

Ramco Systems (Shanghai) Co., Ltd.

**FINANCIAL STATEMENTS AND
REPORT OF THE AUDITORS
FOR THE YEAR ENDED 31 March 2022**

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



Ramco Systems (Shanghai) Co., Ltd.

**Financial Statements and Report of the Auditors
For the year ended 31 March 2022**

[English translation for reference only]

Contents	Page
Report of the auditors	1 – 2
Company's balance sheets	3
Company's income statement	4
Company's cash flow statements	5
Statement of changes in owners' equity	6
Notes to financial statements	7 – 16

Report of the Auditors

Mao Heng Kuai Bao (2022) No.21168-1

To the Shareholders of Ramco Systems (Shanghai) Co., Ltd.:

1. Opinion

We have audited the accompanying financial statements of Ramco Systems (Shanghai) Co., Ltd. ("the Company"), which comprise the balance sheet as at 31 March 2022 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 Ramco Systems (Shanghai) Co., Ltd. as at 31 March 2022, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Small-sized Business as promulgated by the State of the People's Republic of China.

2. Basis for Opinion

We conducted our audit in accordance with Chinese Certified Public Accountants Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of 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 Small-sized Business, 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 Standards of Audit, 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. Ramco Systems (Shanghai) Co., Ltd Balance Sheet as at 31 March 2022
2. Ramco Systems (Shanghai) Co., Ltd Income Statement for the year ended 31 March 2022
3. Ramco Systems (Shanghai) Co., Ltd Statement of Cash Flows for the year ended 31 March 2022
4. Ramco Systems (Shanghai) Co., Ltd Statement of Changes in Equity for the year ended 31 March 2022
5. Ramco Systems (Shanghai) Co., Ltd Notes to Financial Statements for the year ended 31 March 2022

Shanghai Mao Heng Certified Public Accountants

Shanghai, the People's Republic of China



Chinese Certified Public Accountant

Chinese Certified Public Accountant



Ramco Systems (Shanghai) Co., Ltd.

BALANCE SHEET

AS AT 31 MARCH 2022

(All amounts in RMB unless otherwise stated)

[English Translation for Reference Only]

ASSETS	Note	31 March 2022	31 March 2021
Current assets			
Cash at bank and in hand	6(1)	89,132	269,562
Notes receivable and accounts receivable	6(2),7(4)	5,379,248	6,106,223
Other receivables		32,603	34,949
Advances to suppliers		290,781	287,067
Other current asset		326,953	363,522
Total current assets		<u>6,118,717</u>	<u>7,061,323</u>
Non-current assets			
Right-of-use asset	6(3)	68,781	181,151
Total non-current assets		<u>68,781</u>	<u>181,151</u>
TOTAL ASSETS		<u>6,187,498</u>	<u>7,242,474</u>
 LIABILITIES AND OWNER'S EQUITY			
Current liabilities			
Notes payable and accounts payable	6(4),7(4)	4,131,080	5,377,160
Advances from customers	6(5),7(4)	2,192,763	
Taxes payable	6(6)	611,823	629,803
Salary and welfare payable		19,256	32,700
Other payables	6(7)	97,855	149,035
Other current liabilities		299,007	299,007
Non-current liabilities due within one year		-	116,669
Lease liabilities	6(8)	62,240	-
Total current liabilities		<u>7,414,024</u>	<u>6,604,374</u>
Non-current liabilities			
Lease liabilities	6(8)	-	62,240
Total non-current liabilities		<u>-</u>	<u>62,240</u>
TOTAL LIABILITIES		<u>7,414,024</u>	<u>6,666,614</u>
 Owner's equity			
Paid-in capital		1,000,000	1,000,000
Reserve surplus		109,441	109,441
Accumulated losses		(2,335,967)	(533,581)
Total owner's equity		<u>(1,226,526)</u>	<u>575,860</u>
TOTAL LIABILITIES AND OWNER'S EQUITY		<u>6,187,498</u>	<u>7,242,474</u>

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

Legal representative:
RAMAMURTHY.RAVI KULA
CHANDRAN

Person in charge of accounting function:
JENN

Person in charge of accounting department:
BRYAN

Ramco Systems (Shanghai) Co., Ltd.

