

HCL TECHNOLOGIES (SHANGHAI) LIMITED

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS  
FOR THE YEAR FROM 1 JANUARY 2021 TO 31 DECEMBER 2021  
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION  
AND ITS ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

## AUDITORS' REPORT

毕马威华振沪审字第 2202379 号

The Board of Directors of HCL Technologies (Shanghai) Limited:

### Opinion

We have audited the accompanying financial statements of HCL Technologies (Shanghai) Limited ("the Company") set out on pages 1 to 24, which comprise the balance sheet as at 31 December 2021, the income and profit appropriation statement, the cash flow statement for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and the financial performance and cash flows of the Company for the year then ended in accordance with Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

### Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). 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 China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 the Accounting Regulations for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

## AUDITORS' REPORT (CONTINUED)

毕马威华振沪审字第 2202379 号

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)**

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 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 CSAs 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 CSAs, we exercise professional judgement and maintain professional scepticism 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 the 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.

## AUDITORS' REPORT (CONTINUED)

毕马威华振沪审字第 2202379 号

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

KPMG Huazhen LLP  
Shanghai Branch

Certified Public Accountants  
Registered in the People's Republic of China

Zhao Lin

Shanghai, China

Zhao Xing

2022-06-08

HCL Technologies (Shanghai) Limited  
 Balance sheet as at 31 December 2021  
 (Expressed in Renminbi Yuan)

	Note	2021	2020
<b>Assets</b>			
<b>Current assets</b>			
Cash at bank and on hand	5	152,367,191.62	42,765,883.10
Short-term investments	6	11,000,000.00	18,000,000.00
Interest receivable		118,767.12	826,027.41
Accounts receivable	7	45,796,631.76	122,665,158.42
Other receivables	8	-	2,247,063.88
Payments in advance		54,263.00	6,339,954.30
Deferred expenses		2,223,195.32	2,340,297.05
Other current assets	4(c)	<u>113,457.16</u>	<u>-</u>
Total current assets		<u>211,673,506.21</u>	<u>195,184,384.16</u>
<b>Fixed assets</b>			
Original carrying amount		11,046,776.23	12,044,448.22
Less: Accumulated depreciation		<u>(9,078,769.78)</u>	<u>(8,497,152.84)</u>
Net carrying amount of fixed assets	9	<u>1,968,006.45</u>	<u>3,547,295.38</u>
<b>Other assets</b>			
Long-term deferred expenses	10	<u>2,944,888.00</u>	<u>1,445,187.00</u>
Total other assets		<u>2,944,888.00</u>	<u>1,445,187.00</u>
Total assets		<u>216,586,400.66</u>	<u>200,176,866.54</u>

The notes on pages 9 to 24 form part of these financial statements.

HCL Technologies (Shanghai) Limited  
 Balance sheet as at 31 December 2021 (continued)  
 (Expressed in Renminbi Yuan)

	Note	2021	2020
Liabilities and owner's equity			
Current liabilities			
Accounts payable		112,438,163.24	117,654,946.35
Receipt in advance		9,647,522.58	3,207,366.26
Accrued payroll		8,845,112.77	6,275,135.92
Taxes payable	4(d)	969,970.44	762,399.23
Accrued expenses		3,191,782.93	768,196.46
Total current liabilities		135,092,551.96	128,668,044.22
Total liabilities		135,092,551.96	128,668,044.22
Owner's equity			
Paid-in capital	11	15,316,566.95	15,316,566.95
Surplus reserve	12	6,617,728.86	5,619,226.22
Retained earnings	13	59,559,552.89	50,573,029.15
Total owner's equity		81,493,848.70	71,508,822.32
Total liabilities and owner's equity		216,586,400.66	200,176,866.54

These financial statements were approved by the the Board of Directors of the Company.

*Prateek Aggarwal*

Aggarwal Prateek  
 Legal Representative  
 (Signature and stamp)

Date: 2022-06-08

*Mao Lili*  
 Mao Lili  
 The person in charge of  
 the accounting affairs  
 (Signature and stamp)



The notes on pages 9 to 24 form part of these financial statements.

HCL Technologies (Shanghai) Limited  
Income and profit appropriation statement  
for the year ended 31 December 2021  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
Sales from principal activities	14	136,125,222.69	119,169,608.61
Less: Cost of sales from principal activities		(115,935,200.21)	(96,941,128.83)
Business taxes and surcharges from principal activities	4(a)	<u>(38,448.88)</u>	<u>(1,654,399.05)</u>
Profit from principal activities		20,151,573.60	20,574,080.73
Less: Operating expenses		(2,683,239.45)	(430,185.31)
General and administrative expenses		(7,823,565.28)	(8,520,503.29)
Financial income	15	<u>2,955,545.20</u>	<u>4,606,475.10</u>
Operating profit		12,600,314.07	16,229,867.23
Add: Subsidy income		<u>4,757.33</u>	<u>1,246,855.03</u>
Profit before income tax		12,605,071.40	17,476,722.26
Less: Income tax	4(b)	<u>(2,620,045.02)</u>	<u>(3,327,953.94)</u>
Net profit for the year		<u><u>9,985,026.38</u></u>	<u><u>14,148,768.32</u></u>

The notes on pages 9 to 24 form part of these financial statements.

