



# 报 告 书

REPORT

中国 上海

SHANGHAI CHINA

**C3i Services & Technologies (Dalian) Co., Ltd**

**FINANCIAL STATEMENTS AND  
REPORT OF THE AUDITORS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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



**C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD**

**Financial Statements and Report of the Auditors**

**For the year ended 31 December 2020**

[English translation for reference only]

<b>Contents</b>	<b>Page</b>
Report of the auditors	1 -3
Company's balance sheets	4
Company's income statement	5
Company's cash flow statements	6
Statement of changes in owners' equity	7
Notes to financial statements	8 – 15

## Report of the Auditors

Mao Heng Kuai Bao (2021) No. 21159-1

To the Board of Directors of C3i Services & Technologies (Dalian) Co.,Ltd:

### 1. Audit Opinion

We have audited the accompanying financial statements of C3i Services & Technologies (Dalian) Co.,Ltd ("the Company"), which comprise the balance sheet as at 31 December 2020 and the income statement, statement of cash flows and the statements of changes in owners' equity for the year then ended, and the notes to these financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Company's financial position of C3i Services & Technologies (Dalian) Co.,Ltd as at 31 December 2020, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

### 2. Basis for the Audit 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 Ethics for Chinese Certified Public Accountants together with the ethical requirements that are relevant to our audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Responsibilities of Management and Directors 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 group or to cease operations, or has no realistic alternative but to do so.

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

#### **4. 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 Chinese Certified Public Accountants 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 SSAs, we exercise professional judgement 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 group'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 group'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 group 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 directors 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.

Attachments:

1. C3i Services & Technologies (Dalian) Co.,Ltd Balance Sheet as at 31 December 2020
2. C3i Services & Technologies (Dalian) Co.,Ltd Income Statement for the year ended 31 December 2020
3. C3i Services & Technologies (Dalian) Co.,Ltd Statement of Cash Flows for the year ended 31 December 2020
4. C3i Services & Technologies (Dalian) Co.,Ltd Statement of Changes in Equity for the year ended 31 December 2020
5. C3i Services & Technologies (Dalian) Co.,Ltd Notes to Financial Statements for the year ended 31 December 2020

Shanghai Mao Heng Certified Public Accountants



Chinese Certified Public Accountant



Shanghai, the People's Republic of China

Chinese Certified Public Accountant



20 Mar 2021

C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD

BALANCE SHEET

AS AT 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)  
[English Translation for Reference Only]

ASSETS	Note	31 December 2020	31 December 2019
<b>Current assets</b>			
Cash at bank and in hand	6(1)	10,222,746.72	3,623,223.75
Accounts receivable	6(2),7(4)	28,687,561.49	24,825,053.64
Other receivables	6(2),7(4)	590,902.76	305,024.07
Advances to suppliers		332,268.67	179,026.46
Other current assets		-	49,922.92
<b>Total current assets</b>		<u>39,833,479.64</u>	<u>28,982,250.84</u>
<b>Non-current assets</b>			
Fixed assets – net value	6(3)	959,488.81	1,032,216.27
Intangible assets	6(4)	3,181.88	5,091.38
<b>Total Non-current assets</b>		<u>962,670.69</u>	<u>1,037,307.65</u>
<b>TOTAL ASSETS</b>		<u>40,796,150.33</u>	<u>30,019,558.49</u>
<b>LIABILITIES AND OWNER'S EQUITY</b>			
<b>Current liabilities</b>			
Accounts Payable		470,373.30	-
Advances from customers	7(4)	337,599.39	-
Salary and welfare payable		1,998,256.63	-
Taxes payable	6(5)	660,239.75	332,374.85
Other payables		971,055.43	463,005.28
<b>Total current liabilities</b>		<u>4,437,524.50</u>	<u>795,380.13</u>
<b>TOTAL LIABILITIES</b>		<u>4,437,524.50</u>	<u>795,380.13</u>
<b>Owner's equity</b>			
Paid-in capital(2020&2019: USD 300,000)	1	1,960,369.12	1,960,369.12
Capital reserve		278.19	278.19
Surplus reserve		1,018,214.03	1,018,214.03
Retained earnings		33,379,764.49	26,245,317.02
<b>Total owner's equity</b>		<u>36,358,625.83</u>	<u>29,224,178.36</u>
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<u>40,796,150.33</u>	<u>30,019,558.49</u>