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022
(All amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

	Note	Year ended 31 March 2022	Year ended 31 March 2021
1. Revenues	6(9)	3,259,016	2,013,544
Less: Cost of sales	6(9)	(769,436)	266,967
Tax and surcharges		(194,192)	(42,905)
Marketing and distribution expenses	6(10)	(559,568)	(361,316)
General and administrative expenses	6(11)	(3,676,218)	(3,210,504)
Finance expenses - net	6(12)	86,990	81,388
		<hr/>	<hr/>
2. Operating Losses		(1,853,408)	(1,252,826)
Add : Non-operating income		103,440	126,493
Less: Non-operating losses		(52,418)	-
		<hr/>	<hr/>
3. Total Losses		(1,802,386)	(1,126,333)
Less: Income taxes	6(13)	-	127,338
		<hr/>	<hr/>
4. Net Losses		<u>(1,802,386)</u>	<u>(998,995)</u>

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

Legal representative:
RAMAMURTHY.RAVI KULA
CHANDRAN

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BRYAN

Ramco Systems (Shanghai) Co., Ltd.

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
(All amounts in RMB unless otherwise stated)
[English Translation for Reference Only]

	Year ended 31 March 2022	Year ended 31 March 2021
1. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	8,310,968	7,241,474
Cash received from tax return	81,089	83,996
Cash received relating to other operating activities	4,008	2,895
Sub-total of cash inflows	<u>8,396,065</u>	<u>7,328,365</u>
Cash paid to suppliers	(3,293,790)	(2,189,922)
Cash paid to and on behalf of employees	(2,787,100)	(2,219,726)
Payments of taxes and surcharges	(642,660)	(970,442)
Cash paid relating to other operating activities	(1,726,945)	(2,053,319)
Sub-total of cash outflows	<u>(8,450,495)</u>	<u>(7,433,409)</u>
Net cash flows used in operating activities	<u>(54,430)</u>	<u>(105,044)</u>
2. Cash flows from financing activities		
Other cash payment relating to financing activities	(126,000)	(132,773)
Sub-total of cash outflows	<u>(126,000)</u>	<u>(132,773)</u>
Net cash flows used in financing activities	<u>(126,000)</u>	<u>(132,773)</u>
3. Net decrease in cash	(180,430)	(237,817)
Add: Cash at the beginning of year	<u>269,562</u>	<u>507,379</u>
4. Cash at the end of year	<u>89,132</u>	<u>269,562</u>

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

Legal representative:
RAMAMURTHY.RAVI KULA
CHANDRAN

Person in charge of accounting function:
JENN

Person in charge of accounting department:
BRYAN

Ramco Systems (Shanghai) Co., Ltd.

STATEMENT OF CHANGES IN OWNERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts in RMB unless otherwise stated)

[English translation for reference only]

Item	Paid-in capital	Accumulated losses	Surplus reserve	Total owners' equity
Balance at 1 April 2020	1,000,000	491,158	83,697	1,574,855
Movements for the year ended 31 March 2021				
Net losses	-	(998,995)	-	(998,995)
Statutory surplus reserve	-	(25,744)	25,744	-
Balance at 31 March 2021 & 1 April 2021	1,000,000	(533,581)	109,441	575,860
Movements for the year ended 31 March 2022				
Net losses	-	(1,802,386)	-	(1,802,386)
Balance at 31 March 2022	1,000,000	(2,335,967)	109,441	(1,226,526)

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

Legal representative:
RAMAMURTHY.RAVI KULA
CHANDRAN

Person in charge of accounting function:
JENN

Person in charge of accounting department:
BRYAN

Ramco Systems (Shanghai) Co., Ltd.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**
(All amounts in RMB unless otherwise stated)
[English translation for reference only]

1 General information

Ramco Systems (Shanghai) Co., Ltd. (herein refer to the "Company") has been invested by RAMCO SYSTEMS LIMITED to form a foreign owned enterprise in the PRC on 3rd November 2016, has obtained the (Enterprise Legal Business Operating Certificate) with registered number 91310115MA1K3J6B33 from Shanghai Administration of Industry and Commerce. Its type of legal entity is limited liability (wholly foreign owned enterprises). The legal representative is RAMAMURTHY. RAVI KULA CHANDRAN and registered address is Room 304-05, No.99 Gongping Road, Hongkou District, Shanghai.

The Company's registered capital is USD 8,000,000, and the paid-in capital is CNY 1,000,000.

According to the business license, the Company's business scope is computer software development, design, production, sales of own products (except for audio and video products, electronic publications) and provide technical consulting and service. (The above scopes involve the administration and operation according to the permission).

