borrowing costs comprise interest incurred on borrowings, amortisation of discounts or premiums, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

2.12 Leases

(1) *Definition:*

Finance leases: It is a lease that transfers substantially all the risks and rewards incident to ownership of an asset.

Operating leases: All other leases are classified as operating leases.

(2) *The Company as lessee under finance leases:*

At the inception of a lease, the finance lease payable is recorded as a long-term liability at an amount equal to the gross amount of the minimum lease payments. The difference between the recorded amount of the leased asset and the liability is recorded as unrecognised finance charges and allocated to each period during the lease term using the effective interest method.

Leased assets are recorded at the minimum lease payments at the inception of the lease as long-term accounts payable.

(3) *The Company as lessor under finance leases:*

At the inception of a lease, the total minimum lease receipts are recorded as a finance lease receivable and the unguaranteed residual value is recorded as an asset. The difference between (a) the aggregate of the minimum lease receipts and the unguaranteed residual value and (b) their present value, is recognised as unrealised finance income, which is allocated to each period during the lease term using the effective interest method.

(4) *The Company as lessee under operating leases:*

The notes to the accounts form an integral part of the financial statements

Lease payments under operating leases are recognised as an expense in the income statement on a straight-line basis over the lease term.

(5) *The Company as lessor under operating leases:*

Lease income from operating leases is recognised as income using the straight-line method over the lease term.

2.13 Income tax

Income tax payment is computed using the taxes payable method. The income tax expense for the period is equal to the income tax payable for the period.

Note 3 Principal taxation

3.1 Income tax

The income tax rate is 25%.

3.2 Value added tax

The company's industry applicable VAT rate is at 13% as a general taxpayer.

3.3 Other taxes

Urban Construction Fund, Education Surcharge and Local Education Surcharge are levied at 7%, 3%, and 2% of the applicable turnover taxes payable

Employee bears individual income tax and the Company has the duty to withhold these taxes and remit them to the Tax Bureau.

Note 4 Notes to the financial statements

4.1 Monetary funds

	31 Dec 2022	31 Dec 2021
Cash on hand	5,727.46	5,974.12
Cash in bank	6,392,863.33	6,005,194.26
Total	6,398,590.79	6,011,168.38

4.2 Notes receivable

	31 Dec 2022	31 Dec 2021
Bank acceptance	440,000.00	1,287,000.00
Total	440,000.00	1,287,000.00

4.3 Accounts receivable

Ageing analysis of accounts receivable:

	31 Dec 2022				31 Dec 2021			
	Amount	Rate%	Provision	Book value	Amount	Rate%	Provision	Book value
< 1 year	645,412.81	50.93		645,412.81	2,377,336.58	88.88		2,377,336.58
1-2 years	335,447.95	26.47		335,447.95	5,480.00	0.21		5,480.00
2-3 years	5,480.00	0.43		5,480.00	24,630.01	0.92	5,480.00	19,150.01
>3 years	281,109.51	22.17	250,309.50	30,800.01	267,279.50	9.99	244,829.50	22,450.00
Total	1,267,450.27	100.00	250,309.50	1,017,140.77	2,674,726.09	100.00	250,309.50	2,424,416.59

On 31 December 2022, the first five debtors were:

	Amount	Rate%
Anhui Shanqingshuilv Environmental Technology Co., Ltd.	360,000.00	28.40
Qingdao Tianren Environment Co., LTD	291,450.00	22.99
MIXEL SAS	279,412.81	22.05
Rizhao Jinhe Boyuan Biological Co., LTD	63,000.00	4.97
Chongqing Zekai Electromechanical Equipment Co., LTD	61,400.00	4.84
Total	1,055,262.81	83.26

4.4 Other receivables

Ageing analysis of other receivables:

	31 Dec 2022				31 Dec 2021			
	Amount	Rate%	Provision	Book value	Amount	Rate%	Provision	Book value
< 1 year	120,000.00	43.62		120,000.00	85,746.00	43.74		85,746.00
1-2 years	45,221.00	16.44		45,221.00	105,258.11	53.70		105,258.11
2-3 years	104,858.11	38.12		104,858.11				
> 3 years	5,010.00	1.82		5,010.00	5,010.00	2.56		5,010.00
Total	275,089.11	100.00		275,089.11	196,014.11	100.00		196,014.11

On 31 December 2022, the main debtors were:

