

HCL TECHNOLOGIES (SHANGHAI) LIMITED

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS
FOR THE YEAR FROM 1 JANUARY 2024 TO 31 DECEMBER 2024
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION
AND ITS ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL



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AUDITOR'S REPORT

毕马威华振沪审字第2501066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 27, which comprise the balance sheet as at 31 December 2024, 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 2024, 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.

AUDITOR'S REPORT (continued)

毕马威华振沪审字第2501066号

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.

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.



AUDITOR'S REPORT (continued)

毕马威华振沪审字第2501066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

Wang Shi Di

22 APR 2025

HCL Technologies (Shanghai) Limited
Balance sheet as at 31 December 2024
(Expressed in Renminbi Yuan)

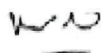
	Note	2024	2023
Assets			
Current assets			
Cash at bank and on hand	5	110,961,721.80	222,486,402.98
Interest receivable		315,544.72	646,110.57
Accounts receivable	6	49,590,722.55	48,489,822.83
Other receivables		14,614.58	225,884.01
Payments in advance		890,530.62	1,385,941.96
Deferred expenses		690,675.14	924,694.53
Other current assets	4(c)	<u>9,597,945.68</u>	<u>1,330,793.18</u>
Total current assets		<u>172,061,755.09</u>	<u>275,489,650.06</u>
Fixed assets			
Original carrying amount		13,178,713.45	12,052,535.44
Less: Accumulated depreciation		<u>(11,255,934.78)</u>	<u>(10,886,915.60)</u>
Net carrying amount of fixed assets	7	<u>1,922,778.67</u>	<u>1,165,619.84</u>
Other assets			
Goodwill	8	6,561,626.40	-
Intangible assets	9	16,982,492.00	-
Long-term deferred expenses	10	905,576.49	1,465,689.40
Other long-term assets		<u>784,974.31</u>	<u>2,304,708.44</u>
Total other assets		<u>25,234,669.20</u>	<u>3,770,397.84</u>
Total assets		<u>199,219,202.96</u>	<u>280,425,667.74</u>

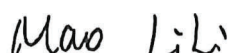
The notes on pages 8 to 27 form part of these financial statements.

HCL Technologies (Shanghai) Limited
Balance sheet as at 31 December 2024(continued)
(Expressed in Renminbi Yuan)

	Note	2024	2023
Liabilities and owner's equity			
Current liabilities			
Accounts payable		42,528,465.41	124,366,457.06
Receipt in advance		208,026.43	17,176,769.00
Accrued payroll		11,818,168.79	11,122,044.36
Taxes payable	4(d)	2,039,596.39	1,172,034.50
Deferred revenue		283,593.00	-
Accrued expenses		5,139,880.02	7,212,339.29
Total current liabilities		62,017,730.04	161,049,644.21
Non-Current liabilities			
Long term payable		56,799.00	-
Total non-current liabilities		56,799.00	-
Total liabilities		62,074,529.04	161,049,644.21
Owner's equity			
Paid-in capital	11	15,316,566.95	15,316,566.95
Surplus reserve	12	7,658,283.47	7,658,283.47
Retained earnings	13	114,169,823.50	96,401,173.11
Total owner's equity		137,144,673.92	119,376,023.53
Total liabilities and owner's equity		199,219,202.96	280,425,667.74

These financial statements were approved by the Board of Directors of the Company on. 22 APR 2025


Raj Walia Kumar
Legal Representative
(Signature and stamp)


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



The notes on pages 8 to 27 form part of these financial statements.

HCL Technologies (Shanghai) Limited
Income and profit appropriation statement
for the year ended 31 December 2024
(Expressed in Renminbi Yuan)

	Note	2024	2023
Sales from principal activities	14	193,599,801.87	174,553,578.45
Less: Cost of sales from principal activities		(169,678,208.93)	(152,267,453.67)
Business taxes and surcharges from principal activities	4(a)	<u>(18,396.05)</u>	<u>(4,409.56)</u>
Profit from principal activities		23,903,196.89	22,281,715.22
Less: Operating expenses		(2,213,112.40)	(1,119,877.57)
General and administrative expenses		(7,853,329.21)	(11,875,610.83)
Financial income	15	<u>8,379,449.87</u>	<u>8,104,714.98</u>
Operating profit		22,216,205.15	17,390,941.80
Add: Subsidy income		<u>78,212.49</u>	<u>931,263.75</u>
Profit before income tax		22,294,417.64	18,322,205.55
Less: Income tax	4(b)	<u>(4,525,767.25)</u>	<u>(2,904,042.96)</u>
Net profit for the year		<u><u>17,768,650.39</u></u>	<u><u>15,418,162.59</u></u>

The notes on pages 8 to 27 form part of these financial statements.