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Raj Kumar Walia

Person in charge of accounting function: Lili Mao  
Person in charge of accounting department: Xiaoxia Xu



C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD

INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)  
[English Translation for Reference Only]

	Note	Year ended 31 December 2020	Year ended 31 December 2019
<b>1. Revenues</b>	6(6)	39,701,208.67	32,436,706.36
Less: Cost of sales	6(6)	(31,287,028.21)	(17,116,092.95)
Tax and surcharges		(14,859.90)	(11,702.80)
Operating expenses		(187,215.72)	-
General and administrative expenses		(3,091,353.50)	(11,168,916.73)
Finance expenses - net	6(7)	3,010,097.84	393,136.14
<b>2. Operating Profit</b>		8,130,849.18	4,533,130.02
Add: Non-operating income		157,345.83	117,151.92
<b>3. Total Profit</b>		8,288,195.01	4,650,281.94
Less: Income taxes expenses	6(8)	(1,573,893.09)	(1,183,531.19)
<b>4. Net Profit</b>		6,714,301.92	3,466,750.75

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Raj Kumar Walia

Person in charge of accounting function:  
Lili Mao

Person in charge of accounting department:  
Xiaoxia Xu



C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD

**CASH FLOW STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
 (All amounts in RMB Yuan unless otherwise stated)  
 [English Translation for Reference Only]

	Year ended 31 December 2020	Year ended 31 December 2019
<b>1. Cash flows from operating activities</b>		
Cash received from sales of goods or rendering of services	39,176,242.19	32,208,010.13
Cash received from tax-return	938,281.61	416,451.97
Cash received relating to other operating activities	156,641.09	191,443.98
<b>Sub-total of cash inflows</b>	<u>40,271,164.89</u>	<u>32,815,906.08</u>
Cash paid to suppliers	(4,163,430.28)	(580,748.85)
Cash paid to and on behalf of employees	(22,470,921.92)	(19,943,753.32)
Payments of taxes and surcharges	(1,851,292.15)	(1,765,419.80)
Cash paid relating to other operating activities	(4,470,562.04)	(8,072,327.99)
<b>Sub-total of cash outflows</b>	<u>(32,956,206.39)</u>	<u>(30,362,249.96)</u>
<b>Net cash flows from operating activities</b>	<u>7,314,958.50</u>	<u>2,453,656.12</u>
<b>2. Cash flows from investing activities</b>		
Cash paid to acquire fixed assets and intangible assets	(715,435.53)	(31,748.85)
<b>Sub-total of cash outflows</b>	<u>(715,435.53)</u>	<u>(31,748.85)</u>
<b>Net cash flows from investing activities</b>	<u>(715,435.53)</u>	<u>(31,748.85)</u>
<b>3. Net increase in cash</b>	6,599,522.97	2,135,907.27
Add: Cash at the beginning of year	3,623,223.75	1,487,316.48
<b>4. Cash at the end of year</b>	<u>10,222,746.72</u>	<u>3,623,223.75</u>

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Raj Kumar Walia

Person in charge of accounting function:  
Lili Mao

Person in charge of accounting department:  
Xiaoxia Xu



C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD

STATEMENT OF CHANGES IN OWNERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020  
(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