	Amount	Rate%
Hong Kong Investment Engineering Consulting Co., LTD	100,000.00	36.35
Tianjin Bozhuan Testing Technology Co., LTD	80,000.00	29.08
Guangdong Electromechanical Equipment Bidding Center Co., LTD	40,422.00	14.69
Beijing High Energy Times Environmental Technology Co., LTD	20,000.00	7.27
Dongmei Niu(employee)	10,000.00	3.64
Total	250,422.00	91.03

4.5 Advances to supplies

Ageing analysis of advances to supplies:

	31 Dec 2022	31 Dec 2021
< 1 year	1,053,900.28	405,200.04
1-2years	19,625.59	54,165.90
2-3 years		6,860.00
> 3 years	6,860.02	
Total	1,080,385.89	466,225.94

On 31 December 2022, the first five debtors were:

	Amount	Rate%
SEW-Eurodrive (Tianjin) Holding Co., Ltd.	241,084.40	22.31
Baoding Lanshen Environmental Protection Technology Co., LTD	218,866.00	20.26
Qingdao Juxing Metal Products Co., LTD	219,500.00	20.32
Tianjin Yingchong Electromechanical Technology Co., LTD	94,114.10	8.71
Beijing Yilock Solid Parts Co., LTD	67,327.48	6.23

	Amount	Rate%
Total	840,891.98	77.83

4.6 Inventories

	31 Dec 2022	31 Dec 2021
Raw Materials	1,928,758.61	2,961,166.34
Production Cost	3,280,926.20	3,160,240.09
Total	5,209,684.81	6,121,406.43
Provision for inventory write-down		
Inventory-net	5,209,684.81	6,121,406.43

4.7 Contrac assets

	31 Dec 2022	31 Dec 2021
Uninvoiced receivables	838,141.56	
Less: Contract assets listed in other non-current assets and non-current assets that mature within one year		
Total	838,141.56	

4.8 Other current assets

	31 Dec 2022	31 Dec 2021
Pending deduct vat on purchase		21,634.51
Total		21,634.51

4.9 Fixed assets & accumulated depreciation

	01 Jan 2022	Increase	Decrease	31 Dec 2022
Original cost				
Production equipment	1,503,708.82	84,619.47		1,588,328.29
Office furniture	219,019.01			219,019.01
Electronic equipment	314,466.67	10,088.90		324,555.57
Transportation equipment	164,513.27			164,513.27
Total	2,201,707.77	94,708.37		2,296,416.14
Accumulated depreciation				
Production equipment	747,668.51	102,252.37		849,920.88
Office furniture	15,346.05	39,423.48		54,769.53
Electronic equipment	90,962.25	92,506.36		183,468.61
Transportation equipment	3,084.62	37,015.44		40,100.06
Total	857,061.43	271,197.65		1,128,259.08
Fixed assets-NBV				
Production equipment	756,040.31			738,407.41
Office furniture	203,672.96			164,249.48
Electronic equipment	223,504.42			141,086.96
Transportation equipment	161,428.65			124,413.21
Total	1,344,646.34			1,168,157.06
Provision for impairment				
Fixed assets-net	1,344,646.34			1,168,157.06

The notes to the accounts form an integral part of the financial statements

4.10 Right-of-use asset

Items	Buildings and constructions	Machinery equipment	Vehicles	Total
Initial cost:				
Balance as at 31 December 2021	6,972,559.53			6,972,559.53
Changes in accounting policies				
Balance as at 1 January 2022	6,972,559.53			6,972,559.53
Increase during the reporting period	55,073.47			55,073.47
Decrease during the reporting period	34,314.69			34,314.69
Balance as at 31 December 2022	6,993,318.31			6,993,318.31
Accumulated depreciation:				
Balance as at 31 December 2021	742,707.88			742,707.88
Changes in accounting policies				
Balance as at 1 January 2022	742,707.88			742,707.88
Increase during the reporting period	742,647.94			742,647.94
Decrease during the reporting period	34,314.69			34,314.69
Balance as at 31 December 2022	1,451,041.13			1,451,041.13
Provision for impairment:				
Balance as at 31 December 2021		—	—	—
Changes in accounting policies				
Balance as at 1 January 2022				
Increase during the reporting period				
Decrease during the reporting period				
Balance as at 31 December 2022				
Carrying amount:				
Balance as at 31 December 2022	5,542,277.18			5,542,277.18
Balance as at 31 December 2021	6,229,851.65			6,229,851.65

Note: Depreciation accrued in 2022 for the right-of-use assets was RMB 742,647.94, among which RMB 742,647.94 was recorded in administrative expenses.