HCL Technologies (Shanghai) Limited
Income and profit appropriation statement
for the year ended 31 December 2024 (continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2024</i>	<i>2023</i>
Net profit for the year		17,768,650.39	15,418,162.59
Add: Retained earnings at the beginning of the year		<u>96,401,173.11</u>	<u>80,983,010.52</u>
Profits available for distribution		114,169,823.50	96,401,173.11
Less: Statutory surplus reserve	12	<u>-</u>	<u>-</u>
Retained earnings at the end of the year		<u>114,169,823.50</u>	<u>96,401,173.11</u>

The notes on pages 8 to 27 form part of these financial statements.

HCL Technologies (Shanghai) Limited
Cash flow statement
for the year ended 31 December 2024
(Expressed in Renminbi Yuan)

	Note to the cash flow statement	2024	2023
Cash flows from operating activities:			
Cash received from rendering of services		178,548,440.96	170,152,552.78
Cash received relating to other operating activities		<u>289,481.92</u>	<u>726,844.40</u>
Subtotal of cash inflows		<u>178,837,922.88</u>	<u>170,879,397.18</u>
Cash paid for services		(150,124,320.81)	(34,422,686.71)
Cash paid to and for employees		(133,873,060.41)	(134,339,791.80)
Cash paid for all types of taxes		(3,676,601.41)	(2,311,127.39)
Cash paid relating to other operating activities		<u>(7,873,510.86)</u>	<u>(2,257,614.31)</u>
Subtotal of cash outflows		<u>(295,547,493.49)</u>	<u>(173,331,220.21)</u>
Net cash outflow from operating activities	i	<u>(116,709,570.61)</u>	<u>(2,451,823.03)</u>

The notes on pages 8 to 27 form part of these financial statements.

HCL Technologies (Shanghai) Limited
Cash flow statement
for the year ended 31 December 2024 (continued)
(Expressed in Renminbi Yuan)

	<i>Note to the cash flow statement</i>	<i>2024</i>	<i>2023</i>
Cash flows from investing activities:			
Cash received from interest income		<u>6,761,373.40</u>	<u>7,378,223.96</u>
Subtotal of cash inflows		<u>6,761,373.40</u>	<u>7,378,223.96</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		(404,647.54)	(689,479.75)
Cash paid for business mergers and acquisitions		<u>(1,171,836.43)</u>	<u>-</u>
Subtotal of cash outflows		<u>(1,576,483.97)</u>	<u>(689,479.75)</u>
Net cash inflow from investing activities		<u>5,184,889.43</u>	<u>6,688,744.21</u>
Net (decrease)/increase in cash and cash equivalents	ii	<u>(111,524,681.18)</u>	<u>4,236,921.18</u>

The notes on pages 8 to 27 form part of these financial statements.

HCL Technologies (Shanghai) Limited
Cash flow statement
for the year ended 31 December 2024 (continued)
(Expressed in Renminbi Yuan)

Notes to the cash flow statement

	2024	2023
<i>i Reconciliation of net profit to cash flows from operating activities</i>		
Net profit	17,768,650.39	15,418,162.59
Add: Accrual of provision for impairment of assets	642,238.96	29,500.24
Depreciation of fixed assets	496,105.70	767,514.03
Amortisation of intangible assets	241,381.00	-
Amortisation of long-term deferred expenses	560,112.91	706,552.25
Decrease/(increase) in deferred expenses	234,019.39	1,623,529.32
(Decrease)/Increase in accrued expenses	(2,072,459.27)	3,602,638.32
Net financial income	(6,430,807.55)	(7,320,085.09)
Decrease/(increase) in gross operating receivables	(6,133,056.51)	19,841.68
Decrease in operating payables	<u>(122,015,755.63)</u>	<u>(17,299,476.37)</u>
Net cash outflow from operating activities	<u>(116,709,570.61)</u>	<u>(2,451,823.03)</u>
<i>ii Net increase in cash and cash equivalents</i>		
Cash and cash equivalents at the end of the year	110,961,721.80	222,486,402.98
Less: Cash and cash equivalents at the beginning of the year	<u>(222,486,402.98)</u>	<u>(218,249,481.80)</u>
Net increase in cash and cash equivalents	<u>(111,524,681.18)</u>	<u>4,236,921.18</u>

The notes on pages 8 to 27 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 2,200,000.00. 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 representatives Raj Walia Kumar 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, except for the exchange gains and losses directly relating to the construction of fixed assets, 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

(i) Short-term investments

Short-term investments are carried at the lower of cost and market value. The cost of a short-term investment is the total price paid on acquisition of the investment. However, it does not include cash dividends which have been declared but which are unpaid or unpaid interest on debentures which was due at the time of acquisition.

