

RAMCO SYSTEMS (SHANGHAI) CO., LTD.
FOR THE YEAR ENDED 31 MARCH 2023
FINANCIAL STATEMENTS AND AUDITORS' REPORT

OTHH(2023)NO.OT3-3015

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



Beijing Outaihaohua CPAs

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北京顺泰德会计师事务所(普通合伙)

AUDITORS' REPORT

OTHH(2023)NO.OT3-3015

TO THE SHAREHOLDER OF
RAMCO SYSTEMS (SHANGHAI) CO., LTD.

I. Audit Opinion

We have audited the financial statements of Ramco Systems (Shanghai) Co., Ltd. (hereinafter referred to as the Company), which comprise the balance sheet as at 31 March 2023, the income statement, cash flow statement and statement of changes in owner's equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Accounting Standards for Small-sized Business so as to give a true and fair view of, in all material respects, the financial position of the Company as at 31 March 2023 and of the financial performance and cash flows of the Company for the year ended on that date.

II. Basis of Audit Opinion

We conducted our audit in accordance with China 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 CICPA's Code of Ethics for Professional Accountants 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.

III. Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of RMB 1,018,218 during the year ended 31 March 2023 and, as of that date, the Company's total liabilities exceeded its total assets by RMB 2,244,744. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

IV. 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 Company or to cease operations, or has no realistic alternative but to do so.

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

V. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level guarantee, but is not a guarantee that an audit conducted in accordance with Auditing Standards will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Company.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Beijing Outaihaohua Certified Public Accountants

Address: Beijing, China



Certified Public Accountant:



Certified Public Accountant:



3 May 2023

BALANCE SHEET

[English Translation for Reference only]

Client: Ramco Systems (Shanghai) Co., Ltd.

Currency: Renminbi

Items	Notes	2023.3.31	2022.3.31
CURRENT ASSETS:			
Cash and cash equivalents	6.1	381,225	89,132
Accounts receivable	6.2	6,306,705	5,379,248
Advance to suppliers		311,661	290,781
Other receivables		-	32,603
Other current assets		159,894	326,953
TOTAL CURRENT ASSETS		7,159,485	6,118,717
NON-CURRENT ASSETS:			
Right-of-use asset	6.3	181,624	68,781
Other non-current assets		32,603	-
TOTAL NON-CURRENT ASSETS		214,227	68,781
TOTAL ASSETS		7,373,712	6,187,498
CURRENT LIABILITIES:			
Accounts payable	6.4	4,628,172	4,131,080
Advance from customers	6.5	4,093,561	2,192,763
Salaries and welfare payable		47,623	19,256
Taxes payable	6.6	483,308	611,823
Other payables		184,855	97,855
Other current liabilities		-	299,007
Leased liabilities	6.7	119,549	62,240
TOTAL CURRENT LIABILITIES		9,557,068	7,414,024
NON-CURRENT LIABILITIES:			
Leased liabilities	6.7	61,388	-
TOTAL NON-CURRENT LIABILITIES		61,388	-
TOTAL LIABILITIES		9,618,456	7,414,024
OWNER'S EQUITY:			
Paid-in capital	6.8	1,000,000	1,000,000
Surplus reserves		109,441	109,441
Retained earnings	6.9	-3,354,185	-2,335,967
TOTAL OWNER'S EQUITY		-2,244,744	-1,226,526
TOTAL LIABILITIES AND OWNER'S EQUITY		7,373,712	6,187,498

北京政泰瑞平会计师事务所(普通合伙)

Legal representative:

RAMAMURTHY.RAVI KULA CHANDRAN

Person in charge of accounting:

Kaiyuan Zhang

Head of Finance Department:

Kaiyuan Zhang

INCOME STATEMENT

[English Translation for Reference only]

Client: Ramco Systems (Shanghai) Co., Ltd.

Currency: Renminbi

Items	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Total revenue	6.10	3,029,691	3,259,016
Total cost of sales		4,078,892	5,112,424
Less: Cost of sales	6.11	-1,461,971	769,436
Tax and surcharges		166,730	194,192
Selling expenses	6.12	608,979	559,568
General and administrative expenses	6.13	4,460,721	3,676,218
Financial expenses	6.14	304,433	-86,990
Including: Interest expenses		7,089	9,331
PROFIT FROM OPERATIONS ("-" FOR LOSSES)		-1,049,201	-1,853,408
Add: Non-operating income		89,786	103,440
Less: Non-operating expenses		58,803	52,418
PROFIT BEFORE TAX ("-" FOR LOSSES)		-1,018,218	-1,802,386
Less: Income tax expenses		-	-
NET PROFIT FOR THE YEAR ("-" FOR LOSSES)		-1,018,218	-1,802,386

Legal representative:

RAMAMURTHY.RAVI KULA CHANDRAN

Person in charge of accounting:

Kaiyuan Zhang

Head of Finance Department:

Kaiyuan Zhang

CASH FLOW STATEMENT

[English Translation for Reference only]

Client: Ramco Systems (Shanghai) Co., Ltd.

