

NEO-TECH AUTO SYSTEMZ, INC.
FINANCIAL STATEMENTS (IN US \$)
FOR THE YEAR ENDED MARCH 31, 2022

NEO-TECH AUTO SYSTEMZ, INC.
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YEAR ENDED MARCH 31, 2022

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Chartered
Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Directors of: Neo-Tech Auto Systemz, Inc.

Opinion

We have audited the accompanying financial statements of Neo-Tech Auto Systemz, Inc., which comprise the balance sheet as at March 31, 2022 and the statements of loss and retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Neo-Tech Auto Systemz, Inc. as at March 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Neo-Tech Auto Systemz, Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities 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 auditor's 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 Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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 override of internal control.
- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- 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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Guelph, Ontario
May 29, 2022



Chartered Professional Accountants
Licensed Public Accountants

NEO-TECH AUTO SYSTEMZ, INC.

BALANCE SHEET (IN US \$)

AS AT MARCH 31, 2022

	2022	2021 (note 5)
ASSETS		
CURRENT		
Cash	\$ 9,486	\$ 10,794
Income taxes recoverable	<u>27,019</u>	<u>27,019</u>
	<u>\$ 36,505</u>	<u>\$ 37,813</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,424	\$ 6,000
Loan payable to related party	<u>11,530</u>	<u>6,000</u>
	<u>16,954</u>	<u>12,000</u>
SHAREHOLDER'S EQUITY		
SHARE CAPITAL		
Issued Capital		
1,000,000 Common shares	10,000	10,000
RETAINED EARNINGS	<u>9,551</u>	<u>15,813</u>
	<u>19,551</u>	<u>25,813</u>
	<u>\$ 36,505</u>	<u>\$ 37,813</u>



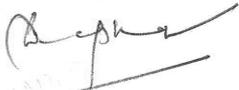


NEO-TECH AUTO SYSTEMZ, INC.

STATEMENT OF LOSS AND RETAINED EARNINGS (IN US \$)

FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021 (note 5)
REVENUE (note 4)	\$ <u>0</u>	\$ <u>321,250</u>
OPERATING EXPENSES		
Employee benefits	0	28,578
Interest and bank charges	600	540
Professional fees	5,662	9,707
Salaries	<u>0</u>	<u>289,419</u>
	<u>6,262</u>	<u>328,244</u>
LOSS BEFORE INCOME TAXES	(6,262)	(6,994)
PROVISION FOR (RECOVERY OF) INCOME TAXES	<u>0</u>	<u>(810)</u>
NET LOSS for the year	(6,262)	(6,184)
RETAINED EARNINGS, beginning of year	<u>15,813</u>	<u>21,997</u>
RETAINED EARNINGS, end of year	<u>\$ 9,551</u>	<u>\$ 15,813</u>

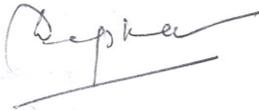


CEO



NEO-TECH AUTO SYSTEMZ, INC.
STATEMENT OF CASH FLOWS (IN US \$)
FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021 (note 5)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net loss for the year	\$ (6,262)	\$ (6,184)
Changes in non-cash working capital		
Accounts payable and accrued liabilities	(576)	(27,252)
Income taxes recoverable	0	(7,008)
	<u>(6,838)</u>	<u>(40,444)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Loan payable from related company	<u>5,530</u>	<u>32,625</u>
NET DECREASE IN CASH	(1,308)	(7,819)
NET CASH, BEGINNING OF YEAR	<u>10,794</u>	<u>18,613</u>
NET CASH, END OF YEAR	<u>\$ 9,486</u>	<u>\$ 10,794</u>





NEO-TECH AUTO SYSTEMZ, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

1. NATURE OF OPERATIONS

The company is incorporated under the laws of the state of Delaware and is primarily involved in business development and consulting services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises and include the following significant accounting policies:

(a) **REVENUE RECOGNITION**

Revenue is recognized as earned when services have been performed and collection is reasonably assured.

(b) **USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include an estimate of accrued liabilities. Actual results could differ from those estimates.

(c) **FINANCIAL INSTRUMENTS**

Measurement of financial instruments

The company initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The company subsequently measures all its financial assets and financial liabilities at amortized cost.

Impairment

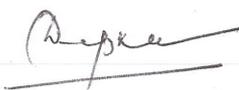
Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net earnings. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net earnings.

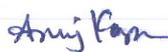
Transaction costs

The company recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(d) **INCOME TAXES**

The company applies the future income taxes method of accounting for income taxes.





NEO-TECH AUTO SYSTEMZ, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the company's exposure to these risks did not change in 2022 compared to the previous period.

4. RELATED PARTY TRANSACTIONS

During the year, the company had the following transactions with related parties that are related by virtue of common control:

	2022		2021
Sales to The Hi-Tech Gears Ltd.	\$ 0	\$	55,000
Sales to The Hi-Tech Gears Canada Inc.	0		108,350
Sales to Teutech LLC.	0		157,900

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The loan payable to related company is non-interest bearing, unsecured and due on demand. The Hi-Tech Gears Canada Inc. is wholly-owned by The Hi-Tech Gears Ltd., which is the parent company of Neo-Tech Auto Systemz, Inc.

5. CORRESPONDING FIGURES

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.