Provision for diminution in value is made on an item-by-item basis for any shortfall of the market value over the cost of individual short-term investments.

With the exception of cash dividends which have been declared but which are unpaid at the time of acquisition and interest on debentures which is due but not yet paid at the time of acquisition, cash dividends and interest are set off against the carrying amount of the short-term investments when received by the Company. Upon the disposal of short-term investments, the difference between the carrying amount of the short-term investments and the proceeds received is recognised as profit or loss for the current period.

(ii) 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(m)). 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; while loans with a period and remaining terms longer than one year are classified under long-term investments, balances with remaining terms equal to or less than one year are reclassified to "Long-term debt investments maturing within one year".

(h) Fixed assets and construction in progress

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

All direct and indirect costs that are related to the construction of fixed assets and incurred before the assets are ready for their intended use are capitalised as construction in progress. Those costs include borrowing costs (including foreign exchange differences arising from the loan principal and the related interest) on specific borrowings for the construction of the fixed assets during the construction period. Construction in progress is transferred to fixed assets when it is ready for its intended use. No depreciation is provided against construction in progress.

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 are as follows:

Expenses occurred before go alive (Training, labor, travel expense, etc.)	3 - 5 years
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(j) Lease

(i) Assets leased out under finance leases

At the inception of a finance lease, the aggregate of the minimum lease receipts for the leased assets is recorded under finance lease receivables. The difference between the aggregate of the minimum lease receipts and the unguaranteed residual value and the aggregate of the present value of the minimum lease receipts and the present value of the unguaranteed residual value is recognised as unrealised finance income under finance leases. Finance lease receivables that will fall due after one year and the unguaranteed residual values are included in other long-term assets in the balance sheet at the end of the year. Finance lease receivables that will fall due within one year are included in accounts receivable in the balance sheet.

Finance income under finance leases is recognised in each accounting period over the lease term using the effective interest rate method.

(ii) Assets leased out under operating leases

Where the Company leases out assets under operating leases, the assets are included in the balance sheet according to their nature and are depreciated in accordance with the Company's depreciation policies, as set out in note 3(h). Impairment losses are provided for in accordance with the accounting policy set out in note 3(m). Revenue derived from operating leases is recognised in the income statement using the straight-line method over the lease term.

(iii) Operating lease charges

Lease payments under operating leases are charged as expenses on a straight-line basis over the lease term.

(k) Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation and impairment losses (see note 3(m)). The cost of the intangible assets is amortised on a straight-line basis over their estimated useful lives. The amortisation period for the intangible assets is as follows:

Customer Relationship	9 years
Order backlog	1.5 years

(l) Goodwill

The initial cost of goodwill represents the excess of the cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving entities under common control.

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note 3(m)). On disposal of an asset group or a set of asset groups, any attributable goodwill is written off and included in the calculation of the profit or loss on disposal.

(m) 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.

(n) 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.

(o) 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.

(p) 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, local 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 and construction tax, education fee surcharge, local education fee surcharge, etc.

(b) Income tax

Income tax in the income statement represents:

	<i>2024</i>	<i>2023</i>
Provision for income tax for the year	<u>4,525,767.25</u>	<u>2,904,042.96</u>

The statutory income tax rate of the Company is 25%. The applicable income tax rate for the year is a preferential rate of 15% (2023: 15%). The Company obtained a certification of Technologically Advanced Service Enterprise on 12 November 2021, therefore the Company is entitled to a preferential income tax rate of 15% from 2021 to 2024.

(c) Other current assets

	2024	2023
VAT deductible	9,007,030.34	1,330,793.18
Withholding Tax	198,491.55	-
Financial lease receivable	392,423.79	-
	<u>9,597,945.68</u>	<u>1,330,793.18</u>
Total	<u>9,597,945.68</u>	<u>1,330,793.18</u>

(d) Taxes payable

	2024	2023
Corporate income tax payable	2,039,596.39	1,172,034.50
Total	<u>2,039,596.39</u>	<u>1,172,034.50</u>

5 Cash at bank and on hand

	2024	2023
Demand deposits	41,618,371.80	16,293,502.98
Fixed deposits	69,343,350.00	206,192,900.00
Total	<u>110,961,721.80</u>	<u>222,486,402.98</u>

6 Accounts receivable

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

	2024			2023		
	RMB	Percentage of total accounts receivable	Provision for bad and doubtful	RMB	Percentage of total accounts receivable	Provision for bad and doubtful
Within 1 year	42,015,199.78	83.39%	(721,187.76)	38,298,404.88	78.86%	(78,948.80)
After 1 year but within 2 years	6,883,076.77	13.78%	-	7,340,692.04	15.11%	-
After 2 years	1,413,633.76	2.83%	-	2,929,674.71	6.03%	-
Total	<u>50,311,910.31</u>	<u>100.00%</u>	<u>(721,187.76)</u>	<u>48,568,771.63</u>	<u>100.00%</u>	<u>(78,948.80)</u>