Currency: Renminbi

Items	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
1.Cash Flows from Operating Activities:			
Cash received from sales of goods or rendering of services		6,860,369	8,310,968
Other cash received relating to operating activities		71,879	85,097
Cash paid for goods and services		1,025,246	3,293,790
Cash paid to and on behalf of employees		3,114,853	2,787,100
Tax payments		206,333	642,660
Other cash paid relating to operating activities		2,167,723	1,726,945
Net Cash Flows from / (used in) Operating Activities		418,093	-54,430
2.Cash Flows from Financing Activities:			
Other cash payments relating to financing activities		126,000	126,000
Net Cash Flows from / (used in) Financing Activities		-126,000	-126,000
3.Net Increase / (Decrease) in Cash and Cash Equivalents			
Add: Cash and cash equivalents at the beginning of the period		89,132	269,562
4.Cash and cash equivalents at the end of the period		381,225	89,132

Legal representative:

RAMAMURTHY.RAVI KULA CHANDRAN

Person in charge of accounting:

Kaiyuan Zhang

Head of Finance Department:

Kaiyuan Zhang

STATEMENT OF CHANGES IN OWNER'S EQUITY

[English Translation for Reference only]
Currency: Renminbi

Client: Ramco Systems (Shanghai) Co., Ltd.	Notes	2023.3.31					2022.3.31		
		Paid-in capital	Surplus reserves	Retained earnings	Total owner's equity	Paid-in capital	Surplus reserves	Retained earnings	Total owner's equity
Items		1	2	3	4	5	6	7	8
Column Number									
1. Balance at last year end		1,000,000	109,441	-2,335,967	-1,226,526	1,000,000	109,441	-533,581	575,860
2. Balance at the beginning of the year		1,000,000	109,441	-2,335,967	-1,226,526	1,000,000	109,441	-533,581	575,860
3. Movement over the year		-	-	-1,018,218	-1,018,218	-	-	-1,802,386	-1,802,386
3.1. Net profit for the year		-	-	-1,018,218	-1,018,218	-	-	-1,802,386	-1,802,386
4. Balance at the end of the year		1,000,000	109,441	-3,354,185	-2,244,744	1,000,000	109,441	-2,335,967	-1,226,526

Legal representative: RAMAMURTHY.RAVI KULA CHANDRAN

Person in charge of accounting: Kaiyuan Zhang

Head of Finance Department: Kaiyuan Zhang

北京致泰会计师事务所 (普通合伙)

NOTES TO THE FINANCIAL STATEMENTS

1. COMPANY BACKGROUND

Ramco Systems (Shanghai) Co., Ltd. (herein refer to the "Company") is a wholly foreign owned enterprise incorporated in Shanghai province of the PRC on 3rd November 2016 and approved by Shanghai Administration of Industry and Commerce. The Company obtained its business certificate [No.91310115MA1K3J6B33]. The Company's registered capital was USD 8,000,000, and the paid-in capital was CNY 1,000,000. 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 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).

2. BASIS OF PREPARATION

The Company incurred a loss of RMB 1,018,218 during the year ended 31 March 2023 and the Company's total liabilities exceed its total assets by RMB 2,244,744 as of 31 March 2023. The financial statements have been prepared on a going concern basis that the Company's investors and creditors will continue to provide adequate financial support to the Company to meet its financial obligations in the foreseeable future. If such uncertainty does not hold, the Company shall provide for all possible foreseeable losses arising from its liabilities and impairment on all its assets to their net realisable values.

3. STATEMENT OF COMPLIANCE WITH THE ACCOUNTING STANDARDS FOR SMALL-SIZED BUSINESS

The financial statements of the Company for the year ended 31 March 2023 are in compliance with the Accounting Standards for Small-sized Business, and truly and completely present the financial position as of 31 March 2023 and the operating results, cash flows and other information for the year then ended of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

4.1 Accounting year

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

4.2 Recording currency

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

4.3 Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily drawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4.4 Foreign currency translation

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 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.

