



上海华皓会计师事务所
Shanghai Well C.P.A. Partnership

报告书

REPORT





上海华皓会计师事务所
Shanghai Well C.P.A. Partnership

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Auditor's Report

No. HHSC(2015)51

To the Shareholders of Tata Steel International (Shanghai) Limited

We have audited the accompanying financial statements of Tata Steel International (Shanghai) Limited (hereinafter referred to as the "Company") including the Balance Sheet as at December 31, 2014 and the Income Statement, Cash Flow Statement and Statement of Changes in Owner's Equity for the year then ended as well as the notes to these financial statements.

I. Management's Responsibility for the Financial Statements

It is the responsibility of the Company's management to prepare and fairly present these financial statements. This includes (1) preparing these financial statements in accordance with the Accounting Standards for Business Enterprises and the *Accounting System for Business Enterprises*; and (2) designing, implementing and maintaining the necessary internal control to avoid any material misstatement present in these financial statements due to frauds or mistakes.

II. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the *Auditing Standards for China Certified Public Accountants*. Those standards require that we comply with the professional ethical requirements for China certified public accountants, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The selection of the audit procedure depends on the discretion of the certified public accountant including the assessment on the risk of material misstatement present in the financial statements due to frauds or mistakes. In making those risk assessments, the auditors consider the internal control relevant to the preparation and fair presentation of the financial statements 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 internal control. An audit also includes assessing the adequacy of accounting principles used

and the rationality of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Audit Opinion

In our opinion, the financial statements of the Company have been prepared in accordance with the Accounting Standards for Business Enterprises and the *Accounting System for Business Enterprises* in all material respects, and present fairly the financial position of the Company as at December 31, 2014 and the results of its operations and cash flow for the year then ended.

Encl.:

1. Balance Sheet of the Company as at December 31, 2014;
2. Income Statement of the Company for the year ended December 31, 2014;
3. Cash Flow Statement of the Company for the year ended December 31, 2014;
4. Statement of Changes in Owner's Equity of the Company for the year ended December 31, 2014;
5. Notes to the Financial Statements of the Company for the year ended December 31, 2014;
6. Statement of Adjustments to Taxable Amount of Income of the Company for the year ended December 31, 2014.

Shanghai Well C.P.A. Partnership China Certified Public Accountant: Cheng Hao
(Special General Partnership)