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

Provision for bad and doubtful debts

	2024	2023
Opening balance as at 1 January	78,948.80	367,116.04
Add: Accrual/(reversal) during the year	642,238.96	29,500.24
Less: Write-offs during the year	-	(317,667.48)
Closing balance as at 31 December	<u>721,187.76</u>	<u>78,948.80</u>

7 Fixed assets

	<i>Office equipment</i>	<i>Electronic equipment</i>	<i>Total</i>
Cost			
As at 1 January 2024	489,797.92	11,562,737.52	12,052,535.44
Additions	-	357,563.53	357,563.53
Acquisition	-	895,702.00	895,702.00
Disposal	-	(127,087.52)	(127,087.52)
As at 31 December 2024	<u>489,797.92</u>	<u>12,688,915.53</u>	<u>13,178,713.45</u>
Accumulated depreciation			
As at 1 January 2024	(274,334.03)	(10,612,581.57)	(10,886,915.60)
Charge for the year	(54,473.90)	(441,631.80)	(496,105.70)
Less	-	127,086.52	127,086.52
As at 31 December 2024	<u>(328,807.93)</u>	<u>(10,927,126.85)</u>	<u>(11,255,934.78)</u>
Carrying amount			
As at 31 December 2024	<u>160,989.99</u>	<u>1,761,788.68</u>	<u>1,922,778.67</u>
As at 31 December 2023	<u>215,463.89</u>	<u>950,155.95</u>	<u>1,165,619.84</u>

8 Goodwill

	<i>Goodwill</i>
As at 1 January 2024	-
Additions	<u>6,561,626.40</u>
As at 31 December 2024	<u>6,561,626.40</u>

The Company paid RMB24,397,608.40 (tax excluded) as acquisition cost for the purchase of business relating to software products in Hewlett Packard Enterprise (China) Co., Ltd. and Shanghai Hewlett-Packard Co. Ltd. in 23 May 2024. The acquired identified assets are customer relationships, order backlog, fixed assets and deferred revenue. The values on the purchase date are RMB15,454,807.00, RMB1,769,066.00, RMB895,702.00 and RMB283,593.00 respectively, with a total of RMB17,835,982.00. The excess of the acquisition cost over the value on purchase date of acquired amounting to RMB6,561,626.40, was recognised as goodwill. As of 31 December 2024, a total of RMB1,171,836.43 of purchase price including tax has been paid.

9 Intangible assets

	<i>Customer Relationship</i>	<i>Order backlog</i>	<i>Total</i>
Cost			
As at 1 January 2024	-	-	-
Acquisition	<u>15,454,807.00</u>	<u>1,769,066.00</u>	<u>17,223,873.00</u>
As at 31 December 2024	<u>15,454,807.00</u>	<u>1,769,066.00</u>	<u>17,223,873.00</u>
Accumulated amortization			
As at 1 January 2024	-	-	-
Charge for the year	<u>(143,100.00)</u>	<u>(98,281.00)</u>	<u>(241,381.00)</u>
As at 31 December 2024	<u>(143,100.00)</u>	<u>(98,281.00)</u>	<u>(241,381.00)</u>
Carrying amount			
As at 31 December 2024	<u>15,311,707.00</u>	<u>1,670,785.00</u>	<u>16,982,492.00</u>
As at 1 January 2024	<u>-</u>	<u>-</u>	<u>-</u>

10 Long-term deferred expenses

	<i>Expenses occurred before go alive (Training, labor, travel expense, etc.)</i>
As at 1 January 2024	1,465,689.40
Amortization during the year	<u>(560,112.91)</u>
As at 31 December 2024	<u>905,576.49</u>

11 Paid-in capital

Registered capital and paid-in capital

	<i>2024 and 2023</i>		
	<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

Note *Statutory surplus
reserve*

As at 1 January 2024 and 31 December 2024 13 7,658,283.47

13 Profit appropriation

Appropriation to surplus reserve-general reserve fund

In accordance with the Articles of Association, the Company makes appropriation to surplus reserve-general reserve fund based on the 10% of net profit of each year. The Company discontinues the appropriation as the balance of the general reserve fund reaches 50% of its registered capital.