4.11 Intangible assets & accumulated amortization

	01 Jan 2022	Increase	Decrease	31 Dec 2022
Original cost				
Software	10,873.79			10,873.79
Total	10,873.79			10,873.79
Accumulated depreciation				
Software	7,611.24	1,087.32		8,698.56
Total	7,611.24	1,087.32		8,698.56
Intangible assets-NBV				
Software	3,262.55			2,175.23
Total	3,262.55			2,175.23
Provision for impairment				
Intangible assets-net	3,262.55			2,175.23

4.12 Long-term prepayments

	01 Jan. 2022	Increase	Decrease	31 Dec. 2022
Decoration costs and office rental	612,271.91		68,666.04	543,605.87
Total	612,271.91		68,666.04	543,605.87

4.13 Accounts payable

	31 Dec 2022	31 Dec 2021
< 1 year	3,790,304.06	1,969,236.84
1-2 years	60,301.20	139.00
2-3 years	139.00	
>3 years	1,225,440.17	1,225,440.17
Total	5,076,184.43	3,194,816.01

4.14 Contract liabilities

	31 Dec 2022	31 Dec 2021
< 1 year	4,083,228.03	8,714,337.43
More than 1 year	1,181,205.31	856,358.42
Total	5,264,433.34	9,570,695.85

Details of contract liabilities

	31 Dec 2022	31 Dec 2021
Advances for goods	5,264,433.34	9,570,695.85
Total	5,264,433.34	9,570,695.85

4.15 Accrued payroll

	31 Dec 2022	31 Dec 2021
Salaries, bonuses, allowances and subsidies	376,580.72	896,988.68
Social security	2,194.46	2,003.03
Labor union expenditure and employee education fund	10,231.97	12,260.91
Post-employment benefit	3,383.99	3,088.80
Total	392,391.14	914,341.42

4.16 Taxes payable

	31 Dec 2022	31 Dec 2021
Value added tax	215,162.28	180,764.15
City construction tax	10,304.68	15,315.55
Individual income tax	9,798.11	8,507.80
Educational Surcharge (Including local education surcharge)	7,360.48	10,939.67
Corporate Income tax	50,640.08	6,297.30
Stamp Duty	2,583.14	33,566.90
Total	295,848.77	255,391.37

4.17 Other payables

	31 Dec 2022	31 Dec 2021
Current payment	18,211.86	14,507.87
Staff union fee refund	171,149.56	131,478.91
Others	9,690.21	26,635.68
Total	199,051.63	172,622.46

4.18 Non-current Liabilities Maturing within One Year

	31 Dec 2022	31 Dec 2021
Lease liabilities due within one year	661,680.20	626,821.98
Total	661,680.20	626,821.98

4.19 Lease liabilities

	31 Dec 2022	31 Dec 2021
Lease payments	6,803,265.38	7,655,996.06
Less: Unrealized finance expenses	1,026,004.21	1,297,623.64
Subtotal	5,777,261.17	6,358,372.42
Less: lease liabilities due within one year	661,680.20	626,821.98
Total	5,115,580.97	5,731,550.44

4.20 Paid-in capital

	31 Dec 2022			
	%	Registered capital	Paid-in capital	Paid-in capital (¥)
MIXEL Limited Partnership	100.00	USD1.13m	USD1.13m	7,750,658.69
Total	100.00	USD1.13m	USD1.13m	7,750,658.69

4.21 Capital surplus

	31 Dec 2022	31 Dec 2021
Capital premium	705.61	705.61
Total	705.61	705.61

4.22 Undistributed profit

	31 Dec 2022	31 Dec 2021
Beginning balance	-3,499,705.42	-6,696,140.86
Net profit for this year	1,258,418.91	3,196,435.44
Distributive earnings		
Distributed profit		
Ending balance	-2,241,286.51	-3,499,705.42

