

**TATA MANUFACTURING TECHNOLOGIES
(SHANGHAI) CO., LTD**

**AUDITORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Auditors' Report

PCPAR (2023) No.ZA40328

To the Board of Directors of Tata Manufacturing Technologies (Shanghai) Co., Ltd.,

Opinion

We have audited the accompanying financial statements of Tata Manufacturing Technologies (Shanghai) Co., Ltd. (hereafter referred to as "the Company"), which comprise the balance sheet as at December 31, 2022, the income statement, cash flow statement and notes to the financial statements.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Accounting System for Business Enterprises so as to give a true and fair view of, in all material respects, the financial position of the Company as at December 31, 2022, and of the financial performance and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Chinese Certified Public Accountants 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 the Company in accordance with the Code of Professional Conduct and Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Accounting System for Business Enterprises and for devising and maintaining a system of internal accounting controls necessary to permit 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 matters related to going concern, and using the going concern assumption, unless management either intends to liquidate the entity 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 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 Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Company's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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.
- 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 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.

(The following is intentionally left blank.)

BDO CHINA Shu Lun Pan
Certified Public Accountants LLP

Certified Public Accountants of China



Shanghai, China

March 31, 2023

This auditors' report is English translation of the Chinese auditors' report. In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

TATA MANUFACTURING TECHNOLOGIES (SHANGHAI) CO., LTD
BALANCE SHEET

ASSETS	As of December 31, 2022	As of December 31, 2021	TOTAL LIABILITIES AND OWNERS' EQUITY	As of December 31, 2022	As of December 31, 2021	Monetary Unit: CNY
CURRENT ASSETS:			CURRENT LIABILITIES:			
Cash and cash equivalents	10,869,217.79	11,972,260.87	Short-term loans	-	-	-
Short-term investments	-	-	Notes payable	-	-	-
Notes receivable	2,100,000.00	300,000.00	Accounts payable	27,458,766.88	27,948,122.08	27,948,122.08
Accounts receivable	67,436,681.77	57,118,442.75	Advance from customers	-	-	3,592,673.14
Other receivables	955,355.33	1,116,398.01	Payroll and employee benefits payable	6,020,843.63	5,098,270.49	5,098,270.49
Advance to suppliers	3,321,290.30	2,048,524.60	Dividends payable	-	-	-
Inventories	-	-	Taxes payable	2,122,808.06	2,232,233.12	2,232,233.12
Prepaid expenses	-	-	Other payables	931,138.79	586,759.98	586,759.98
Other current assets	-	-	Accrued expenses	-	-	-
TOTAL CURRENT ASSETS	84,682,545.19	72,555,626.23	TOTAL CURRENT LIABILITIES	36,533,557.36	39,458,058.81	39,458,058.81
FIXED ASSETS:			NON-CURRENT LIABILITIES:			
Fixed assets - cost	2,919,177.86	2,764,829.85	Long-term loans	-	-	-
Less: Accumulated depreciation	2,680,224.42	2,575,845.65	Long-term payables	-	-	-
Fixed assets - net book balance	238,953.44	188,984.20	Specific payables	-	-	-
Less: Impairment loss on fixed assets	-	-	TOTAL NON-CURRENT LIABILITIES	-	-	-
Fixed assets-net book value	238,953.44	188,984.20	TOTAL LIABILITIES	36,533,557.36	39,458,058.81	39,458,058.81
Construction in progress	-	-	OWNERS' EQUITY:			
TOTAL FIXED ASSETS	238,953.44	188,984.20	Paid-in capital	3,077,237.50	3,077,237.50	3,077,237.50
INTANGIBLE ASSETS AND OTHER ASSETS:			Capital reserves	156,292.83	156,292.83	156,292.83
Intangible assets	22,867.33	69,711.03	Surplus reserve	1,538,618.75	1,538,618.75	1,538,618.75
Long-term deferred expenses	-	-	Undistributed profit	43,638,659.52	28,584,113.57	28,584,113.57
Other long-term assets	-	-	TOTAL OWNERS' EQUITY	48,410,808.60	33,356,262.65	33,356,262.65
TOTAL INTANGIBLE ASSETS AND OTHER ASSETS	22,867.33	69,711.03	TOTAL LIABILITIES AND OWNERS' EQUITY	84,944,365.96	72,814,321.46	72,814,321.46
TOTAL ASSETS	84,944,365.96	72,814,321.46				

The accompanying notes are part of the financial statements.

