

C3i Services & Technologies (Dalian) Co., Ltd
For the year ended 31 December 2022
FINANCIAL STATEMENTS AND AUDITORS' REPORT

[English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]



ShangHai MHCPA'S

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AUDITORS' REPORT

MH No.(2023)21110-1

TO THE SHAREHOLDER OF C3i Services & Technologies (Dalian) Co., Ltd

I. Opinion

We have audited the accompanying financial statements of C3i Services & Technologies (Dalian) Co., Ltd (hereafter referred to as "the Company"), which comprise the balance sheet as at 31 December 2022, the income statement, statement of cash flows and statement of changes in equity for the year then ended, 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 Standards 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 31 December 2022 and of the financial performance and cash flows of the Company for the year ended on that date.

II. Basis of 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.

III. Responsibilities of management for the financial statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of Accounting Standards for Business 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 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.

The directors' responsibilities include overseeing the Company's financial reporting process.

IV. 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 guarantee, but is not a guarantee that an audit conducted in accordance with Chinese Certified Public Accountants Auditing Standards will always detect a material misstatement when it exists. Misstatement 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 judgment and maintain professional scepticism throughout the audit. We also:

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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 the management 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.

Shanghai MH Certified Public Accountants

Certified Public Accountant

Address: Shanghai, China

Certified Public Accountant

14 April 2023



BALANCE SHEET

[English Translation for Reference only]

Client: C3i Services & Technologies (Dalian) Co., Ltd

Currency: Renminbi

Items	Notes	2022.12.31	2021.12.31
CURRENT ASSETS:			
Cash and cash equivalents	1	31,740,741.08	2,385,348.12
Accounts receivable	2	18,474,984.61	40,939,859.95
Prepayments	3	502,016.83	569,443.29
Other receivables	4	315,106.96	282,014.59
Other current assets	5	121,029.23	675,734.26
TOTAL CURRENT ASSETS		51,153,878.71	44,852,400.21
NON-CURRENT ASSETS:			
Cost of fixed assets	6	7,593,025.39	7,460,454.74
Less: Accumulated depreciation	6	5,578,898.08	5,036,118.51
Net value of fixed assets	6	2,014,127.31	2,424,336.23
Intangible assets	7	67,336.68	109,041.90
TOTAL NON-CURRENT ASSETS		2,081,463.99	2,533,378.13
TOTAL ASSETS		53,235,342.70	47,385,778.34

Legal representative:
Raj Kumar Walia

Person in charge of account:
Lili Mao

Head of Finance Department:
Xiaoxia Xu

BALANCE SHEET (CONTINUED)

[English Translation for Reference only]

Client: C3i Services & Technologies (Dalian) Co., Ltd

Currency: Renminbi

Items	Notes	2022.12.31	2021.12.31
CURRENT LIABILITIES:			
Accounts payable	8	2,474,813.14	736,485.44
Advance from customers		2.39	2.39
Salaries and welfare payable		2,500,756.80	2,355,982.77
Tax payables	9	895,627.94	126,814.61
Other payables	10	1,377,546.73	1,957,707.50
TOTAL CURRENT LIABILITIES		7,248,747.00	5,176,992.71
TOTAL LIABILITIES		7,248,747.00	5,176,992.71
OWNER'S EQUITY:			
Paid-in capital	11	1,960,369.12	1,960,369.12
Capital reserves	12	278.19	278.19
Surplus reserves	13	1,018,214.03	1,018,214.03
Retained earnings	14	43,007,734.36	39,229,924.29
TOTAL OWNER'S EQUITY		45,986,595.70	42,208,785.63
TOTAL LIABILITIES AND OWNER'S EQUITY		53,235,342.70	47,385,778.34

Legal representative:
Raj Kumar Walia

Person in charge of accounting:
Lili Mao

Head of Finance Department:
Xiaoxia Xu

INCOME STATEMENT

[English Translation for Reference only]