4.5 Receivables

Receivables include notes receivable, accounts receivables and other receivables.

Criteria for recognition of bad debts:

- i. Debtor declares bankruptcy, closure, dissolution, revocation, or its business license is cancelled or revoked in accordance with the law, and the liquidated property is insufficient for repayment.
- ii. Debtor is dead, or is legally declared missing or dead, property or inheritance is not sufficient for repayment.
- iii. Debtor more than three years overdue outstanding, and there is conclusive evidence that has become insolvent.
- iv. After the debt restructuring agreement with the debtor or court approval of the bankruptcy reorganization plan, the debt remains unrecoverable.
- v. As a result of force majeure, such as natural disasters, war, debt will not be repaid;
- vi. Other conditions stipulated by the financial and tax departments under the state council.

The receivables that are truly unrecoverable shall, upon approval, be regarded as bad debt losses, and shall be recorded into non-operating expenses when they actually occur, and the receivables shall be written down at the same time.

4.6 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.

4.7 Revenue recognition

(1) Revenue from the sales of goods and rendering of services

If the contract or agreement signed between the Company and other enterprises includes the sale of goods and rendering of services, and the sale of goods and rendering of services can be distinguished and measured separately, they shall be treated separately according to classification. Where the part of the sale of goods and rendering of services cannot be distinguished, or can be distinguished but cannot be measured separately, it shall be treated as sale of goods.

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.

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.

(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.

4.8 Leases

According to the notice of the Ministry of Finance on Revising and Issuing the Accounting Standards for Business Enterprises No. 21 — Leases, enterprises that are concurrently listed both at home and abroad, as well as enterprises listed overseas and preparing financial statements according to the International Financial Reporting Standards or the Accounting Standards for Business Enterprises shall apply these Standards from 1 January 2019. Enterprises whose parent companies or subsidiaries are listed overseas and that prepare overseas financial statements according to the International Financial Reporting Standards or the Accounting Standards for Business Enterprises may implement these Standards in advance.

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

(1) The Company as a lessee

The Company recognizes the lease liabilities for the lease other than short-term lease and low-value asset lease on the commencement of the lease term. Lease liabilities shall be initially measured at the present value of the unpaid lease payments.

- Fixed payment (including actual fixed payment), and if there are lease incentives, the relevant amount of lease incentives shall be deducted;
- Variable lease payment depending on the index or ratio;
- Predicted payment on the basis of the guaranteed residual value provided by the Company;
- Exercise price of the call option, provided that the Company will exercise such option, as reasonably determined;
- Payment for exercise of the lease termination option, provided that the lease term reflects the Company's future exercise of the lease termination option.

The interest rate implicit in lease is applied by the Company as the discount rate. If the interest rate implicit in lease cannot be reasonably determined, the Company's interest rate on incremental borrowings is applied as the discount rate.

The Company shall calculate the interest expense of the lease liabilities during each period of the lease term at a fixed periodic interest rate and include it in the current profit or loss.

Short-term lease

Short-term lease means the lease of no more than 12 months and excluding the call option on the commencement of the lease term. The Company records relevant lease payment of short-term lease into the current profit or loss or relevant asset cost according to the straight-line method in each period of the lease term.

Low-value asset lease

Low-value asset lease means a lease of value under ¥40,000 when the single leased asset is brand-new.

The Company records relevant lease payment of low-value asset lease into the current profit or loss or relevant asset cost according to the straight-line method in each period of the lease term.

4.9 Right-of-use Assets

The Company recognizes the right-to-use assets for the lease other than short-term lease and low-value asset lease on the commencement of the lease term. The right-to-use assets are initially measured at cost which includes:

- Initial measurement amount of lease liabilities;
- The lease payment paid on or before the commencement of the lease term; if there are lease incentives, the relevant amount of lease incentives enjoyed shall be deducted;
- Initial direct cost incurred by the Company;
- The estimated costs incurred by the Company for dismantling and removing the leased asset, restoring the site where the leased asset is located or restoring the leased asset to the state agreed in the lease terms, but excluding the cost incurred to produce the inventory.

The Company will depreciate the right-to-use assets through the straight-line method. If it can be reasonably recognized that the title of the leased asset is acquired at the expiration of the lease term, the Company shall accrue depreciation within the remaining service life of the leased asset; or otherwise, the leased asset shall be depreciated within the shorter of the lease term and the remaining service life of the leased asset.