14 Sales from principal activities

2024 *2023*

Rendering of services 193,599,801.87 174,553,578.45

15 Financial income

2024 *2023*

Interest income	(6,430,807.55)	(7,320,085.09)
Net exchange gains	(2,001,598.29)	(637,879.64)
Others	<u>52,955.97</u>	<u>(146,750.25)</u>
Total	<u>(8,379,449.87)</u>	<u>(8,104,714.98)</u>

16 Related party relationships and transactions

(a) Related party with controlling relationship

*Registered
address* *Relationship with the
Company*

HCL Technologies Ltd. India Parent company

Equity interests held by related party with controlling relationship and their changes

	<i>At the beginning of the year</i>		<i>Increase</i>		<i>At the end of the year</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
HCL Technologies Ltd.	119,376,023.53	100%	17,768,650.44	100%	137,144,673.97	100%

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

Relationship with the Company

HCL America Inc.	A fellow subsidiary
HCL Argentina s.a.	A fellow subsidiary
HCL (Brazil) Tecnologia Da Informacao EIRELI	A fellow subsidiary
HCL Technologies Mexico	A fellow subsidiary
HCL Technologies South Africa (Proprietary) Limited	A fellow subsidiary
HCL Technologies Colombia SAS	A fellow subsidiary
HCL Technologies (PTY) Limited. (Fy HCL Axon PTY Limited.)	A fellow subsidiary
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	A fellow subsidiary
Urban Fulfillment Services LLC	A fellow subsidiary
Telerox Marketing, Inc.	A fellow subsidiary
HCL TECHNOLOGIES TRINIDAD AND TOBAGO LIMITED	A fellow subsidiary
HCL Great Britain Limited	A fellow subsidiary
Filial Espanola De HCL Technoloiges, S.L.(HCL Spain)	A fellow subsidiary
HCL Poland Sp.z.o.o.	A fellow subsidiary
HCL Technologies Romania s.r.l.	A fellow subsidiary
HCL Technologies Germany GmbH	A fellow subsidiary
HCL Technologies UK Limited	A fellow subsidiary
HCL Technologies BV	A fellow subsidiary
HCL (Ireland) Information Systems Limited	A fellow subsidiary
HCL Technologies Belgium BVBA	A fellow subsidiary
HCL Technologies Sollutions GmBH (fly Axon Soltns Schz GmbH)	A fellow subsidiary
HCL Technologies Chile SpA	A fellow subsidiary
HCL Technologies Sweden AB	A fellow subsidiary
HCL Technologies Finland Oy	A fellow subsidiary
HCL Technologies Lithuania UAB	A fellow subsidiary
HCL Technologies Italy S.p.A.	A fellow subsidiary
HCL Istanbul Bilisim Teknolojileri Limited sirketi	A fellow subsidiary
HCL Technologies Greece Single Member P.C.	A fellow subsidiary
HCL Technologies Czech Republic s.r.o.	A fellow subsidiary
HCL Technologies Norway AS	A fellow subsidiary
HCL Technologies Austria GmbH	A fellow subsidiary
HCL Technologies Corporate Services Limited	A fellow subsidiary
HCL Technologies Vietnam Company Limited	A fellow subsidiary
HCL Technologies France SAS	A fellow subsidiary
HCL Australia Services Pty. Limited	A fellow subsidiary
HCL Singapore Pte. Limited	A fellow subsidiary
HCL Japan Limited	A fellow subsidiary
HCL (New Zealand) Limited	A fellow subsidiary
HCL Saudi Arabia LLC	A fellow subsidiary
HCL Technologies Middle East FZ- LLC	A fellow subsidiary
HCL Technologies Egypt Limited	A fellow subsidiary
HCL Muscat Technologies L.L.C	A fellow subsidiary
HCL Axon Solutions (Shanghai) Co., Limited	A fellow subsidiary
HCL Hong Kong SAR Limited	A fellow subsidiary
HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)	A fellow subsidiary
PT. HCL Technologies Indonesia	A fellow subsidiary
HCL Technologies Philippines Inc	A fellow subsidiary
HCL Technologies Beijing Co., Limited	A fellow subsidiary
HCL Asia Pacific Pte Limited	A fellow subsidiary
HCL Technologies (Taiwan) Limited.	A fellow subsidiary
HCL Technologies (Thailand) Limited.	A fellow subsidiary

Relationship with the Company

C3i Services & Technologies (Dalian) Co., Limited	A fellow subsidiary
HCL Latin America Holding LLC	A fellow subsidiary
HCL Technologies Lanka (Private) Limited	A fellow subsidiary
HCL Technologies (Vietnam) Company Limited	A fellow subsidiary
HCL Technologies Angola (SU), LDA.	A fellow subsidiary
HCL TECHNOLOGIES S.A.C.	A fellow subsidiary
HCL Technologies France	A fellow subsidiary
Geometric China, Inc.	A fellow subsidiary
HCL Technologies Denmark ApS	A fellow subsidiary
HCL Guatemala, Sociedad Anonima	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:

	2024	2023
Rendering of services	169,117,423.19	157,835,670.99
Receiving services	13,378,038.42	9,717,842.57