The principle activities of the company are mainly to carry on the business pertaining to, or connected with and involving information technology and software.

2 Basis of preparation

The financial statements are prepared on a going concern basis. Based on transactions or events that have actually occurred, the financial statements have been prepared in accordance with the Accounting Standards for Small-sized Business as promulgated by the State of the People's Republic of China.

3 Statement of compliance with the Accounting Standards for Small-sized Business

The financial statements of the Company for the year ended 31 March 2022 are in compliance with the Accounting Standards for Small-sized Business, and truly and completely present the financial position as of 31 March 2022 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 year

The Company's accounting year starts on 1 April and ends on 31 March.

(2) Recording currency

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

(3) Foreign currency translation

(a) Foreign currency transactions

Foreign currency transactions are translated into RMB using the exchange rates prevailing on the date of transaction in which the transactions took place.

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 year, 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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
(All amounts in RMB 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 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.

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 year.

(6) 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.

(7) Revenue recognition

The Company derives revenues from software solutions & services. Revenues are derived from the following streams:

- (i) Revenue from software products, in the form of (a) software licensing (b) subscription for software as a service (c) product support services and (d) application maintenance services
- (ii) Revenue from software services, in the form of (a) implementation / professional services (b) managed Services;
- (iii) Revenue from resale of hardware & Software.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
(All amounts in RMB unless otherwise stated)
[English translation for reference only]

4 Summary of significant accounting policies and accounting estimates (continued)

(7) Revenue recognition(continued)

Revenue is recognised in the profit and loss account upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those services or products and excluding taxes or duties. To recognise revenues, the company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the contract value to separately identifiable performance obligations based on their relative stand-alone selling price (mostly as reflected in the contracts) or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Company is unable to determine the stand-alone selling price, the Company uses expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

The method for recognising revenues depends on the nature of the products sold / services rendered:

(i) Revenue from Software Products

(a) Software Licensing

Software licensing revenues represent all fees earned from granting customers licenses to use the Company's software, through initial licensing and or through the purchase of additional modules or user rights. For software license arrangements that do not require significant modification or customisation of the underlying software, revenue is recognised on delivery of the software and when the customer obtains a right to use such licenses.

(b) Subscription for Software as a Service

Subscription fees for offering the hosted software as a service are recognised as revenue ratably on straight line basis, over the term of the subscription arrangement.

(c) Product Support Services

Fees for product support services, covering inter alia improvement and upgradation of the basic Software, whether sold separately (e.g., renewal period AMC) or as an element of a multiple-element arrangement, are recognised as revenue ratably on straight line basis, over the term of the support arrangement.

(d) Application Maintenance Services

Fees for the application maintenance services, covering inter alia the support of the customised software, are recognised as revenue ratably on straight line basis, over the term of the support arrangement.

Ramco Systems (Shanghai) Co., Ltd.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
(All amounts in RMB unless otherwise stated)
[English translation for reference only]

4 Summary of significant accounting policies and accounting estimates (continued)

(7) Revenue recognition(continued)

(ii) Revenue from Software Services

(a) Implementation / Professional Services

Software Implementation / Professional Services contracts are either fixed price or time and material based.

Revenues from fixed price contracts, where the performance obligations are satisfied over time, are recognised using the "percentage of completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Where the Software is required to be substantially customised as part of the implementation service, the entire fee for licensing and implementation services is considered to be a single performance obligation and the revenue is recognised using the percentage of completion method as the implementation services are performed.

Revenues from implementation services in respect of hosting contracts are to be recognised as revenue ratably over the longer of the contract term or the estimated expected life of the customer relationship. However, considering the existence of partners being available for rendering such implementation services, these services are considered to be a separate element and recognised in accordance with percentage of completion method.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as a contract provision.

In the case of time and material contracts, revenue is recognised based on billable time spent in the project, priced at the contractual rate.

Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively as a separate contract if the additional services are priced at the standalone selling price.

Non-refundable one-time upfront fees for enablement / application installation, consisting of standardisation set-up, initiation or activation or user login creation services in the case of hosting contracts, are recognised in accordance with percentage of completion method once the customer obtains a right to access and use the Software.

(b) Managed Services

Fees for managed services, which include business processing services, are recognised as revenue as the related services are performed.

(iii) Revenue from Resale of Hardware & Software

Revenue from sale of traded hardware / software is recognised on transfer of significant risks, rewards and control to the customer.