5. TAXATION

5.1 Main taxes and rates

Category of Taxes	Bases of Taxes	Tax Rates
Value Added Tax	Taxable revenue	6%
Enterprise Income Tax	Taxable profit	25%

6. DETAILED NOTES ON MAIN FINANCIAL STATEMENTS ITEMS

6.1 Cash and bank

Items	2023.3.31	2022.3.31
Cash in Bank	381,225	89,132
Total	381,225	89,132

6.2 Accounts receivable

(1) Aging analysis

Age	2023.3.31		2022.3.31	
	Amount	Percentage	Amount	Percentage
Within 1 year	2,714,269	42%	3,898,205	72%
over 1 year	2,294,107	36%	1,506,153	28%
2~3 years	1,382,582	22%	14,365	0%
Over 3 years	26,968	0%	12,943	0%
Subtotal	6,417,926	100%	5,431,666	100%
Less:Provision for bad debt	-111,221		-52,418	
Total	6,306,705	100%	5,379,248	100%

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

Corporate name	2023.3.31
Taikoo (Xiamen) Landing Gear Services Co.Limited	2,253,245
HAECO Component Overhaul (Xiamen) Limited	1,967,198
HAECO Composite Structures (Jinjiang) Co. Limited	883,894
Ramco Systems Limited, India	387,971
Ramco Systems Pte Ltd., Hongkong	360,573

6.3 Right-of-use asset

(1) Cost

Category	2022.3.31	Additions	Decreases	2023.3.31
Leased asset-Office	234,103	237,608	234,103	237,608
Total	234,103	237,608	234,103	237,608

(2) Accumulated depreciation

Category	2022.3.31	Additions	Decreases	2023.3.31
Leased asset-Office	165,322	124,765	234,103	55,984
Total	165,322	124,765	234,103	55,984

(3) Net carrying value

Category	2022.3.31	2023.3.31
Leased asset-Office	68,781	181,624
Total	68,781	181,624

6.4 Accounts payable

(1) Aging analysis

Age	2023.3.31		2022.3.31	
	Amount	Percentage	Amount	Percentage
Within 1 year	1,203,051	26%	1,847,398	45%
1~2 years	1,080,965	23%	1,736,903	42%
2~3 years	1,797,377	39%	546,779	13%
Over 3 years	546,779	12%	-	0%
Total	4,628,172	100%	4,131,080	100%

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

Corporate name	2023.3.31
Ramco Systems Pte Ltd., Singapore	2,191,743
Ramco Systems Pte Ltd., Hongkong	1,281,825
Ramco Systems Limited, India	469,223
Ramco Systems Sdn. Bhd., Malaysia	685,381

6.5 Advance from customers

(1) Aging analysis

Age	2023.3.31		2022.3.31	
	Amount	Percentage	Amount	Percentage
Within 1 year	3,030,000	74%	2,192,763	100%
1~2 years	1,063,561	26%	-	0%
Total	4,093,561	100%	2,192,763	100%

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

Corporate name	2023.3.31
Ramco Systems Pte Ltd., Singapore	4,093,561

6.6 Taxes payable

Items	2023.3.31	2022.3.31
Individual income tax	2,134	2,257
Withholding tax-Value added tax	-	-48,313
Withholding tax-Enterprise income tax	481,174	483,469
Withholding tax-Surcharge	-	174,410
Total	483,308	611,823

6.7 Leased liabilities

Items	2023.3.31	2022.3.31
Leased liabilities - Current part	119,549	62,240
Leased liabilities - Non-Current part	61,388	-
Total	180,937	62,240

6.8 Paid-in capital

Name	2023.3.31		2022.3.31	
	Percentage	RMB	Percentage	RMB
Ramco Systems Limited	100%	1,000,000	100%	1,000,000
Total	100%	1,000,000	100%	1,000,000

6.9 Retained earnings

Items	2023.3.31	2022.3.31
Opening balance	-2,335,967	-533,581
Add: Net profit / (loss) for the year	-1,018,218	-1,802,386
Closing balance	-3,354,185	-2,335,967

RAMCO SYSTEMS (SHANGHAI) CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

[English version for reference only]
(Unless otherwise specified, all amounts are expressed in Renminbi)

6.10 Revenues

Items	For the year ended 31 March 2023	For the year ended 31 March 2022
Software products	619,007	486,398
Software service	2,410,684	2,772,618
Total	3,029,691	3,259,016

6.11 Cost of sales

Items	For the year ended 31 March 2023	For the year ended 31 March 2022
Software products	185,702	131,460
Software service	-1,647,673	637,976
Total	-1,461,971	769,436