HCL Technologies (Shanghai) Limited  
Income and profit appropriation statement  
for the year ended 31 December 2021 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2021</i>	<i>2020</i>
Net profit for the year		9,985,026.38	14,148,768.32
Add: Retained earnings at the beginning of the year		<u>50,573,029.15</u>	<u>37,839,137.66</u>
Profits available for distribution		60,558,055.53	51,987,905.98
Less: Statutory surplus reserve	13	<u>(998,502.64)</u>	<u>(1,414,876.83)</u>
Retained earnings at the end of the year		<u><u>59,559,552.89</u></u>	<u><u>50,573,029.15</u></u>

The notes on pages 9 to 24 form part of these financial statements.



HCL Technologies (Shanghai) Limited  
Cash flow statement  
for the year ended 31 December 2021  
*(Expressed in Renminbi Yuan)*

	<i>Note to the cash flow statement</i>	<i>2021</i>	<i>2020</i>
Cash flows from operating activities:			
Cash received from rendering of services		220,301,796.45	105,537,445.72
Refund of taxes		-	110,368.80
Cash received relating to other operating activities		<u>2,251,821.21</u>	<u>12,910,494.55</u>
Sub-total of cash inflows		<u>224,304,454.72</u>	<u>118,558,309.07</u>
Cash paid for services		(6,598,921.41)	(11,292,112.89)
Cash paid to and for employees		(108,469,134.03)	(90,428,537.94)
Cash paid for all types of taxes		(4,469,109.90)	(7,749,184.00)
Cash paid relating to other operating activities		<u>(660,064.09)</u>	<u>(5,456,696.78)</u>
Sub-total of cash outflows		<u>(120,197,229.43)</u>	<u>(114,926,531.61)</u>
Net cash inflow from operating activities	i	<u>104,107,225.29</u>	<u>3,631,777.46</u>

The notes on pages 9 to 24 form part of these financial statements.

HCL Technologies (Shanghai) Limited  
Cash flow statement  
for the year ended 31 December 2021 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note to the cash flow statement</i>	<i>2021</i>	<i>2020</i>
Cash flows from investing activities:			
Cash received from Interest income		1,608,976.14	1,413,719.29
Recover the cash received on the investment		<u>7,000,000.00</u>	<u>-</u>
Sub-total of cash inflows		<u>8,608,976.14</u>	<u>1,413,719.29</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		<u>(3,114,892.91)</u>	<u>(5,062,674.59)</u>
Sub-total of cash outflows		<u>(3,114,892.91)</u>	<u>(5,062,674.59)</u>
Net cash inflow / (outflow) from investing activities		<u>5,494,083.23</u>	<u>(3,648,955.30)</u>
Net increase/(decrease) in cash and cash equivalents	ii	<u>109,601,308.52</u>	<u>(17,177.84)</u>

The notes on pages 9 to 24 form part of these financial statements.

HCL Technologies (Shanghai) Limited  
Cash flow statement  
for the year ended 31 December 2021 (continued)  
(Expressed in Renminbi Yuan)

Notes to the cash flow statement

	2021	2020
<i>i Reconciliation of net profit to cash flows from operating activities</i>		
Net profit	9,985,026.38	14,148,768.32
Add: Reversal of provision for impairment of assets	(230,566.74)	(1,294,823.04)
Depreciation of fixed assets	1,749,293.61	2,286,520.11
Amortisation of long-term deferred expenses	1,445,187.00	3,582,905.00
Decrease / (increase) in deferred expenses	117,101.73	(626,761.05)
Increase / (decrease) in accrued expenses	2,423,586.47	(5,867,291.54)
Net financial income	(901,715.85)	(962,099.71)
Increase / (decrease) in gross operating receivables	91,958,601.74	(11,761,517.15)
(Decrease) / increase in operating payables	<u>(2,439,289.05)</u>	<u>4,126,076.52</u>
Net cash (outflow)/inflow from operating activities	<u>104,107,225.29</u>	<u>3,631,777.46</u>

The notes on pages 9 to 24 form part of these financial statements.

HCL Technologies (Shanghai) Limited  
Cash flow statement  
for the year ended 31 December 2021 (continued)  
*(Expressed in Renminbi Yuan)*

Notes to the cash flow statement (continued)

	2021	2020
<i>ii Net increase/(decrease) in cash and cash equivalents</i>		
Cash and cash equivalents at the end of the year	152,367,191.62	42,765,883.10
Less: Cash and cash equivalents at the beginning of the year	<u>42,765,883.10</u>	<u>42,783,060.94</u>
Net increase/(decrease) in cash and cash equivalents	<u>109,601,308.52</u>	<u>(17,177.84)</u>

The notes on pages 9 to 24 form part of these financial statements.

HCL Technologies (Shanghai) Limited  
Notes to the financial statements  
(Expressed in Renminbi Yuan)

1 Company status

HCL Technologies (Shanghai) Limited (“the Company”) is a limited company solely established by HCL TECHNOLOGIES LIMITED on 18 July 2007 upon approval by People’s Government of Shanghai. The registered capital of the Company is USD 2,200,000. The aforesaid registered capital has been verified by Shanghai Linxin Accountants Limited with capital verification report Linkuai Fa No.(2009) 575 on 6 May 2009.

The Company obtained business license numbered 91310115664306168R. Its legal represent ativeis PARTEEK AGGARWAL and the operation period is 20 years. Its legal registration address is Room 301, 2 Building, 399 Shengxia Road, Pudong New Area, Shanghai.