Rendering of services

	2024	2023
Filial Espanola De HCL Technologies, S.L. (HCL Spain)	-	1,592,271.68
HCL (Brazil) Tecnologia Da Informacao EIRELI	41,297.97	948,171.06
HCL (Ireland) Information Systems Limited	1,213,271.13	1,404,214.09
HCL (New Zealand) Limited	230,599.15	689,430.16
HCL America Inc.	2,017,162.02	6,509,096.13
HCL Argentina s.a.	-	164,400.03
HCL Asia Pacific Pte Limited	488,703.76	338,629.44
HCL Australia Services Pty. Limited	5,034,549.95	2,977,760.68
HCL Axon Solutions (Shanghai) Co., Limited	8,648,611.39	13,119,620.60
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	(199,253.93)	413,352.58
HCL Hong Kong SAR Limited	-	487,034.44
HCL Japan Limited	1,541,345.81	1,739,206.89
HCL Latin America Holding LLC	1,019,977.61	195,228.82
HCL Poland Sp.z.o.o.	21,360.02	-
HCL Singapore Pte. Limited	425,429.05	2,176,921.86
HCL Technologies (PTY) Limited. (Fy HCL Axon PTY Limited.)	1,501,339.35	249,752.95
HCL Technologies (Taiwan) Limited.	-	67,294.86
HCL Technologies (Thailand) Limited.	179,397.35	56,115.64
HCL Technologies Vietnam Company Limited	-	442,689.39

Rendering of services (continued)

	2024	2023
HCL Technologies Angola (SU), LDA.	(744,878.61)	744,457.21
HCL Technologies Belgium BVBA	707,149.70	23,916.88
HCL Technologies BV	513,083.71	5,472,520.51
HCL Technologies Chile SpA	-	23,097.16
HCL Technologies Colombia SAS	-	14,269.64
HCL Technologies Corporate Services Limited	124,024,322.15	40,239,889.48
HCL Technologies Czech Republic s.r.o.	10,826.72	461,848.44
HCL Technologies France	473,756.56	4,402,226.85
HCL Technologies Germany GmbH	7,081,700.33	27,282,266.11
HCL Technologies Greece Single Member P.C.	413,005.34	-
HCL Technologies Italy S.p.A.	11,344.37	1,062,260.91
HCL Technologies Limited	3,754,090.24	12,799,811.12
HCL Technologies Malaysia SDN BHD (Fly HCLAxonMalaysiaSDNBHD)	1,020,619.00	7,610.06
HCL Technologies Mexico	356,685.29	3,643,376.77
HCL Technologies Middle East FZ- LLC	1,434.94	135,261.08
HCL Technologies Philippines Inc	96,426.41	516,069.93
HCL Technologies Sollutions GmbH (fly Axon Soltns Schz GmbH)	1,063,979.53	3,633,781.74
HCL TECHNOLOGIES TRINIDAD AND TOBAGO LIMITED	-	(1,716.37)
HCL Technologies UK Limited	5,282,237.47	12,909,932.16
PT. HCL Technologies Indonesia	-	55,575.11
Telrx Marketing, Inc.	232,044.83	133,108.12
HCL Technologies Finland Oy	2,484,372.89	9,004,660.83
HCL Technologies Sweden AB	-	731,802.27
HCL Technologies Sweden	-	968,453.68
HCL Technologies Sweden (IOMC)	157,234.07	-
HCL Technologies Norway AS	10,920.88	-
HCL Technologies Austria GmbH	3,276.74	-
Total	<u>169,117,423.19</u>	<u>157,835,670.99</u>

Receiving services

	2024	2023
C3i Services & Technologies (Dalian) Co., Limited	-	346,674.68
HCL America Inc.	5,224.73	15,926.81
HCL Asia Pacific Pte Limited	-	43,597.73
HCL Australia Services Pty. Limited, Australia	-	172,132.04
HCL Axon Solutions (Shanghai) Co., Ltd.	385,318.04	700,776.28
HCL Hong Kong SAR Limited	30,069.33	-
HCL Istanbul Bilisim Teknolojileri Limited sirketi	-	6,136.89
HCL Poland Sp.z.o.o.	-	76,277.74
HCL Singapore Pte. Limited	-	62,187.06
HCL Technologies Beijing Co., Ltd.	2,739,207.04	2,368,067.93
HCL Technologies Germany GmbH	4,246.86	8,305.45
HCL Technologies Italy S.p.A.	-	287,876.72
HCL Technologies Lanka (Private) Limited	-	39,675.07
HCL Technologies Limited	1,291,572.58	1,537,441.35
HCL Technologies Malaysia SDN BHD	59.27	-
HCL Technologies Norway AS	-	181,834.53
HCL Technologies UK Limited	282,447.59	533,543.28
HCL Technologies Romania s.r.l.	-	16,013.37
HCL Technologies Czech Republic s.r.o.	91,632.88	-
HCL Technologies Sweden (IOMC)	-	245,074.96
HCL Technologies South Africa (Proprietary) Limited	18,087.41	-
HCL America Solutions Inc.	868.05	-
HCL Technologies Corporate Services Limited	7,764,700.13	-
HCL Technologies Vietnam Company Limited	681.40	-
HCL Technologies France	391.40	-
HCL Japan Limited, Japan	66,865.53	-
HCL Technologies (Thailand) Limited.	33.66	-
Telrx Marketing, Inc.	696,632.52	3,076,300.68
Total	<u>13,378,038.42</u>	<u>9,717,842.57</u>