	Paid-in capital	Capital reserve	Surplus reserve	Retained earnings	Total owners' equity
<b>Balance at 1 January 2019</b>	1,960,369.12	278.19	1,018,214.03	22,778,566.27	25,757,427.61
<b>Movements for the year ended 31 December 2019</b>					
Net profit	-	-	-	3,466,750.75	3,466,750.75
<b>Balance at 31 December 2019</b>	1,960,369.12	278.19	1,018,214.03	26,245,317.02	29,224,178.36
Prior year's adjustment	-	-	-	420,145.55	420,145.55
<b>Balance at 1 January 2020</b>	1,960,369.12	278.19	1,018,214.03	26,665,462.57	29,644,323.91
<b>Movements for the year ended 31 December 2020</b>					
Net profit	-	-	-	6,714,301.92	6,714,301.92
<b>Balance at 31 December 2020</b>	1,960,369.12	278.19	1,018,214.03	33,379,764.49	36,358,625.83

The accompanying notes form an integral part of these financial statements.

Legal representative:  
Raj Kumar Walia

Person in charge of accounting function:  
Lili Mao

Person in charge of accounting department:  
Xiaoxia Xu



## C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

#### 1 General Information

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 has assessed its ability to continue as a going concern for the following 12 months from the end of the financial year, and there has been no events or conditions that may cast significant doubt upon the ability to continue as a going concern. Based on transactions or events that have actually occurred, the financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises as promulgated by the State of the People's Republic of China.

#### 3 Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended 31 December 2020 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position as of 31 December 2020 and the operating results, cash flows and other information for the year then ended of the Company.

#### 4 Summary of Significant Accounting Policies and Accounting Estimates

##### (1) Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

##### (2) Recording currency

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

##### (3) Foreign currency translation

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.

## C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

#### 4 Summary of Significant Accounting Policies and Accounting Estimates (continued)

##### (4) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, call deposits with banks and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### (5) Receivables

Receivables comprise accounts receivable and other receivables. Accounts receivable arising from 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.

When the Company transfers the accounts receivable to financial institutions without recourse, the net amount of proceeds received from the transaction after the carrying amounts of the accounts receivable and related taxes is recognised in profit or loss for the current period.

##### (6) Fixed assets

Fixed assets comprise office equipment and other. Fixed assets purchased or constructed by the Company are initially measured at cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Company and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

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. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives and the estimated residual values expressed as a percentage of cost are as follows:

	Estimated useful lives	Estimated residual value
Electronic devices	3 years	10%
Electronic equipment	3 years	10%
Furniture	5 years	10%

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

**4 Summary of Significant Accounting Policies and Accounting Estimates (continued)**

(6) Fixed assets (continued)

According to the requirement by our Group, fixed assets accounting policy in all affiliates shall be consistent with the Group since the year of 2020, now changed to:

	Estimated useful lives	Estimated residual value
Electronic devices	5 years	0%
Electronic equipment	4-5 years	0%
Furniture	7 years	0%

The estimated useful life, the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at least at each year-end.

A fixed asset classified as an asset held for sale is presented as other current asset at the lower of the carrying amount and the fair value less costs to sell. Any excess of the original carrying amount over the fair value less the costs to sell is recognised as asset impairment loss.

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

(7) Intangible assets

Intangible assets include software.

(a) Software

Software is amortized on useful lives as 10 years.

(8) Impairment of long-term assets

Fixed assets are tested for impairment if there is any indication that an asset may be impaired at the balance date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in the subsequent periods.

(9) 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 wages 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.

**C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

**5 Taxation**

The types and rates of taxes applicable to the Company are set out below:

Type	Tax rate	Taxable base
Enterprise income tax	15%	Taxable income
Value added tax ("VAT")	6%	Taxable value added amount (Tax payable is calculated using the taxable sales amount multiplied by the effective tax rate less deductible VAT input of current period)

**6 Notes to the Financial Statements**

**(1) Cash at bank and in hand**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Cash at bank	10,222,746.72	3,623,223.75
	<u>10,222,746.72</u>	<u>3,623,223.75</u>