The Company is primarily engaged in the following business: Computer software development; design, production, sale of products, debugging and maintenance of system integration; relevant technical consulting, technical service; business consulting, enterprise management consulting (business which is involving administrative licensing, will operate with operating permits).

2 Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are in conformity with the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the PRC (MOF). Accordingly, the basis of measurement and presentation in these financial statements may not be in compliance with the accounting principles and practices generally accepted in countries and jurisdictions other than the PRC and may not be suitable for any purpose other than for statutory reporting.

3 Significant accounting policies

(a) Accounting year

The accounting year of the Company is from 1 January to 31 December.

(b) Basis of preparation and measurement basis

The financial statements of the Company have been prepared on an accrual basis. Unless otherwise stated, the measurement basis used is historical cost.

(c) Functional currency

The Company’s functional currency is the Renminbi.

(d) Translation of foreign currencies

Foreign currency transactions during the year are translated into Renminbi at the exchange rates quoted by the People's Bank of China ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Renminbi at the exchange rates quoted by the People's Bank of China ruling at the balance sheet date. Exchange gains and losses on foreign currency translation are dealt with in the income statement.

(e) Cash equivalents

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

(f) Provision for bad and doubtful debts

The provision for bad and doubtful debts is estimated by management based on individual accounts receivable which show signs of uncollectibility. Provision for other receivables is determined based on their specific nature and management's estimate of their collectibility.

(g) Investments

Designated loans receivable

Designated loans receivable refer to the funds lent by the Company through financial institutions to designated borrowers with uses, amounts, terms, interest rates, etc., designated by the Company. The financial institution assists the Company to release the funds and collect the repayments on behalf of the Company.

Designated loans receivable are initially recorded at cost, which is the total amount paid, including relevant expenses such as bank charges.

Interest income arising from designated loans receivable is calculated at the applicable rate on a time proportion basis and recognised in the income statement. Accrual of interest on designated loans receivable ceases when the interest is in default at the due date, and the interest previously accrued is reversed immediately in the income statement.

The Company makes provision for impairment losses on designated loans receivable (see Note 3(j)). Designated loans receivable are stated in the balance sheet net of impairment losses. Among the designated loans receivable, loans with a period equal to or less than one year are classified under short-term investments.

(h) Fixed assets

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Note 3(j)).

Fixed assets are depreciated using the straight-line method over their estimated useful lives. The respective estimated useful lives and the estimated rate of residual values on cost for the Company's fixed assets are as follows:

	<i>Estimated useful life</i>	<i>Estimated rate of residual value</i>	<i>Rate of depreciation</i>
Office equipment	5 years	0%	20%
Electronic equipment	3 - 5 years	0%	20% - 33%

(i) Long-term deferred expenses

Long-term deferred expenses are amortised on a straight-line basis over their beneficial periods. The amortisation period for the long-term deferred expenses is as follows:

Expenses occurred before go alive (Training, labor, travel expense)	3 - 5 years
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(j) Provision for impairment

The carrying amounts of assets (including fixed assets and other assets) are assessed regularly to determine whether their recoverable amounts have declined below their carrying amounts. Assets are tested for impairment whenever events or changes in conditions indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The amount by which the carrying amount is reduced is the impairment loss. The recoverable amount is the greater of the net selling price and the present value of the estimated future cash flows arising from the continuous use of the asset and from the disposal of the asset at the end of its useful life.

Provision for impairment is calculated on an item-by-item basis and recognised as an expense in the income statement.

If there is an indication that there has been a change in the factors used to determine the provision for impairment and as a result the estimated recoverable amount is greater than the carrying amount of the asset, the impairment loss recognised in prior years is reversed. Reversals of impairment losses are recognised in the income statement. An impairment loss is reversed only to the extent of the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

(k) Income tax

Income tax is recognised using the tax payable method. Income tax for the year is provided at the applicable tax rate on taxable income.

(l) Revenue recognition

When it is probable that the economic benefits will flow to the Company and the revenue and costs can be measured reliably, revenue is recognised in the income statement according to the following methods:

(i) Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue from the rendering of services is recognised in the income statement by reference to the stage of completion of the transaction based on the services performed to date as a percentage of the total services to be performed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the costs incurred that are expected to be recoverable.

(ii) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable rate.

(iii) Subsidy income

Subsidy income is recognised in the income statement upon receipt of the subsidy.

(m) Related parties

If the Company has the power, directly or indirectly, to control, jointly control or exercise significant influence over another party, or vice versa, or where the Company and one or more parties are subject to common control from another party, they are considered to be related parties. Related parties may be individuals or enterprises.

4 Taxation and surcharges

- (a) The types of tax and surcharges applicable to the Company's sale of goods and rendering of services include value added tax (VAT), urban maintenance and construction tax, education fee surcharge etc.

<i>Tax name</i>	<i>Tax basis and applicable rate</i>
VAT	Output VAT is 6% of taxable services revenue, according to tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable
Urban maintenance and construction tax	7% of paid VAT
Education fee surcharge	3% of paid VAT
Local education fee surcharge	2% of paid VAT

Business taxes and surcharges from principal activities include urban maintenance, construction tax and education fee surcharge etc.