The accompanying financial statements are to be signed by the following representatives:

Legal representative:



Head of Accounting Department:



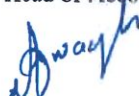
TATA MANUFACTURING TECHNOLOGIES (SHANGHAI) CO., LTD
INCOME STATEMENT

Items	Monetary Unit: CNY	
	Year 2022	Year 2021
Revenue	159,217,224.24	125,837,520.40
Less: Cost of sales	130,653,216.96	116,172,848.59
Sales tax and surcharges	585,003.05	536,723.04
Gross profit	27,979,004.23	9,127,948.77
Add: Other operating income	-	-
Less: Operating expenses	4,336,426.38	5,611,825.36
General and administrative expenses	9,019,881.47	4,780,982.06
Financial expenses	(272,518.08)	365,231.01
Operating profit	14,895,214.46	(1,630,089.66)
Add: Investment income	-	-
Non-operating income	885,607.91	527,604.62
Less: Non-operating expense	19.23	2,123.16
Total profit before tax	15,780,803.14	(1,104,608.20)
Less: Income tax expenses	726,257.19	786,635.07
Net profit for the year	15,054,545.95	(1,891,243.27)
Add: Undistributed profit at the beginning of the period	28,584,113.57	30,475,356.84
Less: Withdrawal of reserve fund	-	-
Dividend distribution	-	-
Undistributed profit at the end of the period	43,638,659.52	28,584,113.57

Legal representative:



Head of Accounting Department :



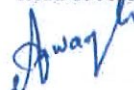
TATA MANUFACTURING TECHNOLOGIES (SHANGHAI) CO., LTD
CASH FLOW STATEMENT

Items	Monetary Unit: CNY	
	Year 2022	Year 2021
<i>Cash flows from operating activities</i>		
Cash receipts from the sale of goods and the rendering of services	150,844,398.70	111,453,465.79
Receipts of tax refunds	-	-
Other cash receipts relating to operating activities	517,651.27	669,404.55
Sub-total of cash inflows from operating activities	151,362,049.97	112,122,870.34
Cash payments for goods purchased and services received	75,867,308.35	55,886,496.11
Cash payments to and on behalf of employees	66,157,392.74	57,034,699.69
Payments of all types of taxes	5,714,139.24	4,347,583.04
Other cash payments relating to operating activities	4,458,940.16	1,572,345.90
Sub-total of cash outflows from operating activities	152,197,780.49	118,841,124.74
Net cash flows from operating activities	(835,730.52)	(6,718,254.40)
<i>Cash flows from investing activities</i>		
Cash receipts from disposals and withdrawal of investment	-	-
Cash receipts from returns on investments	-	-
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	-	-
Other cash receipts relating to investing activities	-	-
Sub-total of cash inflows from investing activities	-	-
Cash payments to acquire and construct fixed assets, intangible assets and other long-term assets	163,707.30	212,796.46
Cash payments to acquire investments	-	-
Other cash payments relating to investing activities	-	-
Sub-total of cash outflows from investing activities	163,707.30	212,796.46
Net cash flows from investing activities	(163,707.30)	(212,796.46)
<i>Cash flows from financing activities</i>		
Cash from absorption of investments	-	-
Cash receipts from borrowings	-	-
Other cash receipts relating to financing activities	-	-
Sub-total of cash inflows from financing activities	-	-
Cash repayments of amounts borrowed	-	-
Cash payments for distribution of dividends or profits, or cash payments for interest expenses	103,605.26	258,610.66
Other cash payments relating to financing activities	-	-
Sub-total of cash outflows from financing activities	103,605.26	258,610.66
Net cash flows from financing activities	(103,605.26)	(258,610.66)
<i>Effect of exchange rate changes on cash and cash equivalents</i>	-	-
Net increase in cash and cash equivalents	(1,103,043.08)	(7,189,661.52)

Legal representative:



Head of Accounting Department :



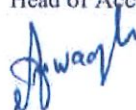
TATA MANUFACTURING TECHNOLOGIES (SHANGHAI) CO., LTD
SUPPLEMENTARY INFORMATION TO THE CASH FLOW STATEMENT