**(2) Accounts receivable and other receivables**

**(a) Accounts receivables**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Accounts receivables	28,687,561.49	24,825,053.64
Less: provision for bad debts	-	-
	<u>28,687,561.49</u>	<u>24,825,053.64</u>

**(b) Other receivables**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Other receivables	590,902.76	305,024.07
Less: provision for bad debts	-	-
	<u>590,902.76</u>	<u>305,024.07</u>

**C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**  
(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

**6 Notes to the Financial Statements(continued)**

**(3) Fixed assets**

	Furniture	Electronic equipment	Electronic devices	Total
<b>Cost</b>				
31 December 2019	51,596.44	104,286.93	4,759,817.04	4,915,700.41
Current year additions	-	1,137,203.46	633,128.79	1,770,332.25
Current year disposals	(1,278.94)	-	(1,254,369.22)	(1,255,648.16)
31 December 2020	50,317.50	1,241,490.39	4,138,576.61	5,430,384.50
<b>Accumulated depreciation</b>				
31 December 2019	(44,858.25)	(89,411.84)	(3,749,214.05)	(3,883,484.14)
Current year depreciation	(3,571.40)	(1,067,637.30)	(364,168.50)	(1,435,377.20)
Current year disposals	-	-	847,965.65	847,965.65
31 December 2020	(48,429.65)	(1,157,049.14)	(3,265,416.90)	(4,470,895.69)
<b>Net book value</b>				
31 December 2020	1,887.85	84,441.25	873,159.71	959,488.81
31 December 2019	6,738.19	14,875.09	1,010,602.99	1,032,216.27

**(4) Intangible assets**

	Software	Total
31 December 2019	5,091.38	5,091.38
Current year addition	-	-
Current year amortization	(1,909.50)	(1,909.50)
31 December 2020	3,181.88	3,181.88

**(5) Taxes payable**

	31 December 2020	31 December 2019
Corporate income tax	660,239.75	205,835.39
Individual tax	-	123,926.66
Stamp tax	-	2,612.80
	660,239.75	332,374.85

**(6) Revenue and cost of sales**

	Year ended 31 December 2020		Year ended 31 December 2019	
	Revenue	Cost of sales	Revenue	Cost of sales
Main operations				
- Data Processing Service	39,701,208.67	(31,287,028.21)	32,436,706.36	(17,116,092.95)

**C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**  
(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

**6 Notes to the Financial Statements(continued)**

**(7) Finance expenses**

	Year ended 31 December 2020	Year ended 31 December 2019
Interest income	35,488.40	9,272.82
Exchange gains or losses - net	2,982,438.44	393,328.82
Bank charges	(7,829.00)	(9,465.50)
	<u>3,010,097.84</u>	<u>393,136.14</u>

**(8) Income taxes expenses**

	Year ended 31 December 2020	Year ended 31 December 2019
Income tax	(1,573,893.09)	(1,183,531.19)
	<u>(1,573,893.09)</u>	<u>(1,183,531.19)</u>

**(9) Notes to cash flow statements**

**(a) Reconciliation from net profit to cash flows from operating activities**

	Year ended 31 December 2020	Year ended 31 December 2019
Net profit	6,714,301.93	3,466,750.75
Adjustment: Depreciation of Fixed assets	587,411.55	422,803.50
Amortization of Intangible assets	1,909.50	1,909.08
Amortization of Long-term deferred expense	-	56,678.66
Increase in operating receivables	(4,050,954.40)	(629,637.62)
Increase/(Decrease) in operating payables	4,062,289.92	(864,848.25)
Net cash flows from operating activities	<u>7,314,958.50</u>	<u>2,453,656.12</u>

**(b) Net increase in cash and cash equivalents**

	Year ended 31 December 2020	Year ended 31 December 2019
Cash at the end of the year	10,222,746.72	3,623,223.75
Less: cash at the beginning of the year	3,623,223.75	1,487,316.48
Net increase in cash	<u>6,599,522.97</u>	<u>2,135,907.27</u>

**7 Significant Related Parties and Related Party Transactions**

**(1) The parent company**

**(a) General information of the parent company:**

	Registered address	Nature of business
Telery Marketing Inc.	United States of America	IT and ITES Service Provider

The Company's ultimate controlling party is HCL Technologies Limited.