(b) Income tax

Income tax in the income statement represents:

	2021	2020
Provision for income tax for the year	2,620,045.02	3,926,407.48
Over provision for income tax in respect of preceding year	<u>-</u>	<u>(598,453.54)</u>
Total	<u><u>2,620,045.02</u></u>	<u><u>3,327,953.94</u></u>

The statutory income tax rate of the Company is 25%. For the current year, the Company is liable to income tax at the statutory rate (2020: 25%).

(c) Other current assets

	2021	2020
Corporate income tax	<u>113,457.16</u>	<u>-</u>
Total	<u><u>113,457.16</u></u>	<u><u>-</u></u>

(d) Taxes payable

	2021	2020
VAT payable	969,970.44	465,050.47
Income tax	<u>-</u>	<u>297,348.76</u>
Total	<u><u>969,970.44</u></u>	<u><u>762,399.23</u></u>

5 Cash at bank and on hand

	2021	2020
Demand deposits	<u><u>152,367,191.62</u></u>	<u><u>42,765,883.10</u></u>

6 Short-term investments

	2021	2020
Debt investments		
- Designated loans	<u><u>11,000,000.00</u></u>	<u><u>18,000,000.00</u></u>

## 7 Accounts receivable

The ageing analysis of the Company's accounts receivable is as follows:

	2021			2020		
	RMB	Percentage of total accounts receivable	Provision for bad and doubtful debts	RMB	Percentage of total accounts receivable	Provision for bad and doubtful debts
Within 1 year	46,250,830.66	99.48%	694,417.41	76,903,106.28	62.22%	-
After 1 year but within 2 years	169,983.76	0.37%	-	43,188,889.37	34.95%	22,635.96
After 2 years	70,234.75	0.15%	-	3,498,146.92	2.83%	902,348.19
<b>Total</b>	<b>46,491,049.17</b>	<b>100.00%</b>	<b>694,417.41</b>	<b>123,590,142.57</b>	<b>100.00%</b>	<b>924,984.15</b>

The ageing is counted starting from the date when accounts receivable are recognised.

### Provision for bad and doubtful debts

	2021	2020
Opening balance as at 1 January	924,984.15	2,219,807.19
Less: Reversal during the year	<u>(230,566.74)</u>	<u>(1,294,823.04)</u>
Closing balance as at 31 December	<u>694,417.41</u>	<u>924,984.15</u>

## 8 Other receivables

The ageing analysis of the Company's other receivables is as follows:

	2021			2020		
	RMB	Percentage of total other receivables	Bad debt provision	RMB	Percentage of total other receivables	Bad debt provision
Within 1 year	-	-	-	823,568.11	36.65%	-
After 1 year but within 2 years	-	-	-	1,043,996.69	46.46%	-
After 2 years but within 3 years	-	-	-	379,499.08	16.89%	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,247,063.88</b>	<b>100.00%</b>	<b>-</b>

The ageing is counted starting from the date when other receivables are recognised.

9 Fixed assets

	<i>Office equipment</i>	<i>Electronic equipment</i>	<i>Total</i>
<b>Cost</b>			
As at 1 January 2021	439,392.15	11,605,056.07	12,044,448.22
Additions	-	170,004.68	170,004.68
Transfer from construction in progress	-	(1,167,676.67)	(1,167,676.67)
	<u>439,392.15</u>	<u>10,607,384.08</u>	<u>11,046,776.23</u>
<b>As at 31 December 2021</b>	<b><u>439,392.15</u></b>	<b><u>10,607,384.08</u></b>	<b><u>11,046,776.23</u></b>
<b>Accumulated depreciation</b>			
As at 1 January 2021	(332,399.89)	(8,164,752.95)	(8,497,152.84)
Charge for the year	(37,261.36)	(1,712,032.25)	(1,749,293.61)
Written back on disposal	-	1,167,676.67	1,167,676.67
	<u>(369,661.25)</u>	<u>(8,709,108.53)</u>	<u>(9,078,769.78)</u>
<b>As at 31 December 2021</b>	<b><u>(369,661.25)</u></b>	<b><u>(8,709,108.53)</u></b>	<b><u>(9,078,769.78)</u></b>
<b>Carrying amount</b>			
As at 31 December 2021	<u>69,730.90</u>	<u>1,898,275.55</u>	<u>1,968,006.45</u>
<b>As at 31 December 2020</b>	<b><u>106,992.26</u></b>	<b><u>3,440,303.12</u></b>	<b><u>3,547,295.38</u></b>

10 Long-term deferred expenses

	<i>Expenses occurred before go alive (Training, labor, travel expense)</i>
As at 1 January 2021	1,445,187.00
Amortization during the year	(1,445,187.00)
Additions during the year	<u>2,944,888.00</u>
<b>As at 31 December 2021</b>	<b><u>2,944,888.00</u></b>

11 Paid-in capital

Registered capital and paid-in capital

	<u>2021 and 2020</u>		
	<i>Amount in original currency RMB</i>	<i>Amount in RMB equivalent</i>	<i>%</i>
HCL Technologies Ltd.	<u>15,316,566.95</u>	<u>15,316,566.95</u>	<u>100</u>

12 Surplus reserve

	<i>Note</i>	<i>Statutory surplus reserve</i>
As at 1 January 2021		5,619,226.22
Profit appropriation	13	<u>998,502.64</u>
As at 31 December 2021		<u><u>6,617,728.86</u></u>