		Monetary Unit: CNY	
Items	Year 2022	Year 2021	
1. Net profit adjusted to cash flow from operating activities			
Net profit for the year	15,054,545.95	(1,891,243.27)	
Add: Provision (Reversal) for impairment loss of assets	1,586,770.97	(195,192.76)	
Depreciation of fixed assets	104,378.77	134,793.08	
Amortization of intangible assets	56,202.99	115,527.43	
Amortization of long-term deferred expenses	-		
Amortization (Gains) of deferred expenses	-		
Increase (Decrease) in accrued expenses	-		
Losses (Gains) on disposal of fixed assets, intangible assets and other long-term assets	-		
Losses (Gains) on scrapped fixed assets	-		
Financial expenses (Gains)	(221,245.87)	495,432.69	
Losses (Gains) arising from investments	-		
Deferred tax credits (Debits)	-		
Decrease (Increase) in inventories	-		
Decrease (Increase) in operating receivables	(14,816,733.01)	(26,457,897.44)	
Increase (Decrease) in operating payables	(2,599,650.32)	21,080,325.87	
Others	-		
Net cash flows from operating activities	(835,730.52)	(6,718,254.40)	
2. Investing and financing activities that do not involve cash receipts and payments			
Debt forgiveness	-		
Convertible bonds maturing within one year	-		
Fixed assets acquired under finance leases	-		
3. Net increase in cash and cash equivalents			
Ending balance of cash	10,869,217.79	11,972,260.87	
Less: Beginning balance of cash	11,972,260.87	19,161,922.39	
Add: Ending balance of cash equivalents	-		
Less: Beginning balance of cash equivalents	-		
Net increase in cash and cash equivalents	(1,103,043.08)	(7,189,661.52)	

Legal representative:



Head of Accounting Department :



TATA MANUFACTURING TECHNOLOGIES (SHANGHAI) CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

Tata Manufacturing Technologies (Shanghai) Co., Ltd. (hereinafter referred to as “the Company”), invested by Tata Technologies Pte. Ltd., was approved to be established as a wholly foreign owned enterprise by Shanghai municipal government in China on March 10, 2014.

The Company’s unified social credit code is 913100000885137316. The operation address is Floor 3, No. 2123 Pudong Avenue, Free trade zone, Shanghai, China. The Company’s registered capital is USD 500,000, and the operation period lasts from March 10, 2014 to March 9, 2044.

Its main scopes of business include enterprise management consulting, business information consulting, manufacturing technology consulting, computer science engineering technology consulting; computer software design, development, production, sales of self-manufactured products and supply after-sales services, graphic design and production, steel, engineering machinery, auto parts, aerospace vehicle parts, wholesale, import and export of testing equipment, commission agency (excluding auction) and related supporting services. (Application shall be processed in accordance with relevant national regulations for commodities that state-owned trade management is not involved but quota and license management is involved.). Projects that require legal approval shall only be operated with the approval of relevant departments.

The Company’s ultimate controlling party is Tata Technologies Pte. Ltd.

2. Basis of preparation for financial statements

2.1 The basis

The financial statements have been prepared on the going concern basis, transactions and events recognized and measured in the financial statements are in conformity with the Accounting System for Business Enterprises-Basic principles and other relevant accounting principles.

2.2 Going concern

There exist no events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern within 12 months after the reporting period.

3. Principal accounting policies and estimates

3.1 Accounting system and standards

The Company implements Accounting System for Business Enterprises and other supplementary regulations.

3.2 Accounting basis and measurement principle

The financial statements are prepared on accrual basis and follow the historical cost convention.

3.3 Accounting year

The accounting year is from January 1 to December 31.

3.4 Recording currency

Recording currency is CNY.

3.5 Accounting basis of foreign currencies

Foreign currency transactions are converted into CNY when the transaction occurs. Adjustments are made to convert foreign currency accounts into CNY accounts according to the exchange rate prevailing on the balance sheet date. Gain and loss on foreign currency transactions are charged into financial expenses.

3.6 Recognition criteria of cash and cash equivalents

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

3.7 Recognition standard and method provision for bad debts of accounts receivable

- a) Receivables arising from external sales of goods, commodities or rendering services shall initially be recognized at the actual cost.
- b) Recognition of bad debts: Uncollected accounts arising from repeal and liquidation of debtor after taking legal clearance procedures, from the death of debtor leaving no assets to pay off and nobody to assume the obligations, accounts overdue with clear evidence to show that the debtors failed to repay obligations that are considered to be bad debts.
- c) Recording of bad debts: Using allowance method.