China Certified Public Accountant: Chen Ying

Shanghai, China

March 13, 2015

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

Balance Sheet

as at December 31, 2014

CKNQ Form 01
Currency Unit: CNY

Item	Row	Ending Balance	Beginning Balance	Item	Row	Ending Balance	Beginning Balance
CURRENT ASSETS:				CURRENT LIABILITIES:			
Cash & Cash Equivalents	1	—	—	Short-term Loan	66	—	—
△ Balances with clearing companies	2	482,345.75	2,262,587.47	△ Borrowing from the Central Bank	67	—	—
△ Placements with banks and other financial institutions	3	—	—	△ Due to customers and due from banks	68	—	—
Held-for-trading financial assets	4	—	—	△ Placements from banks and other financial institutions	69	—	—
Notes Receivable	5	—	—	Held-for-trading financial liabilities	70	—	—
Accounts Receivable	6	964,035.94	823,169.75	Notes payable	71	—	—
Advances to suppliers	7	37,400.00	18,500.00	Accounts Payable	72	803,039.64	1,512,224.93
△ Premium receivables	8	—	—	Advances from customers	73	—	9,000.00
△ Receivables from reinsurers	9	—	—	△ Debt securities sold under repurchase agreements	74	—	—
△ Reinsurance contract reserve receivable	10	—	—	△ Handling charges and commission payable	75	—	—
Interest receivable	11	—	—	Employee Benefits Payable	76	—	—
Dividends receivable	12	—	—	Including: Accrued wages	77	—	—
Other Receivables	13	6,156,564.72	4,279,887.25	Accrued welfare expenses	78	—	—
△ Debt securities purchased under resale agreements	14	—	—	Including: Staff's bonus & welfare fund	79	—	—
Inventories	15	742,847.76	1,217,019.92	Tax Payable	80	—	—
Including: Raw materials	16	—	—	Including: Tax payable	81	-2,866.12	-61,805.34
Commodity stocks	17	742,847.76	448,265.96	Interest payable	82	-2,866.12	-61,805.34
Non-current assets due within 1 year	18	—	—	Dividends payable	83	—	—
Other current assets	19	32,350.00	119,317.16	Other Payables	84	149,441.19	17,630.00
Total Current Assets	20	8,475,544.17	8,710,561.56	△ Due to reinsurers	85	—	—
NON-CURRENT ASSETS:	21	—	—	△ Insurance contract reserve	86	—	—
△ Loans and receivables	22	—	—	△ Customer deposits	87	—	—
Available-for-sale financial assets	23	—	—	△ Underwriting proceeds payables	88	—	—
Held-to-maturity investments	24	—	—	△ Non-current liabilities due within 1 year	89	—	—
Long-term receivables	25	—	—	Other current liabilities	90	—	—
Long-term equity investments	26	—	—	Total Current Liabilities	91	949,614.71	1,477,049.59
Investment properties	27	—	—	NON-CURRENT LIABILITIES:	92	—	—
Original value of fixed assets	28	117,246.42	208,823.42	Long-term Loans	93	—	—
Less: Accumulated depreciation	29	97,936.17	175,833.99	Bonds payable	94	—	—
Net value of fixed assets	30	19,310.25	32,989.43	Long-term payables	95	—	—
Less: Provision for impairment of fixed assets	31	—	—	Specific payables	96	—	—
Fixed assets - net book value	32	19,310.25	32,989.43	Estimated liabilities	97	—	—
Construction in Progress	33	—	—	Deferred tax liabilities	98	—	—
Construction supplies	34	—	—	Other non-current liabilities	99	—	—
Disposal of Fixed Assets	35	—	—	Including: Special reserve fund	100	—	—
Productive biological assets	36	—	—	Total Non-Current Liabilities	101	—	—
Oil and gas assets	37	—	—	OWNER'S SHAREHOLDER'S EQUITY	102	—	—
Intangible Assets	38	—	—	Total Liabilities	103	949,614.71	1,477,049.59
R&D expenses	39	—	—	Paid-in capital/capital stock	104	—	—
Goodwill	40	—	—	State-owned capital	105	4,881,202.70	4,881,202.70
Long-Term Prepaid Expenses	41	70,055.60	63,519.47	Collective capital	106	—	—
Deferred tax assets	42	—	—	Corporate capital	107	—	—
Other non-current assets	43	—	—	Including: State-owned corporate capital	108	—	—
Including: Special reserve materials	44	—	—	Collective corporate capital	109	—	—
Total Non-Current Assets	45	88,365.85	96,508.90	Individual capital	110	—	—
	46	—	—	Foreign capital	111	—	—
	47	—	—	#Less: Returned investment	112	4,881,202.70	4,881,202.70
	48	—	—	Net Paid-in capital/capital stock	113	—	—
	49	—	—	Capital Reserve	114	4,881,202.70	4,881,202.70
	50	—	—	Less: Treasury stock	115	60,000.00	60,000.00
	51	—	—	Special reserve	116	—	—
	52	—	—	Surplus Reserve	117	—	—
	53	—	—	Including: Statutory surplus reserve	118	249,012.59	220,485.14
	54	—	—	Discretionary surplus reserve	119	—	—
	55	—	—	#Reserve funds	120	—	—
	56	—	—	#Enterprise expansion funds	121	—	—
	57	—	—	#Profits capitalized on return of investment	122	—	—
	58	—	—	△ General risk provision	123	—	—
	59	—	—	Undistributed Profits	124	—	—
	60	—	—	Foreign currency translated reserves	125	2,425,080.03	2,168,333.03
	61	—	—	Total equity attributable to owners of the parent company	126	7,615,295.31	7,330,020.87
	62	—	—	*Minority interests	127	—	—
	63	—	—	Total Owner's Equity	128	7,615,295.31	7,330,020.87
	64	—	—	Total Liabilities & Owner's Equity	129	8,564,910.02	8,807,070.46
Total Assets	65	8,564,910.02	8,807,070.46		130	8,564,910.02	8,807,070.46

Note: Items prefixed with " are used in consolidated financial statements only; items prefixed with △ are used by financial enterprises only; and items prefixed with # are used by foreign investment enterprises only.