13 Profit appropriation

Appropriation to surplus reserve

In accordance with the "Regulations on the Implementation of the Law on Foreign-funded Enterprise", the Company made appropriations to the following funds:

Statutory surplus reserve 10%

14 Sales from principal activities

	<i>2021</i>	<i>2020</i>
Rendering of services	<u>136,125,222.69</u>	<u>119,169,608.61</u>

15 Financial income

	<i>2021</i>	<i>2020</i>
Interest income	(901,715.85)	(962,099.71)
Net exchange gains	(2,069,273.11)	(3,666,085.90)
Others	<u>15,443.76</u>	<u>21,710.51</u>
Total	<u><u>(2,955,545.20)</u></u>	<u><u>(4,606,475.10)</u></u>

16 Related party relationships and transactions

(a) Related party with controlling relationship

	<i>Registered address</i>	<i>Relationship with the Company</i>
HCL Technologies Ltd.	India	Parent company

Equity interests held by related party with controlling relationship

	<u><i>At the beginning of the year</i></u> <i>Amount</i>		<u><i>Addition</i></u> <i>Amount</i>		<u><i>At the end of the year</i></u> <i>Amount</i>	
HCL Technologies Ltd.	71,508,822.32	100%	9,985,026.38	100%	81,493,848.70	100%

(b) Relationship between the Company and related parties without controlling relationships

<i>Name of the enterprise</i>	<i>Relationship with the Company</i>
Celeritifintech Services Limited	A fellow subsidiary
Filial Espanola De HCL Technoloiges, S.L.(HCL Spain)	A fellow subsidiary
Geometric China, Inc.	A fellow subsidiary
HCL (Brazil) Tecnologia Da Informacao EIRELI	A fellow subsidiary
HCL (Ireland) Information Systems Limited	A fellow subsidiary
HCL (New Zealand) Limited	A fellow subsidiary
HCL America Inc.	A fellow subsidiary
HCL Argentina s.a.	A fellow subsidiary
HCL Asia Pacific Pte Limited	A fellow subsidiary
HCL Australia Services Pty. Limited	A fellow subsidiary
HCL Axon Solutions (Shanghai) Co., Limited	A fellow subsidiary
HCL Belgium NV	A fellow subsidiary
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	A fellow subsidiary
HCL GmbH	A fellow subsidiary
HCL Great Britain Limited	A fellow subsidiary
HCL Guatemala, Sociedad Anonima	A fellow subsidiary
HCL Hong Kong SAR Limited	A fellow subsidiary
HCL Hungary Kft	A fellow subsidiary
HCL Istanbul Bilisim Teknolojileri Limited sirketi	A fellow subsidiary
HCL Japan Limited	A fellow subsidiary
HCL Latin America Holding LLC	A fellow subsidiary
HCL Muscat Technologies L.L.C	A fellow subsidiary
HCL Netherlands B.V.	A fellow subsidiary
HCL Poland Sp.z.o.o.	A fellow subsidiary
HCL Saudi Arabia LLC	A fellow subsidiary
HCL Singapore Pte. Limited	A fellow subsidiary
HCL Technologies (PTY) Limited.	A fellow subsidiary
HCL Technologies (Taiwan) Limited.	A fellow subsidiary
HCL Technologies (Thailand) Limited.	A fellow subsidiary
HCL Technologies (Vietnam) Company Limited	A fellow subsidiary
HCL Technologies Angola (SU), LDA.	A fellow subsidiary
HCL Technologies Beijing Co., Limited	A fellow subsidiary
HCL Technologies Belgium BVBA	A fellow subsidiary
HCL Technologies BV	A fellow subsidiary
HCL Technologies Chile SpA	A fellow subsidiary
HCL Technologies Colombia SAS	A fellow subsidiary
HCL Technologies Corporate Services Limited	A fellow subsidiary
HCL Technologies Czech Republic s.r.o.	A fellow subsidiary
HCL Technologies Denmark ApS	A fellow subsidiary
HCL Technologies Egypt Limited	A fellow subsidiary
HCL Technologies Estonia OU	A fellow subsidiary
HCL Technologies Finland Oy	A fellow subsidiary
HCL Technologies France	A fellow subsidiary
HCL Technologies Germany GmbH	A fellow subsidiary
HCL Technologies Greece Single Member P.C.	A fellow subsidiary
HCL Technologies Italy S.p.A.	A fellow subsidiary
HCL Technologies Limited	A fellow subsidiary

<i>Name of the enterprise</i>	<i>Relationship with the Company</i>
HCL Technologies Lithuania UAB	A fellow subsidiary
HCL Technologies Luxembourg S.a.r.l	A fellow subsidiary
HCL Technologies Malaysia SDN BHD	A fellow subsidiary
HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)	A fellow subsidiary
HCL Technologies Mexico	A fellow subsidiary
HCL Technologies Middle East FZ- LLC	A fellow subsidiary
HCL Technologies Norway AS	A fellow subsidiary
HCL Technologies Philippines Inc	A fellow subsidiary
HCL Technologies Romania s.r.l.	A fellow subsidiary
HCL Technologies Sollutions GmBh (fly Axon Soltns Schz GmbH)	A fellow subsidiary
HCL Technologies South Africa (Proprietary) Limited	A fellow subsidiary
HCL Technologies Sweden (IOMC)	A fellow subsidiary
HCL Technologies Sweden AB	A fellow subsidiary
HCL Technologies UK Limited	A fellow subsidiary
HCL Technologies Vietnam Company Limited	A fellow subsidiary
Point To Point Products Limited	A fellow subsidiary
PT. HCL Technologies Indonesia	A fellow subsidiary
Telerox Marketing, Inc.	A fellow subsidiary
Urban Fulfillment Services LLC	A fellow subsidiary