6.12 Selling expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Selling expenses	608,979	559,568
The main project:		
Items	For the year ended 31 March 2023	For the year ended 31 March 2022
Travelling expenses	604,248	553,607

6.13 General and administrative expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
General and administrative expenses	4,460,721	3,676,218
The main project:		
Items	For the year ended 31 March 2023	For the year ended 31 March 2022
Salary	2,749,541	2,051,007
Professional service fee-Hosting fee&Outsourcing&Audit fee	584,576	576,368
Social security and fund	617,012	543,464

6.14 Financial expenses

Items	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expenses	7,089	9,331
Less: Interest income	725	1,008
Exchange losses (gains)	292,825	-102,356
Bank charges	5,244	7,043
Total	304,433	-86,990

7. CASH FLOW

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

Items	For the year ended 31 March 2023	For the year ended 31 March 2022
Net profit/(losses)	-1,018,218	-1,802,386
Add: Depreciation of right-of-use asset	124,765	112,370
Financial expenses ("-" for gains)	7,089	9,331
Decrease in operating receivables ("-" for increase)	-781,278	762,176
Increase in operating payables ("-" for decrease)	2,085,735	864,079
Net cash flow from operating activities	418,093	-54,430

8. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

8.1 Related parties

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

A. Name of related parties and relationship with the Company

Name	Relationship
Ramco Systems Limited	Investor

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

Name	2023.3.31		2022.3.31	
	Share/equity	Percentage	Share/equity	Percentage
Ramco Systems Limited, India	1,000,000	100%	1,000,000	100%
Total	1,000,000	100%	1,000,000	100%

(2) The following are related parties that do not control or are not controlled by the Company

Name	Relationship
Ramco Systems Pte Ltd., Singapore	Under the control of the same ultimate holding company
Ramco Systems Pte Ltd., Hongkong	Under the control of the same ultimate holding company
Ramco System Inc., Philippines	Under the control of the same ultimate holding company
Ramco Systems Sdn. Bhd., Malaysia	Under the control of the same ultimate holding company
Ramco Systems Australia Pty Ltd, Australia	Under the control of the same ultimate holding company

8.2 Related parties transactions

(1) Pricing policies

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

8.3 Amounts due from/to related parties

(1) Accounts receivables

Name	2023.3.31	2022.3.31
Ramco Systems Pte Ltd., Hongkong	360,573	4,282
Ramco Systems Limited, India	387,971	185,599
Ramco Systems Sdn. Bhd., Malaysia	108,327	-
Total	856,871	189,881

(2) Accounts payables

Name	2023.3.31	2022.3.31
Ramco Systems Pte Ltd., Singapore	2,191,743	1,768,749
Ramco Systems Pte Ltd., Hongkong	1,281,825	1,156,674
Ramco Systems Limited, India	469,223	686,463
Ramco Systems Sdn. Bhd., Malaysia	685,381	439,224
Ramco System Inc., Philippines	-	325
Ramco Systems Australia Pty Ltd, Australia	-	79,645
Total	4,628,172	4,131,080

(3) Advance from customers

Name	2023.3.31	2022.3.31
Ramco Systems Pte Ltd., Singapore	4,093,561	2,192,763
Total	4,093,561	2,192,763

9. CONTINGENT EVENTS

As at 31 March 2023, the Company has no significant contingent events that needs to be disclosed.

10. COMMITMENTS

As at 31 March 2023, the Company has no post balance sheet event that needs to be disclosed.

11. POST BALANCE SHEET EVENTS

As at 31 March 2023, the Company has no post balance sheet event that needs to be disclosed.

12. APPROVAL OF FINANCIAL STATEMENTS

Financial statements and notes to financial statements have been approved to report on 03 May 2023

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北京致泰瑞华会计师事务所(普通合伙)

TAXABLE INCOME RECONCILIATION

For the year ended 31 March 2023

[English Translation for Reference only]

Client: Ramco Systems (Shanghai) Co., Ltd.

Currency: Rmb

Items	Amount
Accounting income for the year	-1,018,218
Add: Increase in tax adjustment	103,883
Including: Commercial insurance paid for employees	39,226
Provision for bad debts	58,803
Others - Right-of-use Assets	5,854
Taxable income for the year	-914,335
Less: Accumulated taxable losses for previous years	2,968,363
Taxable income	-3,882,698

Legal representative:

RAMAMURTHY.RAVI KULA CHANDRAN

Person in charge of accounting:

Kaiyuan Zhang

Head of Finance Department:

Kaiyuan Zhang

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

北京顺泰隆会计师事务所(普通合伙)