4.23 Revenue from main operations

	2022	2021
Revenue	25,146,873.56	33,254,164.38
Total	25,146,873.56	33,254,164.38

4.24 Cost of main operations

	2022	2021
Cost	18,129,079.13	23,247,041.93
Total	18,129,079.13	23,247,041.93

4.25 Operating expenses

	2022	2021
Salary and Wages	1,186,758.35	1,041,507.52
Office expenses	26,686.52	63,619.91
Travel expenses	326,074.12	428,291.69
Service charge	60,822.94	155,638.81
Transportation	15,476.36	26,251.66
Communication fee	4,197.38	6,658.08
Business promotion fee	230,469.78	467,984.60
Freight charge	43,843.87	
Entertainment fee	4,968.21	75,340.60
Training fee		3,090.00
Commercial insurance premium		7,720.00
Personnel service fee	7,518.99	3,320.00
Total	1,906,816.52	2,279,422.87

4.26 General and Administrative expenses

	2022	2021
Salary and Wages	1,310,681.75	1,809,808.57
Office expenses	172,628.13	418,677.77
Travel expenses	42,092.71	26,595.02
Rental property utility bills	32,119.28	93,913.92
Depreciation and amortization	1,014,932.91	934,342.68
Entertainment fee	15,398.39	14,742.00
Vehicle fee	10,783.47	7,191.05

The notes to the accounts form an integral part of the financial statements

	2022	2021
Communication fee	18,670.36	18,674.64
Commercial insurance premium	24,939.35	32,066.27
Heating costs	47,581.41	
Postal fee	29,596.27	24,255.19
Transportation expenses	19,719.31	22,516.66
Decoration fee	88,277.69	68,666.04
Service fee	343,593.92	441,303.29
Greening fee		11,200.00
Others	133,051.48	118,910.55
Total	3,304,066.43	4,042,863.65

4.27 Financial expenses

	2022	2021
Interest expenses		
Add: Interest expense on lease liability	274,831.71	303,305.55
Less: interest income	12,643.44	17,072.47
Exchange losses / (gain)	175,997.77	-313,874.52
Bank charge	83,281.77	44,380.95
Total	521,467.81	16,739.51

4.28 Credit Impairment Losses

	2022	2021
Bad debt of accounts receivable		250,309.50
Total		250,309.50

4.29 Non-operating revenue

	2022	2021
Non-current assets damage and scrapping gains		4,155.48
Others	94,476.11	
Total	94,476.11	4,155.48

4.30 Non-operating expenditure

	2022	2021
Non-current assets damage and scrap loss		56,258.99
Fixed assets inventory loss		
Overdue fine	83.37	55.56
Penalty	18,900.00	
Total	18,983.37	56,314.55

4.31 Income tax

	2022	2021
Current tax	48,651.46	18,689.96
Deferred tax		
Total	48,651.46	18,689.96

Note 5 Related party relationships and transactions**5.1 Related parties with control relationship**

Name	Place of registration	Business activities	Relationship	Business nature	Legal representative
MIXEL Limited Partnership	France	Manufacturing industrial agitators	Parent company	Limited Partnership	Philippe EYRAUD

5.2 Changes in registered capital for related parties with a control relationship

Name	01 Jan 2022	Increase	Decrease	31Dec 2022
MIXEL Limited Partnership	7,750,658.69			7,750,658.69

5.3 Proportion of shares or equity interest held by related parties and changes therein

Name	01 Jan 2022	%	Increase	Decrease	31Dec 2022	%
MIXEL Limited Partnership	7,750,658.69	100.00			7,750,658.69	100.00

5.4 Amounts due to/from related companies

	31 Dec 2022	31 Dec 2021
Accounts receivable	279,412.81	22,669.86
MIXEL SAS	279,412.81	22,669.86
Accounts payable	3,712,118.06	1,707,405.62
MIXEL Limited Partnership	3,712,118.06	1,707,405.62

Note 6 Contingencies

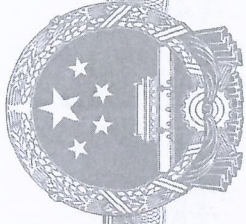
There are no significant contingencies that require disclosure.

Note 7 Non-adjusting events occurring after the balance sheet date

There are no significant events occurring after the balance sheet date that require disclosure.

Note 8 Other important items

There are no other important items that require disclosure.



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执行事务合伙人 崔幼军

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成立日期 2013年04月10日

合伙期限 2013年04月10日 至 2033年04月09日

主要经营场所 北京市朝阳区南磨房路37号17层1907室



登记机关



2020年09月15日

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