Ramco Systems (Shanghai) Co., Ltd.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
(All amounts in RMB unless otherwise stated)
[English translation for reference only]

4 Summary of significant accounting policies and accounting estimates (continued)

(8) Leases

According to the notification from the treasury on the revision of the issuance of "accounting standards for business enterprises No. 21 - lease", enterprises whose parent companies or subsidiaries are listed overseas and whose overseas financial statements are prepared in accordance with international financial reporting standards (IFRS) for enterprises can implement these standards from 1 January 2019. Other enterprises should implement these standards from 1 January 2021.

At the commencement date, a lease shall recognise a right-of-use asset and a lease liability.

(a) Right-of-use asset

The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

A lessee shall measure the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Lease liability

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.

A lessee shall measure the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

Variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers payment occurs, unless the costs are included in the carrying amount of another asset under another Standard.

5 Taxation

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

Type	Tax rate	Taxable base
Enterprise income tax	25%	Taxable income
Value added tax ("VAT")	6%	Taxable value added amount

6 Notes to the financial statements

(1) Cash at bank and in hand

	31 March 2022	31 March 2021
Cash at bank	89,132	269,562
	<u>89,132</u>	<u>269,562</u>

Ramco Systems (Shanghai) Co., Ltd.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
(All amounts in RMB unless otherwise stated)
[English translation for reference only]

6 Notes to the financial statements(continued)

(2) Notes receivable and accounts receivable

	31 March 2022	31 March 2021
Accounts receivable		
- Third parties	5,241,785	5,174,617
- Related party	189,881	931,606
Less: provision for bad debts	(52,418)	-
	<u>5,379,248</u>	<u>6,106,223</u>

(3) Right-of-use asset

	Leased asset-Office	Total
Original value		
31 March 2021	234,103	234,103
Current year additions	-	-
Current year reductions	-	-
31 March 2022	<u>234,103</u>	<u>234,103</u>
Accumulated depreciation		
31 March 2021	(52,952)	(52,952)
Current year depreciation	(112,370)	(112,370)
Current year reductions	-	-
31 March 2022	<u>(165,322)</u>	<u>(165,322)</u>
Net book value		
31 March 2022	<u>68,781</u>	<u>68,781</u>
31 March 2021	<u>181,151</u>	<u>181,151</u>

(4) Notes payable and accounts payable

	31 March 2022	31 March 2021
Accounts payable		
- Related parties	4,131,080	5,377,160
	<u>4,131,080</u>	<u>5,377,160</u>

(5) Advances from customers

	31 March 2022	31 March 2021
Advances from customers		
- Related parties	2,192,763	-
	<u>2,192,763</u>	<u>-</u>

(6) Taxes payable

	31 March 2022	31 March 2021
Individual income tax	2,257	2,856
Withholding tax-VAT and surcharge	126,097	-
Withholding tax-EIT	483,469	626,947
	<u>611,823</u>	<u>629,803</u>

Ramco Systems (Shanghai) Co., Ltd.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
(All amounts in RMB unless otherwise stated)
[English translation for reference only]

6 Notes to the financial statements(continued)

(7) Other payables

	31 March 2022	31 March 2021
Other payables		
- Third parties	97,855	149,035
	<u>97,855</u>	<u>149,035</u>

(8) Lease liabilities

	31 March 2022	31 March 2021
Lease liabilities		
- Current part	62,240	-
- Non-current part	-	62,240
	<u>62,240</u>	<u>62,240</u>

(9) Revenue and cost of sales

	Year ended 31 March 2022		Year ended 31 March 2021	
	Revenue	Cost of sales	Revenue	Cost of sales
Main operations				
-Software products	486,398	(131,460)	(914,313)	2,624,543
-Software service	2,772,618	(637,976)	2,927,857	(2,357,576)
	<u>3,259,016</u>	<u>(769,436)</u>	<u>2,013,544</u>	<u>266,967</u>

(10) Marketing and distribution expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Marketing and distribution expenses	<u>(559,568)</u>	<u>(361,316)</u>
Major items:		
Travelling expenses	(553,607)	(351,264)
Expense of telephone and cell phone	(5,513)	(1,444)

(11) General and administrative expenses

	Year ended 31 March 2022	Year ended 31 March 2021
General and administrative expenses	<u>(3,676,218)</u>	<u>(3,210,504)</u>
Major items:		
Salary&Wages	(2,051,007)	(1,820,343)
Employee cost - Social security and fund	(543,464)	(334,843)
Outsourcing	(491,043)	(431,182)
Hosting charges	(318,905)	(257,780)
Consultancy-Legal&Professional	(162,136)	(576,553)
Depreciation	(112,370)	(120,563)