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

	2024	2023
Accounts receivable	37,949,349.61	43,399,866.43
Accounts payable	10,161,130.69	123,186,979.73
Accrued expenses	5,333,993.34	1,305,103.49
Receipt in advance	-	16,721,277.00
Other receivables	-	7,407.66
Prepayment	-	43,878.00

Accounts receivable

	2024	2023
HCL Technologies Limited	214,711.83	2,360,610.18
HCL America Inc.	3.58	3,028,906.01
HCL Argentina s.a.	175,840.53	531,694.36
HCL (Brazil) Tecnologia Da Informacao EIRELI	2,959,739.04	2,866,600.68
HCL Technologies Mexico	9,821.06	2,957,495.44
HCL Technologies (PTY) Limited. (Fy HCL Axon PTY Limited.)	608,283.59	-
HCL Canada Inc. (Fy HCL Axon Technologies Inc.)	2,484.03	344,583.89
HCL Technologies Trinidad And Tobago Limited	107,263.21	104,482.92
HCL Great Britain Limited	(0.23)	4,108.77
Filial Espanola De HCL Technoloiges, S.L.(HCL Spain)	-	1,473,679.71
HCL Technologies Germany GmbH	311,316.91	5,204,923.96
HCL Technologies UK Limited	227,527.58	2,657,631.03
HCL Technologies BV	9,941.86	2,087,860.10
HCL (Ireland) Information Systems Limited	3,652.79	-
HCL Technologies Belgium BVBA	1,247.23	2,516.97
HCL Technologies Sollutions GmbH (fly Axon Soltns Schz GmbH)	-	586,682.94
HCL Technologies Chile SpA	-	22,204.66
HCL Technologies Sweden AB	-	79,548.37
HCL Technologies Finland Oy	714.53	3,200,526.75
HCL Technologies Italy S.p.A.	11,426.47	307,122.34
HCL Istanbul Bilisim Teknolojileri Limited sirketi	-	169,841.44
HCL Technologies Corporate Services Limited	26,748,961.33	4,197,134.36
HCL Technologies France SAS	15,501.89	1,958,680.89
HCL Australia Services Pty. Limited	1,362,648.94	717,331.73
HCL Japan Limited	450,935.35	1,207,327.62
HCL Saudi Arabia LLC	-	162,762.93
HCL Technologies Middle East FZ- LLC	1,443.29	55,287.92
HCL Technologies Egypt Limited	-	98,116.09

Accounts receivable (continued)

	2024	2023
HCL Axon Solutions (Shanghai) Co., Limited	3,083,376.52	586,128.88
HCL Hong Kong SAR Limited	-	5,009.14
PT. HCL Technologies Indonesia	-	249,257.75
HCL Technologies Philippines Inc	-	434,915.65
HCL Technologies Beijing Co., Limited	74,688.92	0.21
HCL Asia Pacific Pte Limited	1,599.78	324,323.72
HCL Technologies (Taiwan) Limited.	-	51,736.20
HCL Technologies (Thailand) Limited.	-	54,670.84
HCL Latin America Holding LLC	-	2,209,455.13
HCL Technologies Lanka (Private) Limited	685,998.95	815,443.78
HCL Technologies (Vietnam) Company Limited	442,768.24	593,685.10
HCL Technologies Angola (SU), LDA.	441,697.44	1,174,344.79
HCL Technologies S.A.C.	-	513,233.18
HCL Technologies Colombia SAS	(2,720.88)	-
HCL Technologies Sweden (IOMC)	19,386.65	-
HCL Technologies Norway AS	10,942.67	-
HCL Technologies Austria GmbH	3,283.52	-
HCL Technologies Malaysia SDN BHD (Fy HCLAxonMalaysiaSDNBHD)	258,070.76	-
Total	<u>38,242,557.38</u>	<u>43,399,866.43</u>