Client: C3i Services & Technologies (Dalian) Co., Ltd

Currency: Renminbi

Items	Notes	2022	2021
Revenue from operations	15	51,232,276.16	59,647,499.38
Less: Operating cost	16	42,312,536.18	43,328,011.14
Tax and surcharges		232,746.01	18,110.25
Selling expenses	17	356,234.31	123,555.00
General and administrative expenses	18	3,693,878.90	4,860,639.24
Research and development costs		-	-
Financial expenses ("-" for income)	19	177,340.38	4,451,213.74
Add: Other income ("-" for losses)		201,823.10	-
Investment income ("-" for losses)		-	-
Credit impairment losses ("-" for losses)		-155,533.00	-
PROFIT FROM OPERATIONS ("-" FOR LOSSES)		4,505,830.48	6,865,970.01
Add: Non-operating income		-	11,715.97
Less: Non-operating expenses		-	7,857.07
PROFIT BEFORE TAX ("-" FOR LOSSES)		4,505,830.48	6,869,828.91
Less: Income tax expenses	20	768,020.41	1,138,968.29
NET PROFIT FOR THE YEAR ("-" FOR LOSSES)		3,737,810.07	5,730,860.62

Legal representative:
Raj Kumar Walia

Person in charge of accounting:
Lili Mao

Head of Finance Department:
Xiaoxia Xu

CASH FLOW STATEMENT

[English Translation for Reference only]

Client: C3i Services & Technologies (Dalian) Co., Ltd

Currency: Renminbi

Items	Notes	2022	2021
Cash Flows from Operating Activities:			
Cash received from sales of goods or rendering of services		73,726,244.62	43,771,003.73
Refunds of taxes		1,037,112.69	11,715.97
Other cash received relating to operating activities		299,535.08	24,500.00
Sub-total of cash inflows from operating activities		75,062,892.39	43,807,219.70
Cash paid for goods and services		7,982,376.49	8,002,816.91
Cash paid to and on behalf of employees		31,672,283.95	31,478,030.20
Tax payments		3,157,020.95	1,701,633.37
Other cash paid relating to operating activities		2,584,591.29	8,349,663.39
Sub-total of cash outflows from operating activities		45,396,272.68	49,532,143.87
Net Cash Flows from / (used in) Operating Activities		29,666,619.71	-5,724,924.17
Cash Flows from Investing Activities:			
Cash received from disposal of investments		-	-
Cash received from return on investments		-	-
Cash received from disposal of fixed assets, intangible assets and other long-term assets		-	-
Other cash receipts relating to investing activities		-	33,165.83
Sub-total of cash inflows from investing activities		-	33,165.83
Cash paid to acquire fixed assets, intangible assets and other long-term assets		311,226.75	2,145,640.26
Cash paid to acquire investment		-	-
Other cash paid relating to investing activities		-	-
Sub-total of cash outflows from investing activities		311,226.75	2,145,640.26
Net Cash Flows from / (used in) Investing Activities		-311,226.75	-2,112,474.43
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		-	-
Net Increase / (Decrease) in Cash and Cash Equivalents		29,355,392.96	-7,837,398.60
Add: Cash and cash equivalents at the beginning of the year		2,385,348.12	10,222,746.72
Cash and cash equivalents at the end of the year		31,740,741.08	2,385,348.12

Legal representative:
Raj Kumar Walia

Person in charge of accounting:
Lili Mao

Head of Finance Department:
Xiaoxia Xu

STATEMENT OF CHANGES IN OWNER'S EQUITY

Client: C3i Services & Technologies (Dalian) Co., Ltd [English Translation for Reference only]
Currency: Renminbi

Items	Notes	2022					2021					
		1	2	3	4	5	6	7	8	9	10	
Column Number												
1. Balance at last year end		1,960,369.12	278.19	1,018,214.03	39,229,924.29	42,208,785.63	1,960,369.12	278.19	1,018,214.03	33,379,764.49	36,358,625.83	
Add: Corrections to errors in prior periods				40,000.00	40,000.00	40,000.00				119,299.18	119,299.18	
2. Balance at the beginning of the year		1,960,369.12	278.19	1,018,214.03	39,269,924.29	42,248,785.63	1,960,369.12	278.19	1,018,214.03	33,499,063.67	36,477,925.01	
3. Movement for the year					3,737,810.07	3,737,810.07				5,730,860.62	5,730,860.62	
3.1 Total comprehensive income					3,737,810.07	3,737,810.07				5,730,860.62	5,730,860.62	
3.2 Paid-in capital injected by or returned to investors												
a. Paid-in capital injected by investors												
3.3 Appropriations of profits												
a. Appropriations to surplus reserves												
4. Balance at the end of the year		1,960,369.12	278.19	1,018,214.03	43,007,734.36	45,986,595.70	1,960,369.12	278.19	1,018,214.03	39,229,924.29	42,208,785.63	

Legal representative:
Raj Kumar Wallia

Person in charge of accounting:
Lili Mao

Head of Finance Department:
Xiaoxia Xu

NOTES TO THE FINANCIAL STATEMENTS

1. COMPANY BACKGROUND

C3i Services & Technologies (Dalian) Co., Ltd (herein refer the "Company") was incorporated as a wholly owned foreign enterprise on 28 January 2011 in Dalian, Liaoning Province and the operating period is 30 years.