- d) Provision for bad and doubtful debts: On the basis of the Company's prior experience, the debtor's actual financial position, its cash flow and other relevant information, the specific identification method is adopted for those receivables that obviously differ from others regarding collectability. Provision for the remaining receivables (excluding receivables from related parties) adopts the aging method, the provision percentage is listed below;

Aging	Provision percentage for bad debts
Within the credit period or exceed within 180 days	0%
Exceed the credit period within 180-360 days	50%
Exceed the credit period over 360 days	100%

3.8 Fixed assets and depreciation rate

Fixed assets are recorded at actual cost on acquisition, depreciation is provided on a straight-line basis, starting from the next month after the asset is ready for its intended use. The respective estimated useful life, estimated residual rate and annual depreciation rate are listed below;

Items	Estimated useful life	Estimated residual rate	Annual depreciation rate
Office equipment	2 years	0%	50%
Electronic device	3 years	0%	33%

Provision for impairment on fixed assets:

At year end, a provision for impairment on fixed assets is recognized item by item when the recoverable amount of fixed assets is lower than the carrying amount due to continuing decline of market prices, technological obsolescence, damage or long-term redundancy.

3.9 Intangible assets

- a) Valuation: Intangible assets are recorded at actual cost on acquisition.
- b) Amortization of intangible assets: Straight-line amortization method. In case one party has the limitation of beneficial or effective period between relevant contracts and laws, intangible assets are amortized evenly over the period which does not exceed the stipulated period; In case both parties have stipulated the amortization, intangible assets are evenly amortized over the shorter period; If neither party has stipulated the amortization, intangible assets are amortized evenly over periods no more than ten years.

- c) A provision for impairment on the intangible assets is recognized in accordance with the difference between the recoverable amount and the carrying amount in case that the intangible assets are replaced by other new technologies that adversely affect its ability to generate economic benefits; the market value of the intangible assets has declined significantly during the period and is not expected to recover during the remaining amortization period; the legal protection period for the intangible assets has lapsed but the assets still have some value for use.

3.10 Recognition of revenue

- a) Rendering of services: When the provision of services is started and completed within the same accounting year, revenue is recognized at the time of completion of the services, on receipt of the proceeds or obtaining the evidence to receive proceeds. When the provision of services is started and completed in different accounting years and the outcome of a transaction can be estimated reliably, revenue is recognized using the percentage of completion method on the balance sheet date.
- b) Abalienation of right to use assets: When it is probable that economic benefits associated with the transaction will flow into the Company, and when the transaction amount can be reliably measured.

3.11 Lease

- a) Financial lease substantially transfers all risks and rewards related to the ownership of assets. Leases other than financial leases are operating leases.
- b) The rent of operating leases is expensed on a straight-line basis during the lease term.

3.12 Income tax

Taxes payable method is adopted.

3.13 Changes in accounting policies and estimates, and correction of errors in prior period

- a) The Company had no changes in major accounting policies during the reporting period.
- b) The Company had no changes in major accounting estimates during the reporting period.
- c) The Company had no changes in correction of errors in prior period during the reporting period.

4. Taxation and tax rates

Items	Tax basis	Tax rate
Value added tax (VAT)	The output is calculated based on the revenue from sales of goods and the provision of taxable services; After deduction of the deductible input tax, the difference is the VAT payable.	6%
City construction and maintenance tax	According to the turnover tax actually paid.	7%
Education surcharge	According to the turnover tax actually paid.	3%
Local education surcharge	According to the turnover tax actually paid.	2%
Enterprise income tax	According to the enterprise income amount.	25%

According to *Announcement No. 39 of 2019 & No. 11 of 2022* issued by the state administration of taxation, taxpayers of manufacturing and life service industry are permitted to float 10% on current deductible input VAT to offset tax payable of year 2022.

5. The principle and methods of profit distribution

The Company shall withdraw reserve fund in accordance with Articles of Association of the Company, the extraction proportion shall be no less than 10% of the post-tax profit. Extraction may be ceased after accumulating 50% of the registered capital. The remaining profits shall be distributed based on the related resolution of the Board of Directors.