**C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**  
(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

**7 Significant Related Parties and Related Party Transactions(continued)**

**(1) The parent company(continued)**

**(b) Registered capital and changes in registered capital of the parent company:**

	31 December 2019	Increase in current year	Decrease in current year	31 December 2020
Telrx Marketing Inc.	USD 2,000.00	-	-	USD 2,000.00

**(c) The proportions of equity interests in the Company held by the parent company:**

	31 December 2020	31 December 2019
Telrx Marketing Inc.	100%	100%

**(2) Nature of related parties that do not control or are not controlled by the Company:**

Name of entity	Relationship with the Company
HCL Technologies UK Limited	Under common control of HCL Technologies Limited.
HCL (Ireland) Information Systems Limited.	Under common control of HCL Technologies Limited.
HCL Technologies Solutions GmbH	Under common control of HCL Technologies Limited.
HCL Japan Limited	Under common control of HCL Technologies Limited.
HCL Axon Solutions (Shanghai) Co. Ltd	Under common control of HCL Technologies Limited.
HCL America Inc.	Under common control of HCL Technologies Limited.

**(3) Significant related party transactions**

**(a) Pricing policies**

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

**(4) Balance of accounts receivable, other receivables and advances from customers**

**(a) Accounts receivables**

	31 December 2020	31 December 2019
HCL Axon Solutions (Shanghai) Co. Ltd	1,584,140.67	-
HCL Japan Limited	323,722.46	-
HCL Technologies Solutions GmbH	80,072.42	-
HCL (Ireland) Information Systems Limited.	2,550,336.22	-
HCL Technologies UK Limited	102,120.43	-
HCL Technologies Ltd	321,570.00	-
Telrx Marketing Inc.	23,684,533.42	24,539,106.64
	<u>28,646,495.62</u>	<u>24,539,106.64</u>

**(b) Other receivables**

	31 December 2020	31 December 2019
Telrx Marketing Inc.	78,171.50	-
HCL America Inc.	236,664.37	-
	<u>314,835.87</u>	<u>-</u>

**C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**  
(All amounts in RMB Yuan unless otherwise stated)  
[English translation for reference only]

**7 Significant Related Parties and Related Party Transactions(continued)**

**(4) Balance of accounts receivable, other receivables and advances from customers(continued)**

**(c) Advances from customers**

	<b>31 December 2020</b>	<b>31 December 2019</b>
Telrx Marketing Inc.	337,599.39	-
	<u>337,599.39</u>	<u>-</u>

**8 Commitments**

**(1) Operating lease commitments**

The future aggregate minimum lease payments due under non-cancelable operating leases are as follows:

	<b>Year ended 31 December 2020</b>	<b>Year ended 31 December 2019</b>
Less than 1 year	941,551.36	1,142,327.04
1-2 years	-	941,551.36
	<u>941,551.36</u>	<u>2,353,878.40</u>

C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD

Supplementary Information Provided by Management  
For the year ended 31 December 2020

[English translation for reference only]



**C3I SERVICES & TECHNOLOGIES (DALIAN) CO., LTD**  
**SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT**

(All amounts in RMB Yuan unless otherwise stated)  
[English Translation for Reference Only]

**Reconciliation of Taxable Income**  
**For the year ended 31 December 2020**

Total profit	8,288,195.01
Add: Excess entertainment expenses	14,624.40
Balance of accrued salary at 31 December 2020	1,915,588.07
Commercial insurance paid for employees	274,213.10
Taxable income (A)	<u>10,492,620.58</u>
Income tax rate (B)	15%
Income Tax (A)*(B)	<u>1,573,893.09</u>

Note: The final taxable income for the year is to be examined and approved by the tax authorities.



# 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