The paid-in capital of the Company is USD 300,000, which was verified by the Dalian Zhonghui Accountant Office Co., Ltd, and issued the report of the capital verification report of Zhong Hui Yan Zi No.047 on 21 June 2011. The business license of the Company was issued with a unified social credit number of 912102315655278111. The registered business address of the Company is Room 108, No 7 Huixian Yuan, Dalian High-tech industrial Zone, Dalian, Liaoning Province, P.R. China.

The registered business scope of the company includes undertaking outsourcing services of data processing and information technology support management. (For business activities subject to authorities' approval according to law, such activities shall be carried out after obtaining permission approved by relevant authorities.)

2. BASIS OF PREPARATION

The Company prepared the financial statements on the basis that the Company is able to continue as a going concern, pursuant to the actual occurred transactions and events, adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance and other relevant regulations issued thereafter.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

3.1 Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended 31 December 2022 truly and completely present the financial position as of 31 December 2022 and the operating results, cash flows and other information for the year then ended of the Company in compliance with the Accounting Standards for Business Enterprises.

3.2 Accounting year

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

3.3 Recording currency

The recording currency and reporting currency of the Company is Renminbi(RMB).

3.4 Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily drawn on demand. 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 change in value.

3.5 Foreign currency translations

Transactions denominated in foreign currencies (currencies other than the recording currency) are translated into Renminbi at the applicable rate of exchange ("market exchange rate") prevailing at the date of the transaction quoted by the People's Bank of China.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

3.6 Receivables

Receivables include notes receivable, accounts receivables and other receivables.

Accounts receivable arising from sale of goods or rendering of services are initially recognised at fair value of the contractual payments from the buyers or service recipients.

Receivables that are individually significant are subject to separate impairment assessment. If there is objective evidence that Company will not be able to collect the full amount under the original terms, a provision for impairment of that receivable is established at the difference between the carrying amount of that receivable and the present value of its estimated future cash flows.

Receivables that are not individually significant and those receivables that have been individually evaluated for impairment and have been found not impaired are combined into certain groups based on their credit risk characteristics. The impairment losses are determined based on the historical loss experience for the groups of receivables with the similar credit risk characteristics and taking into consideration of the current circumstances.

3.7 Fixed assets and depreciation

(1) Recognition

Fixed assets are tangible assets with useful economic lives exceeding one year and are held for management purposes.

Fixed assets shall be recognised only when it is probable that economic benefits will flow to the Company and the amounts can be reliably measured.

Fixed assets are measured initially at cost upon acquisition.

(2) Classification and depreciation policies

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. Depreciation is provided when the fixed assets are ready for their intended use and should cease when they are derecognised as fixed assets. The estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows (without considering impairment):

Category of fixed assets	Estimated useful life	Residual Value	Annual rate of depreciation
Electronic devices	5 years	0%	20.00%
Electronic equipment	4-5 years	0%	25.00%-20.00%
Furniture	7 years	0%	14.29%

3.8 Employee benefits

Employee benefits mainly include wages or salaries, bonuses, allowances and subsidies, staff welfare, social security contributions, housing funds, labour union funds, employee education funds and other expenditures incurred in exchange for service rendered by employees.

Employee benefits are recognised as salaries and welfare payable in the accounting period in which an employee has rendered service, as costs of assets or expenses to whichever the employee service is attributable.

3.9 Revenue recognition

If the Company performed the obligations in the contract, revenue shall be recognized when the customer acquires the right of control over relevant commodities or services.

If the contract contains two or more performance obligations, the Company shall apportion the transaction price to each individual performance obligation on the contract commencement date according to the relative proportion of the individual selling price of the commodities or services promised by each individual performance obligation. The Company measures the revenue according to the transaction price apportioned to each individual performance obligation.