(c) The amounts of the Company's related party transactions during the year and its balances with related parties at the year end are summarised as follows:

(i) The material related-party transactions of the Company are summarised as follows:

	<i>2021</i>	<i>2020</i>
Rendering of services	132,626,662.13	103,101,608.31
Receiving services	956,699.76	9,990,259.11
Interest income	845,342.48	902,465.77
Rendering of services		
	<i>2021</i>	<i>2020</i>
Celeritifintech Services Limited	-	195,886.80
Filial Espanola De HCL Technoloiges, S.L. (HCL Spain)	146,590.60	-
Geometric China, Inc.	7,141.77	7,305.10
HCL (Brazil) Tecnologia Da Informacao EIRELI	532,987.72	504,825.49
HCL (Ireland) Information Systems Limited	2,415,930.03	3,263,852.89
HCL (New Zealand) Limited	456,257.58	265,108.45
HCL America Inc.	4,800,538.13	4,404,006.77
HCL Argentina s.a.	148,112.26	-
HCL Asia Pacific Pte Limited	95,420.99	95,038.11
HCL Australia Services Pty. Limited	1,292,126.15	1,115,628.98
HCL Axon Solutions (Shanghai) Co., Limited	9,251,356.26	12,586,162.16
HCL Belgium NV	-	325,686.46

Rendering of services (continued)

	2021	2020
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	1,896,769.43	1,188,770.51
HCL GmbH	-	2,079,146.18
HCL Great Britain Limited	9,735.78	705,633.82
HCL Guatemala, Sociedad Anonima	37,479.00	-
HCL Hong Kong SAR Limited	1,333,741.85	1,706,074.35
HCL Hungary Kft	29,888.79	48,594.84
HCL Istanbul Bilisim Teknolojileri Limited sirketi	112,966.54	14,736.50
HCL Japan Limited	2,405,155.44	514,500.28
HCL Latin America Holding LLC	972,489.43	(2.77)
HCL Muscat Technologies L.L.C	13,505.00	-
HCL Netherlands B.V.	(1,602,876.70)	1,602,876.70
HCL Poland Sp.z.o.o.	574,047.95	-
HCL Saudi Arabia LLC	282,570.58	-
HCL Singapore Pte. Limited	2,126,619.01	1,482,298.07
HCL Technologies (PTY) Limited.	-	642,256.24
HCL Technologies (Taiwan) Limited.	18,542.26	-
HCL Technologies (Thailand) Limited.	938,397.83	282,348.35
HCL Technologies (Vietnam) Company Limited	4,350.47	-
HCL Technologies Angola (SU), LDA.	251,431.97	-
HCL Technologies Belgium BVBA	100,812.21	355,612.47
HCL Technologies BV	8,574,548.78	2,022,749.59
HCL Technologies Colombia SAS	280,217.62	-
HCL Technologies Corporate Services Limited	32,330,416.93	21,700,657.95
HCL Technologies Czech Republic s.r.o.	147,042.14	-
HCL Technologies Denmark ApS	-	117,608.19
HCL Technologies Egypt Limited	-	332,695.69
HCL Technologies France	6,720,760.46	6,597,231.39
HCL Technologies Germany GmbH	4,252,453.27	3,762,903.95
HCL Technologies Greece Single Member P.C.	13,907,702.26	4,793,798.10
HCL Technologies Greece Single Member P.C.	95,843.01	-
HCL Technologies Italy S.p.A.	1,466,002.11	981,738.49
HCL Technologies Limited	19,372,747.54	20,577,050.39
HCL Technologies Lithuania UAB	117,944.68	-
HCL Technologies Luxembourg S.a.r.l	48,301.95	-
HCL Technologies Malaysia SDN BHD	219,785.50	-
HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)	-	12,362.53
HCL Technologies Mexico	1,358,055.32	1,470,580.51
HCL Technologies Middle East FZ- LLC	44,017.01	6,395.78
HCL Technologies Norway AS	606,987.55	-
HCL Technologies Philippines Inc	1,142,697.95	1,685,712.59
HCL Technologies Romania s.r.l.	54,456.75	-
HCL Technologies Solutions GmbH (fly Axon Soltns Schz GmbH)	123,687.31	285,404.54

Rendering of services (continued)

	2021	2020
HCL Technologies South Africa (Proprietary) Limited	53,074.20	-
HCL Technologies Sweden AB	1,128,906.69	2,049,531.55
HCL Technologies UK Limited	11,175,471.13	3,318,840.32
HCL Technologies Vietnam Company Limited	158,121.55	-
PT. HCL Technologies Indonesia	74,148.76	-
Telerox Marketing, Inc.	521,183.33	-
	<u>132,626,662.13</u>	<u>103,101,608.31</u>
Total	<u>132,626,662.13</u>	<u>103,101,608.31</u>