6. Notes to the main items of financial statements

6.1 Cash and cash equivalents

Items	As of December 31, 2022	As of December 31, 2021
Cash in bank	10,869,217.79	11,972,260.87

6.2 Notes receivable

Items	As of December 31, 2022	As of December 31, 2021
Bank acceptance	2,100,000.00	300,000.00

TATA MANUFACTURING TECHNOLOGIES (SHANGHAI) CO., LTD.
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022
CNY

6.3 Accounts receivable

The aging analysis of accounts receivable is as follows:

Aging	As of December 31, 2022			As of December 31, 2021		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Within 1 year	67,691,796.97	256,451.20	67,435,345.77	61,648,249.99	4,529,807.24	57,118,442.75
Over 1 year	5,911,325.41	5,909,989.41	1,336.00	51,870.68	51,870.68	-
Total	73,603,122.38	6,166,440.61	67,436,681.77	61,700,120.67	4,581,677.92	57,118,442.75

Bad debt Provision:

As of December 31, 2021	Accrual	Reversal	As of December 31, 2022
4,581,677.92	1,586,770.97	2,008.28	6,166,440.61

Large Amount of accounts receivable are:

Debtor's Name	Amount
Tata Technologies Europe Limited	21,066,576.33
Wuhan Lotus technology Co., Ltd.	11,817,852.15
Tata Technologies Pte Ltd	9,788,557.39

6.4 Other receivables

Aging	As of December 31, 2022			As of December 31, 2021		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Within 1 year	312,838.55	-	312,838.55	449,077.90	-	449,077.90
1-2 years	375,196.67	-	375,196.67	267,320.11	-	267,320.11
Over 3 years	267,320.11	-	267,320.11	400,000.00	-	400,000.00
Total	955,355.33	-	955,355.33	1,116,398.01	-	1,116,398.01

6.5 Advance to suppliers

Aging	As of December 31, 2022	As of December 31, 2021
Within 1 year	3,321,290.30	2,048,524.60

6.6 Fixed assets

a) Original costs of fixed assets

Items	As of December 31, 2021	Increases	Decreases	As of December 31, 2022
Office equipment	294,589.05	-	-	294,589.05
Electronic device	2,470,240.80	154,348.01	-	2,624,588.81
Total	2,764,829.85	154,348.01	-	2,919,177.86

b) Accumulated depreciation

Items	As of December 31, 2021	Increases	Decreases	As of December 31, 2022
Office equipment	294,589.05	-	-	294,589.05
Electronic device	2,281,256.60	104,378.77	-	2,385,635.37
Total	2,575,845.65	104,378.77	-	2,680,224.42

c) Net book value

Items	As of December 31, 2021	Increases	Decreases	As of December 31, 2022
Office equipment	-	-	-	-
Electronic device	188,984.20	49,969.24	-	238,953.44
Total	188,984.20	49,969.24	-	238,953.44

6.7 Intangible assets

Software	As of December 31, 2021	Increases	Decreases	As of December 31, 2022
Original cost	351,960.86	9,359.29	-	361,320.15
Less: Accumulated amortization	282,249.83	56,202.99	-	338,452.82
Net book value	69,711.03	(46,843.70)	-	22,867.33

TATA MANUFACTURING TECHNOLOGIES (SHANGHAI) CO., LTD.
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022
CNY

6.8 Accounts payable

As of December 31, 2022	As of December 31, 2021
27,458,766.88	27,948,122.08

Large Amount of accounts payable are:

Creditor's name	Amount
TATA Technologies Limited	7,411,889.90
Tata Technologies Europe Limited	2,186,724.45
Shanghai Zhixing Technology Co., Ltd.	2,235,045.09

6.9 Advance from customers

As of December 31, 2022	As of December 31, 2021
-	3,592,673.14

6.10 Payroll and employee benefits payable

Items	As of December 31, 2022	As of December 31, 2021
Salaries, bonuses, allowances and subsidies	4,538,612.33	4,421,577.00
Social security	1,482,231.30	676,693.49
Total	6,020,843.63	5,098,270.49

6.11 Taxes payable

Items	As of December 31, 2022	As of December 31, 2021
Value added tax	773,581.08	1,408,301.47
Enterprise income tax	726,257.19	201,137.98
Withholding individual income tax	512,213.86	448,923.37
Others	110,755.93	173,870.30
Total	2,122,808.06	2,232,233.12

TATA MANUFACTURING TECHNOLOGIES (SHANGHAI) CO., LTD.
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022
CNY

6.12 Paid-in capital

Name of investors	Percentage	As of December 31, 2022		As of December 31, 2021	
		USD	CNY	USD	CNY
Tata Technologies Pte. Ltd	100%	500,000.00	3,077,237.50	500,000.00	3,077,237.50

The above paid-in capital had been verified by Chinese CPAs with Report of Capital Verification.