Income Statement

CKNQ Form 02
Currency Unit: CNY

for the year ended December 31, 2014

Prepared by Tata Steel International (Shanghai) Limited

Item	Row	2014	2013	Item	Row	2014	2013
I. Total operating income	1	9,163,551.01	8,298,551.77		29		
Including: Operating income	2	9,163,551.01	8,298,551.77	Other	30		
Including: Income from main operations	3	4,808,456.25	3,267,401.45	Plus: Gains on the changes in fair value (loss carried with "-")	31		
Other operating income	4	4,355,094.76	5,031,150.32	Investment income (loss carried with "-")	32		
△Interest income	5			Including: Income from investment in associates and joint ventures	33		
△Premiums earned	6			△Exchange gains (loss carried with "-")	34	438,137.57	271,124.91
△Handling charges and commission income	7			III. Operating profit (loss carried with "-")	35	7,258.58	13,236.83
II. Total operating costs	8	8,725,413.44	8,027,426.86	Plus: Non-operating income	36		
Including: Operating cost	9	4,338,409.86	3,096,543.28	Including: Gain from disposal of non-current assets	37		
Including: Cost of main operations	10	4,338,409.86	3,096,543.28	Gains from exchange of non-monetary assets	38		
Cost of other operations	11			Governmental subsidy	39		
△Interest expense	12			Gain from debt restructuring	40	61,060.79	70,887.49
△Handling charges and commission expenditure	13			Less: Non-operating expenses	41		
△Payments on surrenders	14			Including: Loss from disposal of non-current assets	42		
△Net compensation expenses	15			Loss from exchange of non-monetary assets	43		
△Net transfer to insurance contract reserve	16			Loss from debt restructuring	44		
△Policyholder dividends	17			IV. Total Profits (loss carried with "-")	45	384,335.36	213,474.25
△Expenses for reinsurance accepted	18			Less: Income tax	46	99,060.92	86,097.85
Taxes and Additions of Operations	19	35,889.32	49,457.99	V. Net Profit (net loss carried with "-")	47	285,274.44	127,376.40
Sales expenses	20	312,644.90	99,531.21	Net profit attributable to owners of the parent company	48		
Administration Expenses	21	4,140,009.41	4,690,966.41	*Minority interests	49		
Including: Business Entertainment expenses	22	20,734.67	29,309.72	VI. Earnings per share	50		
R&D cost	23			Basic earnings per share	51		
Financial Expenses	24	-101,540.05	90,927.97	Diluted earnings per share	52		
Including: Interest expense	25			VII. Other comprehensive income	53	285,274.44	127,376.40
Interest income	26	6,735.41	5,878.64	VIII. Total Comprehensive Income	54	285,274.44	127,376.40
Net exchange loss (Net exchange gains carried with "-")	27	-105,773.94	87,875.44	Total comprehensive income attributable to owners of the parent company	55		
Loss of impairment of assets	28			*Total comprehensive income attributable to minority	56		

Note: Items prefixed with △ are used by financial enterprises only.