Receiving services

	2021	2020
Celeritifintech Services Limited	-	13,083.58
HCL (Brazil) Technologia Da Informacao EIRELI	12,381.24	-
HCL (New Zealand) Limited	-	33,278.21
HCL America Inc.	-	6,797,559.07
HCL Asia Pacific Pte Limited	-	94,108.24
HCL Australia Services Pty. Limited	-	70,572.35
HCL Axon Solutions (Shanghai) Co., Limited	340,927.09	50,708.52
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	5,413.64	-
HCL GmbH	-	9,373.98
HCL Great Britain Limited	-	145,079.30
HCL Hong Kong SAR Limited	-	12,861.53
HCL Japan Limited	-	13,906.09
HCL Poland Sp.z.o.o.	-	34,109.40
HCL Singapore Pte. Limited	-	138,464.58
HCL Technologies Angola (SU), LDA.	251,430.82	-
HCL Technologies Beijing Co., Limited	315,192.67	23,153.00
HCL Technologies Belgium BVBA	-	52,929.18
HCL Technologies Denmark ApS	-	32,138.95
HCL Technologies Egypt Limited	-	115,722.48
HCL Technologies Germany GmbH	-	256,630.08
HCL Technologies Limited	31,354.30	1,512,039.02
HCL Technologies Lithuania UAB	-	23,020.80
HCL Technologies Malaysia SDN BHD	-	153,624.98
HCL Technologies Mexico	-	36,704.18
HCL Technologies Norway AS	-	24,829.32
HCL Technologies Romania s.r.l.	-	4,403.25
HCL Technologies Sweden AB	-	158,693.62
HCL Technologies UK Limited	-	3,492.85
HCL Technologies Vietnam Company Limited	-	31,917.82
Point To Point Products Limited	-	147,854.73
	<u>956,699.76</u>	<u>9,990,259.11</u>
Total	<u>956,699.76</u>	<u>9,990,259.11</u>



Interest Income

	2021	2020
HCL Technologies Beijing Co., Ltd.	<u>845,342.48</u>	<u>902,465.77</u>

(ii) The balances of related party receivables, payables and borrowings are summarised as follows:

	2021	2020
Accounts receivable	35,987,149.90	118,119,942.32
Other receivables	-	2,285,257.33
Accounts payable	111,079,136.66	117,332,909.14
Payments in advance	-	3,573,396.96
Short-term investments	11,000,000.00	18,000,000.00
Interest receivable	118,767.12	826,027.41
Accrued expenses	251,430.82	-

Accounts receivable

	2021	2020
Celeritifintech Services Limited	-	15,767.27
Filial Espanola De HCL Technoloiges, S.L. (HCL Spain)	99,117.86	-
Geometric China, Inc.	11,458.00	3,886.23
HCL (Brazil) Tecnologia Da Informacao EIRELI	1,225,887.66	682,590.61
HCL (Ireland) Information Systems Limited	859,789.12	1,716,181.79
HCL (New Zealand) Limited	313,373.24	203,890.45
HCL America Inc.	1,033,502.00	1,232,488.00
HCL Argentina s.a.	137,153.92	1,477.03
HCL Australia Services Pty. Limited	242,662.48	401,779.69
HCL Axon Solutions (Shanghai) Co., Limited	(5,476,910.68)	20,582,416.89
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	682,672.49	215,990.24
HCL Great Britain Limited	4,108.77	693,164.53
HCL Guatemala, Sociedad Anonima	37,479.00	-
HCL Hong Kong SAR Limited	356,907.86	1,108,502.58
HCL Hungary Kft	29,888.79	-
HCL Istanbul Bilisim Teknolojileri Limited sirketi	112,966.54	14,736.50
HCL Japan Limited	723,831.86	20,426.83
HCL Latin America Holding LLC	979,294.84	(2.77)
HCL Muscat Technologies L.L.C	13,505.00	-
HCL Poland Sp.z.o.o.	155,625.05	-
HCL Saudi Arabia LLC	418,597.97	873,343.56
HCL Singapore Pte. Limited	905,537.50	1,450,914.89
HCL Technologies (PTY) Limited.	-	400,739.72
HCL Technologies (Taiwan) Limited.	18,542.26	-
HCL Technologies (Thailand) Limited.	82,069.37	863,647.32

Accounts receivable (continued)