When one of the following conditions is met, it belongs to the performance obligation within a certain period of time, or otherwise it belongs to the performance obligation at a certain point of time:

- ① The customer acquires and consumes the economic benefits arising from the Company's performance while the company performs the contract.
- ② The customer can control the commodities in progress during the Company's performance.
- ③ The commodities produced by the Company during the performance possess have irreplaceable usage, and the company has the right to collect payment for the performance part accumulated so far during the entire contract period.

For the performance obligations performed within a certain period of time, the Company shall recognize the revenue according to the performance progress within that period of time, except that the performance progress cannot be reasonably determined. If the performance progress cannot be reasonably recognized and the costs incurred are expected to be compensated, the Company will recognize the revenue according to the amount of costs incurred until the performance progress can be reasonably recognized.

For the performance obligations performed at a certain point of time, the Company will recognize the revenue when the customer acquires the right of control over relevant commodities or services. While determining whether the customer has acquired the control over the commodities or services, the Company shall take the following into consideration:

- ① The Company has the current collection right for the such commodities or services, that is, the customer has the current payment obligation for such commodities or services.
- ② The Company has transferred the legal title of such commodities to the customer, that is, the customer already has the legal title of such commodities.
- ③ The Company has transferred the physical commodities to the customer, that is, the customer has possessed the physical commodities.
- ④ The Company has transferred the major risks and rewards of the commodity title to the customer, that is, the customer has acquired the major risks and rewards of the commodity title.
- ⑤ The customer has accepted such commodities or services.
- ⑥ Other signs that the customer has taken control of the product.

3.10 Lease

Lease means the contract by which the lessor transfers the right to use the assets to the lessee for a given period to obtain the consideration. On the commencement of the contract, the Company will assess whether the contract is a lease or contains the lease. If a party to the contract conveys the right to control the use of one or more identified assets for a given period to obtain a consideration, this contract is a lease or contains the lease.

(1) The Company as a lessee

The Company chooses not to recognize the right-of-use assets and lease liabilities for the short-term lease and low-value asset lease, and records relevant lease payment into the current profit or loss or relevant asset cost according to the straight-line method in each period of the lease term.

Short-term lease means the lease of no more than 12 months and excluding the call option on the commencement of the lease term. Low-value asset lease means a lease of lower value when the single leased asset is brand-new. If the Company sublets or is expected to sublet the leased assets, the original lease is not a low-value asset lease.

4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES AND CORRECTION OF ACCOUNTING ERRORS

4.1 Changes of accounting policies

There are no Changes of accounting policies

4.2 Changes of accounting estimates

There are no Changes of accounting estimates.

4.3 Corrections to significant accounting errors

There are no Corrections to significant accounting errors.

5. TAXATION

5.1 Main taxes and rates

Category of Taxes	Bases of Taxes	Tax Rates
Value Added Tax	Taxable revenue	6%
Enterprise Income Tax	Taxable profit	15%

6. DETAILED NOTES ON MAIN FINANCIAL STATEMENTS ITEMS

6.1 Cash and bank

Items	2022.12.31	2021.12.31
Cash in Bank	31,740,741.08	2,385,348.12
Total	31,740,741.08	2,385,348.12

At the end of the period the Company has no amount of pledge, frozen or potential non recoverable cash.

6.2 Accounts receivable

(1) Aging analysis

Age	2022.12.31		2021.12.31	
	Amount	Percentage	Amount	Percentage
Within 1 year	18,474,984.61	99%	40,939,859.95	100.00%
1~2 years	155,533.00	1%	-	0.00%
Subtotal	18,630,517.61	100%	40,939,859.95	100.00%
Less: Provision	155,533.00		-	
Total	18,474,984.61	100%	40,939,859.95	100%

(2) Movements of provision are detailed as follows:

2021.12.31	Additions	Decreases		2022.12.31
		Write-off	Reversal	
-	155,533.00	-	-	155,533.00

(3) The most important companies of the final balance are listed below:

Companies	2022.12.31 Amount
TELERX MARKETING INC	10,726,744.84
HCL Technologies UK Limited	2,700,802.77
HCL Technologies Limited	2,227,355.12

6.3 Prepayments

(1) Aging analysis

Age	2022.12.31		2021.12.31	
	Amount	Percentage	Amount	Percentage
Within 1 year	502,016.83	100%	569,443.29	100%
Subtotal	502,016.83	100%	569,443.29	100%
Less: Provision	-		-	
Total	502,016.83	100%	569,443.29	100%