6.13 Capital reserves

Items	As of December 31, 2022	As of December 31, 2021
Debt forgiveness	156,292.83	156,292.83

The taxable income of the period has been adjusted according to the above debt forgiveness.

6.14 Surplus reserve

Items	As of December 31, 2022	As of December 31, 2021
Reserve fund	1,538,618.75	1,538,618.75

The accumulated reserve fund has appropriated 50% of the paid-in capital, therefore the withdrawal is ceased.

6.15 Undistributed profit

Items	Year 2022	Year 2021
Undistributed profit at the beginning of the year	28,584,113.57	30,475,356.84
Add: net profit of the year	15,054,545.95	(1,891,243.27)
Undistributed profit at the end of the year	43,638,659.52	28,584,113.57

6.16 Revenue from operations and cost of sales

Items	Year 2022		Year 2021	
	Revenue	Cost	Revenue	Cost
Rendering of services	159,217,224.24	130,653,216.96	125,837,520.40	116,172,848.59

6.17 Financial expenses

Items	Year 2022	Year 2021
Loss (Gain) on foreign exchange	(324,851.13)	236,822.03
Handling fee	7,566.91	11,598.25
Interest expense on discounted bank acceptance	103,605.26	258,610.66
Less: Interest income	58,839.12	141,799.93
Total	(272,518.08)	365,231.01

6.18 Non-operating income

Items	Year 2022	Year 2021
Additional VAT credit of life service industry	426,795.76	325,309.47
Government subsidy	397,000.00	93,000.00
Refund of tax service charges	61,811.44	108,318.68
Others	0.71	976.47
Total	885,607.91	527,604.62

6.19 Income tax expenses

Items	Year 2022	Year 2021
Current tax expense for the year	726,257.19	646,644.96
Tax filing differences for last year	-	139,990.11
Total	726,257.19	786,635.07

7. Leases

As of December 31, 2022, irrevocable significant operating leases include:

Nonrevocable minimum operating lease payment	Year 2022	Year 2021
Within 1 year	1,221,209.85	1,604,080.77
1-2 years	1,255,175.82	1,353,331.08
2-3 years and above	703,734.35	1,958,910.17
Total	3,180,120.02	4,916,322.02

8. Contingency

No contingency needs to be disclosed.

9. Non-adjusting subsequent events

No non-adjusting subsequent events needs to be disclosed.

10. Related parties and related party transactions and ending balance

10.1 Information of the related parties with control relationship

Name of related party	Registered address	Type of legal entity	Relationship
Tata Technologies Pte. Ltd.	Singapore	Corporate body	Parent company

10.2 Information of the related parties without control relationship

Name	Relationship
Tata Technologies Limited	Controlled, jointly controlled, or significantly impacted by the same party
Tata Technologies Europe Limited	Controlled, jointly controlled, or significantly impacted by the same party
Tata Technologies Inc.	Controlled, jointly controlled, or significantly impacted by the same party
Tata Technologies Nordics AB	Controlled, jointly controlled, or significantly impacted by the same party
Tata Technologies Ltd-Japan Branch	Controlled, jointly controlled, or significantly impacted by the same party

10.3 Transactions with related parties:

a) Transactions with related parties

Category	Year 2022	Year 2021
Rendering of services	66,100,634.41	5,414,846.79
Receiving services	4,543,514.35	3,670,944.69

TATA MANUFACTURING TECHNOLOGIES (SHANGHAI) CO., LTD.
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022
CNY

b) Accounts receivable and payable with related parties

Category	As of December 31, 2022	As of December 31, 2021
Accounts receivable	31,616,000.18	4,468,457.07
Advance to suppliers	427,148.87	86,422.42
Accounts payable	9,613,914.35	6,988,762.09
Advance from customers	-	3,414,267.62
Other payables	398,961.00	27,000.00

Tata Manufacturing Technologies (Shanghai) Co., Ltd.
March 31, 2023