Cash Flow Statement

CKNQ Form 03
Currency Unit: CNY

for the year ended December 31, 2014

Prepared by Tata Steel International (Shanghai) Limited

Item	Row	2014	2013	Item	Row	2014	2013
I. Cash Flows from Operating Activities							
Cash received from sale of goods or rendering of services	1	—	—	Net cash received from disposal of fixed assets, intangible assets & other long-term assets	30	190.00	153,000.00
△Net increase of deposits from customers and other banks	2	8,160,280.47	10,154,572.67	Net cash received from disposal of subsidiaries and other business units	31		
△Net increase of borrowings from central bank	3			Other cash received relating to investing activities	32		
△Net increase of loans from other financial institutions	4			Subtotal cash inflow of investing activities	33	190.00	153,000.00
△Cash received from receiving insurance premium of original insurance contract	5			Cash paid to acquire fixed assets, intangible assets & other long-term assets	34		
△Net cash received from reinsurance business	6			Cash paid for investment	35		
	7			△Net increase of pledge loans	36		
△Net increase of policy holder deposits and investment funds	8			Net cash paid by subsidiaries and other business units	37		
△Net increase of disposal of trading financial assets	9			Other cash paid relating to investing activities	38		
△Cash received from interests, handling charges and commissions	10			Subtotal cash outflow of investing activities	39		
△Net increase of placements from banks and other financial institutions	11			Net cash flows from investing activities	40	190.00	153,000.00
△Net capital increase of repurchase business	12			III. Cash Flows from Financing Activities	41	—	—
Return of tax payment	13	7,323.08	33,846.15	Cash received from capital contributions	42		
Other cash received relating to operating activities	14	362,896.29	14,851.05	Including: Cash received by subsidiaries from capital contributions made by minority	43		
Subtotal cash inflow of operating activities	15	8,530,499.84	10,203,269.87	Cash received from borrowings	44		
Cash paid for goods purchased and services accepted	16	5,327,743.40	3,417,783.78	△Cash received from issuing debentures	45		
△Net increase in loans of and advances for customers	17			Other cash received relating to financing activities	46		
△Net increase of deposits in central bank and other banks	18			Subtotal cash inflow of financing activities	47		
△Cash paid for indemnity of original insurance contract	19			Cash paid for repayment debts	48		
△Cash paid for interests, handling charges and commissions	20			Cash paid for distribution of dividends or profits, or interest repayment	49		
△Cash paid for policyholder dividends	21			Including: dividends and profits paid by subsidiaries to minority	50		
Cash paid to and on behalf of staff	22	2,381,215.77	2,314,774.70	Other cash paid relating to financing activities	51		
Payments of various taxes	23	424,845.60	552,401.38	Subtotal cash outflow of financing activities	52		
Other cash paid relating to operating activities	24	2,272,680.73	2,480,407.44	Net cash flows from financing activities	53		
Subtotal cash outflow of operating activities	25	10,406,685.50	8,765,367.30	IV. Effect of Exchange Rate Changes on Cash & Cash Equivalents	54	105,773.94	-87,875.44
Net cash flow from operating activities	26	-1,876,185.66	1,437,902.57	V. Net Increase in Cash & Cash Equivalents	55	-1,770,221.72	1,503,027.13
II. Cash Flows from Investing Activities	27	—	—	Plus: Beginning balance of cash & cash equivalents	56	2,252,567.47	749,540.34
Cash received from investment recovered	28			VI. Ending Balance of Cash & Cash Equivalents	57	482,345.75	2,252,567.47
Cash received from investment income	29				58		

Note: Items prefixed with △ are used by financial enterprises only.

Notes to the Financial Statements for the Year ended December 31, 2014

Tata Steel International (Shanghai) Limited (Unless otherwise stated specially, the currency unit is CNY)

I. Company Profile

Tata Steel International (Shanghai) Limited (hereinafter referred to as the Company) is a limited liability company (a WFOE with the investment from Taiwan, Hong Kong or Macao) incorporated and invested by Corus Asia Limited (a Hong Kong company, hereinafter referred to as the Investor) on June 08, 2006 under the approval of the Ministry of Commerce of the People's Republic of China [No. SZP(2006)18] and registered with Shanghai Administration for Industry and Commerce Huangpu Branch. The Investor of the Company was changed to Tata Steel International (Asia) Limited under the approval of Shanghai Municipal Commission of Commerce [No. HSWZP(2010)1369] on May 31, 2010; the Company has obtained the *Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People's Republic of China* [No. SWZHDZZ(2010)1412] and the *Business License for Enterprises as Legal Persons* [No. 310000400468934(Huangpu)]; the total investment of the Company amounts to USD 880,000.00, the registered capital amounts to USD620,000.00, and the paid-in capital amounts to USD 620,000.00; the registered address of the Company is Room 2006, No. 568, Hengfeng Road, Zhabei District, Shanghai. ALAN ROY BRIDGER is the legal representative of the Company. The operating period of the Company is 30 years.