(2) The most important companies of the final balance are listed below:

Companies	2022.12.31 Amount
Generali China Life Insurance Company Shanghai	163,882.42
DLSP Ascendas Co.,Ltd	111,692.70
Beijing JT Cloud Technology Develop Co.,Ltd Shanghai Branch	53,078.06

6.4 Other receivables

(1) Aging analysis

Age	2022.12.31		2021.12.31	
	Amount	Percentage	Amount	Percentage
Within 1 year	33,902.99	11%	810.62	0%
1~2 years	-	0%	-	0%
2~3 years	-	0%	-	0%
Over 3 years	281,203.97	89%	281,203.97	100%
Subtotal	315,106.96	100%	282,014.59	100%
Less: Provision	-		-	
Total	315,106.96	0%	282,014.59	0%

(2) The most important companies of the final balance are listed below:

Companies	Amount
DLSP Ascendas Co.,Ltd	273,643.97
Dalian SECOM Electronic Security Co.,Ltd	7,560.00

6.5 Other current assets

Items	2022.12.31	2021.12.31
Input tax to be deducted	121,029.23	675,734.26
Total	121,029.23	675,734.26

6.6 Fixed assets

(1) Cost

Category	2021.12.31	Additions	Decreases	2022.12.31
Furniture	140,957.30	-	-	140,957.30
Electronic equipment	1,246,190.39	-	178,643.03	1,067,547.36
Electronic devices	6,073,307.05	311,226.75	13.07	6,384,520.73
Total	7,460,454.74	311,226.75	178,656.10	7,593,025.39

(2) Accumulated depreciation

Category	2021.12.31	Additions	Decreases	2022.12.31
Furniture	51,740.53	13,584.36	-	65,324.89
Electronic equipment	1,211,134.58	29,909.89	178,643.03	1,062,401.44
Electronic devices	3,773,243.40	677,928.35	-	4,451,171.75
Total	5,036,118.51	721,422.60	178,643.03	5,578,898.08

(3) Net carrying value

Category	2021.12.31	2022.12.31
Furniture	89,216.77	75,632.41
Electronic equipment	35,055.81	5,145.92
Electronic devices	2,300,063.65	1,933,348.98
Total	2,424,336.23	2,014,127.31

6.7 Intangible Assets

6.7.1 Cost

Items	2021.12.31	Additions	Decreases	2022.12.31
Software	115,570.01	-	-	115,570.01
Total	115,570.01	-	-	115,570.01

6.7.2 Accumulated amortization

Items	2021.12.31	Additions	Decreases	2022.12.31
Software	6,528.11	41,705.22	-	48,233.33
Total	6,528.11	41,705.22	-	48,233.33

6.7.4 Net carrying value

Items	2021.12.31	2022.12.31
Software	109,041.90	67,336.68
Total	109,041.90	67,336.68

6.8 Accounts payable

(1) Aging analysis

Age	2022.12.31		2021.12.31	
	Amount	Percentage	Amount	Percentage
Within 1 year	2,474,813.14	100%	736,485.44	100%
Total	2,474,813.14	100%	736,485.44	100%

(2) The most important companies of the final balance are listed below:

Companies	Amount
Dalian First Talent Development Management	1,190,822.78
Dalian Brighttalent ConsultingG Co.,Ltd	356,845.63
Lenovo Beijing Ltd	175,385.74

6.9 Tax payables

Items	2022.12.31	2021.12.31
Enterprise Income tax	895,627.94	126,814.61
Total	895,627.94	126,814.61

6.10 Other payables

6.10.1 Category

Items	2022.12.31	2021.12.31
Other payables	1,377,546.73	1,957,707.50
Total	1,377,546.73	1,957,707.50

6.10.2 Aging analysis

Age	2022.12.31		2021.12.31	
	Amount	Percentage	Amount	Percentage
Within 1 year	1,377,546.73	100%	1,957,707.50	100%
Total	1,377,546.73	100%	1,957,707.50	100%

6.10.3 The most important companies of the final balance are listed below:

Companies	Amount
Procurri Beijing Co.,Ltd	379,784.64
Dalian Brighttalent ConsultingG Co.,Ltd	302,343.48
Dalian First Talent Development Management	291,096.42