Ramco Systems (Shanghai) Co., Ltd.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
(All amounts in RMB unless otherwise stated)
[English translation for reference only]

6 Notes to the financial statements(continued)

(12) Financial expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income	1,009	1,741
Interest expense-rent related	(9,331)	-
Exchange gains	102,356	91,648
Bank charges	(7,044)	(12,001)
	<u>86,990</u>	<u>81,388</u>

(13) Income tax

	Year ended 31 March 2022	Year ended 31 March 2021
Current income tax	-	127,338
	<u>-</u>	<u>127,338</u>

(14) Notes to cash flow statements

(a) Reconciliation from net loss to cash flows from operating activities

	Year ended 31 March 2022	Year ended 31 March 2021
Net loss	(1,802,386)	(998,995)
Adjustment: Depreciation of right-of-use asset	112,370	-
Amortization of prepaid expenses	335,583	131,250
Finance expense	9,331	-
Decrease in operating receivables	426,593	1,788,628
Increase/(Decrease) in operating payables	864,079	(1,025,927)
Net cash flows used in operating activities	<u>(54,430)</u>	<u>(105,044)</u>

(b) Net movement in cash and cash equivalents

	Year ended 31 March 2022	Year ended 31 March 2021
Cash at the end of the year	89,132	269,562
Less: cash at the beginning of the year	(269,562)	(507,379)
Net decrease in cash	<u>(180,430)</u>	<u>(237,817)</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
Ramco Systems Limited	India	Software Development

The Company's ultimate controlling party is Ramco Systems Limited.

Ramco Systems (Shanghai) Co., Ltd.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
(All amounts in RMB 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 March 2021	Increase in current year	Decrease in current year	31 March 2022
Ramco Systems Limited	INR 500,000,000	-	-	INR 500,000,000

(c) Paid-up capital and changes in paid-up capital of the parent company:

	31 March 2021	Increase in current year	Decrease in current year	31 March 2022
Ramco Systems Limited	INR 307,494,710	INR 998,390	-	INR 308,493,100

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

	31 March 2022	31 March 2021
Ramco Systems Limited	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
Ramco Systems Pte Ltd.	Under common control of Ramco Systems Limited.
Ramco System Inc	Under common control of Ramco Systems Limited.
Ramco Systems Sdn Bhd	Under common control of Ramco Systems Limited.
Ramco Systems Australia Pty Ltd	Under common control of Ramco Systems 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 and payable and advances from customers

(a) Accounts receivable

	31 March 2022	31 March 2021
Ramco Systems Pte Ltd., Singapore	-	834,359
Ramco Systems Pte Ltd., Hongkong	4,282	71,326
Ramco Systems Limited, India	185,599	25,921
	<u>189,881</u>	<u>931,606</u>

Ramco Systems (Shanghai) Co., Ltd.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
(All amounts in RMB unless otherwise stated)
[English translation for reference only]

7 Significant related parties and related party transactions(continued)

(4) Balance of accounts receivable and payable and advances from customers(continued)

(b) Accounts payable

	31 March 2022	31 March 2021
Ramco Systems Pte Ltd., Singapore	1,768,749	1,249,049
Ramco Systems Pte Ltd., Hongkong	1,156,674	691,865
Ramco Systems Limited, India	686,463	3,093,478
Ramco Systems Sdn. Bhd., Malaysia	439,224	342,768
Ramco System Inc., Philippines	325	-
Ramco Systems Australia Pty Ltd, Australia	79,645	-
	<u>4,131,080</u>	<u>5,377,160</u>

(c) Advances from customers

	31 March 2022	31 March 2021
Ramco Systems Pte Ltd., Singapore	2,192,763	-
	<u>2,192,763</u>	<u>-</u>

Ramco Systems (Shanghai) Co., Ltd.

**Supplementary Information Provided By Management
for the year ended 31 March 2022**

[English translation for reference only]

Ramco Systems(Shanghai) 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 March 2022**

Total losses	(1,802,386)
Add: Commercial insurance paid for employees	41,593
Provision for bad debts	52,418
Losses before tax	<u>(1,708,375)</u>
Add: Prior years' deductible loss	-
Deductible loss carrying forward	<u>(1,708,375)</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