Principal Activities:

The wholesale, commission agency (excluding auction), import and export of steel, aluminum products, construction products and other relevant products, and rendering of the relevant supporting service and after service (operate the products involved in quota license administration or specific stipulation administration in accordance with the relevant provisions of the State) (operate with administrative license as required).

II. Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with the *Accounting System for Business Enterprises* and other pertinent regulations on the basis that the Company is operating as a going concern and subject to the transactions and events occurred actually.

III. Notes to Significant Accounting Policies and Estimates

1. Accounting Standards Adopted Currently by the Company

The Company adopts the *Accounting System for Business Enterprises* and other pertinent regulations.

2. Accounting Year

Calendar year from January 01 to December 31.

Notes to the Financial Statements for the Year ended December 31, 2014

Tata Steel International (Shanghai) Limited (Unless otherwise stated specially, the currency unit is CNY)

3. Functional Currency

Chinese Yuan (CNY) is used by the Company as its functional currency.

4. Book-Keeping Basis and Valuation Principle

Book-keeping is made on accrual basis. Valuating is based on actual cost.

5. Accounting and Translation Methods for Transactions in Foreign Currency

Transactions denominated in foreign currencies shall, at the time of initial recognition, be carried in the functional currency translated at the spot exchange rates prevailing on the dates of the transactions. At the balance sheet date, the balance of foreign currency accounts shall be carried in CNY translated at the reference exchange rates, and the exchange differences thus incurred other than those arising from the foreign currency loan for the acquisition, construction or production of inventories and fixed assets eligible for capitalization which shall be treated in accordance with the criteria for capitalization of borrowing costs, shall be recognized in the profit or loss for the period.

6. Bad Debt Loss of Receivables

(1) Recognition of Bad Debts:

Receivables that cannot be recovered due to the bankruptcy or death of the debtor after the liquidation of such debtor's property or legacy, and that cannot be recovered because of the debtor's delay in performing its obligation of debt redemption which has been proved conclusively, will be recognized as bad debt loss subject to the approval of the management.

(2) Accounting Method for Bad Debt Loss:

Using allowance method. The bad debt provision is made for receivables (including accounts receivable and other receivables). The bad debt provision is made using the specific identification method.

7. Inventories

Inventories are carried at their actual costs at acquisition.

The delivered inventories are valued using the specific identification method.

The perpetual inventory system is adopted as the inventory system of inventories.

Low-value consumables are amortized using the one-time amortization method.

8. Fixed Assets

(1) Definition of Fixed Assets:

House, building, machine, machinery, transport equipment and other equipment, tools and appliances related to production and operation with useful life over one year;

Any item that is not the main equipment of production and operation but with the unit

Notes to the Financial Statements for the Year ended December 31, 2014

Tata Steel International (Shanghai) Limited (Unless otherwise stated specially, the currency unit is CNY)

value above CNY2,000 and the useful life over two years.

(2) Classification of Fixed Assets:

The fixed assets are classified as house & building, machinery equipment, transport equipment and other equipment.

(3) Depreciation of Fixed Assets:

The depreciation of fixed assets is calculated using the straight-line method, and the depreciation rates are formulated on the basis of the original value and estimated economic life of the fixed assets deducting their residual value (at 10% of their original value). With regard to the value of the land-use right included in the house and building, if the estimated useful life of the land-use right is more than the estimated useful life of the house and building, then it shall be considered at the time of estimating the net residual value of the relevant house and building, and the depreciation rates and net residual value shall be adjusted accordingly.