6.11 Paid-in capital

Name	2022.12.31		2021.12.31	
	USD	RMB	USD	RMB
Telrx Marketing Inc.	300,000.00	1,960,369.12	300,000.00	1,960,369.12
Total	300,000.00	1,960,369.12	300,000.00	1,960,369.12

6.12 Capital surplus

Items	2021.12.31	Additions	Decreases	2022.12.31
Other capital surplus	278.19	-	-	278.19
Total	278.19	-	-	278.19

6.13 Surplus reserves

Items	2021.12.31	Additions	Decreases	2022.12.31
Statutory reserve fund	1,018,214.03	-	-	1,018,214.03
Total	1,018,214.03	-	-	1,018,214.03

6.14 Retained earnings/(Accumulated losses)

Items	2022.12.31	2021.12.31
Opening balance	39,229,924.29	33,379,764.49
Add: Impact due to change of accounting policies		
Corrections of errors in prior periods	40,000.00	119,299.18
Opening balance	39,269,924.29	33,499,063.67
Add:Net profit / (loss) for the year	3,737,810.07	5,730,860.62
Prior year income adjustment	-	-
Closing balance	43,007,734.36	39,229,924.29

6.15 Revenue from operations

Items	2022	2021
Data Processing Service	51,232,276.16	59,647,499.38
Total	51,232,276.16	59,647,499.38

6.16 Operating cost

Items	2022	2021
Data Processing Service	42,312,536.18	43,328,011.14
Total	42,312,536.18	43,328,011.14

6.17 Selling expenses

Items	2022	2021
Selling expenses	356,234.31	123,555.00
Total	356,234.31	123,555.00
Major items:		
Items		2022
Staff cost		345,679.33
Client Entertainment		8,860.00
Overexpenditure of employee welfare		1,694.98

6.18 General and administrative expenses

Items	2022	2021
General and administrative expenses	3,693,878.90	4,860,639.24
Total	3,693,878.90	4,860,639.24
Major items:		
Items	2022	
Staff cost	2,298,838.31	
House keeping Services	319,727.47	
Professional Charges	231,709.79	

6.19 Financial expenses

Items	2022	2021
Minus:Interest income	62,214.82	39,120.32
Exchange losses	239,555.20	4,490,334.06
Total	177,340.38	4,451,213.74

6.20 Income tax expenses

Items	2022	2021
Income tax expenses for the year	768,020.41	1,138,968.29
Total	768,020.41	1,138,968.29

7. CASH FLOW

Adjustments to reconcile net profit to net cash from operating activities:

Items	2022	2021
Net profit	3,737,810.07	5,730,860.62
Add:		
Depreciation of fixed assets	542,779.57	565,222.80
Amortization of intangible assets	41,705.22	9,709.99
Decrease in operating receivables ("- " for increase)	23,272,570.55	-12,856,319.17
Increase in operating payables ("- " for decrease)	2,071,754.30	825,601.59
Net cash flow from operating activities	29,666,619.71	-5,724,924.17

8. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

8.1 Related parties

(1) The following are related parties where a control relationship exists

A. Name of related parties and relationship with the Company

Name	Relationship
Telrx Marketing Inc.	Investor
HCL Technologies Limited	Ultimate controlling party

B. Capitals invested and changes of capital of the related parties

Name	2022.12.31		2021.12.31	
	Share/equity	Percentage	Share/equity	Percentage
Telrx Marketing Inc.	1,960,369.12	100%	1,960,369.12	100%
Total	1,960,369.12	100%	1,960,369.12	100%

(2) The following are related parties where a control relationship does not exist

Name	Relationship
HCL America Inc.	Under common control of the same ultimate holding company
HCL Mexico S. de R.L.	Under common control of the same ultimate holding company
HCL CANADA INC.	Under common control of the same ultimate holding company
HCL Technologies Romania s.r.l.	Under common control of the same ultimate holding company
HCL Technologies UK Limited	Under common control of the same ultimate holding company
HCL Technologies Belgium BVBA	Under common control of the same ultimate holding company
HCL Technologies Sweden AB	Under common control of the same ultimate holding company
HCL Technologies Italy S.P.A	Under common control of the same ultimate holding company
HCL Technologies Czech Republic s.r.o.	Under common control of the same ultimate holding company
HCL Technologies Corporate Services Limited	Under common control of the same ultimate holding company
HCL Australia Services Pty. Limited	Under common control of the same ultimate holding company
HCL Singapore Pte. Limited	Under common control of the same ultimate holding company
HCL Japan Limited	Under common control of the same ultimate holding company
HCL Technologies Egypt Limited	Under common control of the same ultimate holding company
HCL Axon Solutions (Shanghai) Co. Ltd	Under common control of the same ultimate holding company
HCL (Ireland) Information Systems Limited.	Under common control of the same ultimate holding company
HCL Technologies Columbia S.A.S	Under common control of the same ultimate holding company
HCL Technologies Luxembourg S.a r.l	Under common control of the same ultimate holding company
HCL (New Zealand) Limited	Under common control of the same ultimate holding company