Accounts payable

	2024	2023
C3i Services & Technologies (Dalian) Co., Limited	377,253.67	367,475.14
Filial Espanola De HCL Technologies, S.L.(HCL Spain)	-	108,749.38
HCL (Brazil) Tecnologia Da Informacao EIRELI	626,045.98	3,320,304.52
HCL (New Zealand) Limited	-	35,485.80
HCL America Inc.	470.22	36,642,845.92
HCL Argentina s.a.	-	8,746.45
HCL Asia Pacific Pte Limited	-	51,505.07
HCL Australia Services Pty. Limited	-	981,499.15
HCL Axon Solutions (Shanghai) Co., Ltd.	1,432,752.06	1,205,372.69
HCL Canada Inc.	-	7,907,038.23
HCL Hong Kong SAR Limited	4,024.23	-
HCL Poland Sp.z.o.o.	-	1,213,591.57
HCL Singapore Pte. Limited	-	5,038,269.88
HCL Technologies (PTY) Limited.	-	245,314.72
HCL Technologies (Taiwan) Limited.	-	13,196.38
HCL Technologies (Thailand) Limited.	36.49	15,777.21
HCL Technologies Beijing Co., Ltd.	5,801,041.55	8,994,747.93
HCL Technologies Belgium BVBA	-	1,550,049.18
HCL Technologies BV	-	1,467,572.23
HCL Technologies Colombia SAS	-	42,433.07
HCL Technologies Corporate Services Limited	1,766,413.71	0.68
HCL Technologies Czech Republic s.r.o.	-	676,852.97
HCL Technologies Finland Oy	-	11,969.89
HCL Technologies France	19.69	244,822.29
HCL Technologies Germany GmbH	4,219.25	6,923,247.91
HCL Technologies Greece Single Member P.C.	-	5,008.50
HCL Technologies Italy S.p.A.	-	520,612.86
HCL Technologies Limited	40,148.04	2,733,867.38
HCL Technologies Lithuania UAB	-	23,317.20
HCL Technologies Malaysia SDN BHD	60.30	1,317,914.14
HCL Technologies Mexico	-	811,855.36
HCL Technologies Norway AS	-	280,173.10
HCL Technologies Philippines Inc	-	71,441.82
HCL Technologies Romania s.r.l.	-	20,254.28
HCL Technologies South Africa (Proprietary) Limited	-	58,458.60
HCL Technologies Sweden AB	-	434,767.06
HCL Technologies UK Limited	108,408.35	34,647,527.99
HCL Technologies Vietnam Company Limited	237.15	53,037.71

Accounts payable (continued)

	2024	2023
Urban Fulfillment Services LLC	-	108,096.91
HCL (Ireland) Information Systems Limited	-	1,032,191.26
HCL Technologies Angola (SU), LDA.	-	296,874.33
HCL Technologies Austria GmbH	-	413,166.45
HCL istanbul Bilisim Teknolojileri Limited sirketi	-	6,136.89
HCL Technologies Lanka (Private) Limited	-	38,653.56
Telerx Marketing, Inc.	-	3,246,756.07
	<hr/>	<hr/>
Total	<u>10,161,130.69</u>	<u>123,186,979.73</u>

Accrued expenses

	2024	2023
HCL Technologies Limited	29,084.43	316,593.40
HCL America Solutions Inc.	199.34	-
HCL Technologies UK Limited	32,681.28	-
HCL Technologies Corporate Services Limited	4,963,098.81	-
HCL Axon Solutions (Shanghai) Co., Limited	31,199.58	-
HCL Hong Kong SAR Limited, Hong Kong	1,110.76	-
HCL Technologies Beijing Co., Limited	276,619.14	-
Telerx Marketing, Inc.	-	988,510.09
	<hr/>	<hr/>
Total	<u>5,333,993.34</u>	<u>1,305,103.49</u>

Receipt in advance

	<i>2024</i>	<i>2023</i>
HCL Axon Solutions (Shanghai) Co., Ltd.	-	14,457,262.00
HCL Technologies Colombia SAS	-	1,719,622.00
HCL Technologies Sweden	-	474.00
Telrx Marketing, Inc.	-	497,924.00
HCL Technologies Limited	-	35,493.00
HCL Technologies Romania s.r.l.	-	10,502.00
	<u>-</u>	<u>16,721,277.00</u>
Total	<u>-</u>	<u>16,721,277.00</u>

Other receivables

	<i>2024</i>	<i>2023</i>
HCL Axon Solutions (Shanghai) Co., Limited	-	7,407.66
	<u>-</u>	<u>7,407.66</u>
Total	<u>-</u>	<u>7,407.66</u>

Prepayment

	<i>2024</i>	<i>2023</i>
HCL Technologies Corporate Services Limited	-	43,558.00
HCL Axon Solutions (Shanghai) Co., Ltd.	-	320.00
	<u>-</u>	<u>43,878.00</u>
Total	<u>-</u>	<u>43,878.00</u>