	2021	2020
HCL Technologies (Vietnam) Company Limited	4,271.87	-
HCL Technologies Angola (SU), LDA.	251,431.97	-
HCL Technologies Beijing Co., Limited	(193.69)	-
HCL Technologies Belgium BVBA	40,734.89	71,776.28
HCL Technologies BV	3,304,953.22	1,536,118.77
HCL Technologies Chile SpA	(5,806.67)	140,197.52
HCL Technologies Colombia SAS	(1,355,008.75)	(1,638,119.94)
HCL Technologies Corporate Services Limited	13,415,271.77	29,845,259.30
HCL Technologies Czech Republic s.r.o.	147,042.14	-
HCL Technologies Egypt Limited	-	369,057.93
HCL Technologies Estonia OU	-	380,392.96
HCL Technologies Finland Oy	1,800,313.72	3,271,770.51
HCL Technologies France	1,462,497.72	2,122,134.30
HCL Technologies Germany GmbH	4,044,053.45	2,584,433.94
HCL Technologies Greece Single Member P.C.	95,843.01	-
HCL Technologies Italy S.p.A.	775,012.44	840,548.68
HCL Technologies Limited	5,187,252.70	41,832,183.20
HCL Technologies Lithuania UAB	117,944.68	-
HCL Technologies Malaysia SDN BHD	-	12,362.53
HCL Technologies Mexico	1,109,782.96	1,470,580.48
HCL Technologies Middle East FZ- LLC	(22,116.00)	(22,116.00)
HCL Technologies Norway AS	34,315.48	(9,617.00)
HCL Technologies Philippines Inc	107,899.88	1,078,458.02
HCL Technologies Romania s.r.l.	183,058.87	128,602.12
HCL Technologies Sollutions GmbH (fly Axon Soltns Schz GmbH)	-	97,750.86
HCL Technologies South Africa (Proprietary) Limited	53,074.20	-
HCL Technologies Sweden (IOMC)	878,923.89	1,203,255.85
HCL Technologies Sweden AB	-	7,853.23
HCL Technologies UK Limited	807,108.74	2,278,450.92
HCL Technologies Vietnam Company Limited	158,121.55	-
PT. HCL Technologies Indonesia	96,998.96	36,666.50
Telrx Marketing, Inc.	327,306.00	-
	<u>35,987,149.90</u>	<u>118,119,942.32</u>
 Total		
 Other receivables		
	2021	2020
HCL TECHNOLOGIES INDIA	-	372,706.00
HCL AXON SOLUTIONS (SHANGHAI) CO., LTD.	-	1,912,551.33
	<u>-</u>	<u>2,285,257.33</u>
Total		

Accounts payable

	2021	2020
Celeritifintech Services Limited	377,851.83	403,126.13
Filial Espanola De HCL Technoloiges, S.L. (HCL Spain)	99,454.24	107,033.56
HCL (Brazil) Tecnologia Da Informacao EIRELI	2,875,395.00	3,173,380.35
HCL (New Zealand) Limited	34,319.17	33,278.21
HCL America Inc.	32,504,325.01	34,826,243.67
HCL Argentina s.a.	61,656.09	157,255.48
HCL Asia Pacific Pte Limited	83,468.25	94,108.24
HCL Australia Services Pty. Limited	1,241,025.26	1,336,246.62
HCL Axon Solutions (Shanghai) Co., Limited	718,420.96	190,420.01
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	7,351,367.10	7,624,106.76
HCL Great Britain Limited	-	33,182,539.85
HCL Hong Kong SAR Limited	51,149.82	56,123.84
HCL Japan Limited	342,547.28	393,257.56
HCL Netherlands B.V.	(0.01)	1,391,480.14
HCL Poland Sp.z.o.o.	579,595.55	666,959.68
HCL Singapore Pte. Limited	4,131,016.77	4,344,018.49
HCL Technologies (PTY) Limited.	341,170.92	401,414.39
HCL Technologies (Taiwan) Limited.	13,018.10	13,053.73
HCL Technologies (Thailand) Limited.	14,575.00	15,699.34
HCL Technologies Beijing Co., Limited	248,336.57	-
HCL Technologies Belgium BVBA	1,417,561.62	1,537,469.04
HCL Technologies BV	1,318,283.51	11,603.35
HCL Technologies Colombia SAS	37,881.88	39,979.43
HCL Technologies Corporate Services Limited	(50,576.69)	(54,262.67)
HCL Technologies Czech Republic s.r.o.	103,229.18	107,308.79
HCL Technologies Denmark ApS	29,898.28	32,138.95
HCL Technologies Egypt Limited	103,653.64	115,722.48
HCL Technologies Finland Oy	304,528.66	302,007.68
HCL Technologies France	249,400.72	262,518.01
HCL Technologies Germany GmbH	6,323,711.69	6,806,963.00
HCL Technologies Italy S.p.A.	213,073.89	220,590.79
HCL Technologies Limited	14,641,136.83	14,108,078.64
HCL Technologies Lithuania UAB	21,324.20	23,020.80
HCL Technologies Malaysia SDN BHD	943,808.02	940,769.44
HCL Technologies Mexico	874,987.46	1,107,724.03
HCL Technologies Norway AS	96,021.32	106,922.51
HCL Technologies Philippines Inc	38,480.90	39,188.49
HCL Technologies Romania s.r.l.	3,980.23	4,403.25
HCL Technologies South Africa (Proprietary) Limited	60,628.48	73,159.79
HCL Technologies Sweden AB	502,745.07	518,683.60
HCL Technologies UK Limited	32,629,052.09	2,312,820.71
HCL Technologies Vietnam Company Limited	50,406.27	53,587.68

Accounts payable (continued)

	2021	2020
Point To Point Products Limited	-	147,854.73
PT. HCL Technologies Indonesia	723.62	797.79
Urban Fulfillment Services LLC	<u>96,502.88</u>	<u>104,112.78</u>
Total	<u><u>111,079,136.66</u></u>	<u><u>117,332,909.14</u></u>

Payments in advance

	2021	2020
HCL Technologies Beijing Co., Ltd	<u>-</u>	<u>3,573,396.96</u>

Financial assets at fair value through profit or loss

	2021	2020
HCL Technologies Beijing Co., Ltd	<u>11,000,000.00</u>	<u>18,000,000.00</u>

Interest receivable

	2021	2020
HCL Technologies Beijing Co., Ltd	<u>118,767.12</u>	<u>826,027.41</u>

Accrued expenses

	2021	2020
HCL TECHNOLOGIES ANGOLA (SU)	<u>251,430.82</u>	<u>-</u>