8.2 Related parties transactions

(1) Pricing policies

The price of the service provided by the related party are negotiated by both parties.

8.3 Amounts due from/to related parties

(1) Accounts receivables

Name	2022.12.31	2021.12.31
HCL Technologies Limited	2,227,355.12	292,693.00
HCL America Inc.	0.51	-
HCL CANADA INC.	990,300.56	-
TELERX MARKETING INC	10,726,744.84	36,199,028.65
HCL Technologies Romania s.r.l.	75,150.81	-
HCL Technologies UK Limited	2,700,802.77	1,372,688.83
HCL Technologies Sweden AB	807,503.13	-
HCL Technologies Corporate Services Limited	27,364.06	-
HCL Australia Services Pty. Limited	69,284.43	63,716.78
HCL Singapore Pte. Limited	104,010.96	-
HCL Japan Limited	432,946.58	-
HCL Technologies Egypt Limited	15,515.98	-
HCL Axon Solutions (Shanghai) Co. Ltd	298,004.36	777,462.20
HCL (Ireland) Information Systems Limited.	-	2,416,331.64
Total	18,474,984.11	41,121,921.10

(2) Accounts payables

Name	2022.12.31	2021.12.31
HCL America Inc.	6,074.16	-
TELERX MARKETING INC	41,226.94	-
HCL Axon Solutions (Shanghai) Co. Ltd	30,759.83	-
HCL Technologies Columbia S.A.S	3,870.95	4,247.50
HCL Technologies Luxembourg S.a r.l	12,259.43	-
HCL (New Zealand) Limited	5,025.85	4,982.36
Total	99,217.16	9,229.86

(3) Advance from customers

Name	2022.12.31	2021.12.31
TELERX MARKETING INC	2.35	-
Total	2.35	-

9. CONTINGENT EVENTS

There are no significant contingent events to be disclosed.

10. COMMITMENTS

There are no commitments to be disclosed.

11. POST BALANCE SHEET EVENTS

As at 31 December 2022, the Company has no post balance sheet event that needs to be disclosed.

* * * * *

C3i Services & Technologies (Dalian) Co., Ltd

14 April 2023

TAXABLE INCOME RECONCILIATION

For the year ended 31 December 2022

[English Translation for Reference only]

Client: C3i Services & Technologies (Dalian) Co., Ltd

Currency: Rmb

Items	Amount
Accounting income for the year	4,505,830.48
Add: Administrative fines	
Excessive entertainment expenses for customers	3,544.00
Wages unpaid at the end of the year	2,400,485.64
Overexpenditure of employee welfare	358,658.80
Provision for doubtful debts	155,533.00
Increase in tax adjustment	2,918,221.44
Less: Wages paid at the end of last year	2,303,915.84
Decrease in tax adjustment	2,303,915.84
Taxable income for the year	5,120,136.08

Legal representative: Raj Kumar Walia

Financial director: Lili Mao

Financial manager: Xiaoxia Xu

Note: The adjustments of taxable income referred to above are to be determined by the tax bureau.



营业执照

统一社会信用代码 91310113586752049H

证照编号 13000000201510230412

名称 上海茂恒会计师事务所（普通合伙）

类型 普通合伙企业

主要经营场所 上海市宝山区牡丹江路 1325 号 4420-N 室

执行事务合伙人 丁志军

成立日期 2011 年 11 月 21 日

合伙期限 2011 年 11 月 21 日至 2031 年 11 月 20 日

经营范围

审查企业会计报表、出具审计报告；验证企业资本、出具验资报告；办理企业合并、分立、清算事宜中的审计业务、出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询；税务咨询；管理咨询；会计培训；法律、法规规定的其他业务。

【依法须经批准的项目，经相关部门批准后方可开展经营活动】



登记机关

2015 年 10 月 23 日