The estimated useful life and annual depreciation rates of fixed assets are set out as follows:

Type of fixed assets	Estimated useful life	Annual depreciation rate
Office equipment	5 years	18%
Transport equipment	5 years	18%

9. Intangible Assets

(1) Valuation of Intangible Assets:

Intangible assets are carried at their actual costs at acquisition.

(2) Amortization Method and Period of Intangible Assets:

An intangible asset is amortized evenly over its beneficial period or statutory useful life whichever is shorter from the month of acquisition (10 years at most).

10. Long-Term Prepaid Expenses

Long-term prepaid expenses consist of the expenditures on improvement of fixed assets acquired under operating leasing which shall be capitalized and other paid expenses which shall be amortized over a period more than one year. They are amortized evenly over their estimated beneficial periods.

11. Recognition of Revenue

(1) Sale of Goods:

Revenues from sale of goods are recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; it is probable that the economic benefits associated

Notes to the Financial Statements for the Year ended December 31, 2014

Tata Steel International (Shanghai) Limited (Unless otherwise stated specially, the currency unit is CNY)

with the transaction can flow to the Company; and the relevant amount of revenues and costs can be measured reliably.

(2) Rendering of Service:

For any service started and completed within the same accounting year, revenues are recognized when the service has been rendered, the price has been received or the evidence supporting the receipt of such price has been obtained. For any service started and completed in different accounting years, the relevant service revenues are recognized at the balance sheet date using the percentage of completion method when the results of the rendering of service can be estimated reliably.

(3) Transfer of the right to the use of assets

Revenues from the transfer of the right to the use of assets are recognized when it is probable that the economic benefits associated with the transaction can flow to the Company and the relevant amount of revenues can be measured reliably;

The interest income is calculated and determined at the time for transfer of the right to the use of cash and the applicable rate;

The income from charge for use is calculated and determined at the time and in the method for charging specified in the applicable contracts or agreements.

12. Accounting Treatment of Income Tax

The accounting treatment of income tax is made using tax payable method.

IV. Taxes

Tax categories and rates

VAT	Paid in an amount equal to the difference got by subtracting the permitted deductible input tax amount for the period from the output tax amount on the revenues from sale of goods and taxable service calculated at the tax rate of 17%
Business tax	Calculated and paid at 5% of taxable operating income.
Urban Maintenance & Construction Tax	Paid at 7% of the circulating tax paid actually.
Educational surtax	Paid at 3% of the circulating tax paid actually.
Local educational surtax	Paid at 2% of the circulating tax paid actually.
River management charge	Paid at 1% of the circulating tax paid actually.
Income tax	Paid at 25% of the taxable amount of income.

V. Notes to the Main Items of the Financial Statements

Notes to the Financial Statements for the Year ended December 31, 2014

Tata Steel International (Shanghai) Limited (Unless otherwise stated specially, the currency unit is CNY)

1. Cash & Cash Equivalents

Item	Closing Balance			Opening Balance		
	Amount in original currency	Exchange rate	Equivalent to CNY	Amount in original currency	Exchange rate	Equivalent to CNY
Cash in bank			482,345.75			2,252,567.47
Including: CNY	165,502.77		165,502.77	1,936,270.74		1,936,270.74
USD	51,780.19	6.119	316,842.98	51,831.53	6.1024	316,296.73
Total			482,345.75			2,252,567.47

2. Accounts Receivable

(1) Analysis on accounts receivable by aging

Item	Closing Balance		Opening Balance	
	Balance	Bad debt provision	Balance	Bad debt provision
Within 1 year (inclusive)	964,035.94		823,169.76	
1-2 years (inclusive)				
2-3 years (inclusive)				
Over 3 years				
Total	964,035.94		823,169.76	

(2) Accounts with larger amount

Business name	Amount
Schneider (Shanghai) Apparatus Parts Manufacturing Co., Ltd.	964,035.94

3. Advances to Suppliers

(1) Analysis on advances to suppliers by aging

Item	Closing Balance		Opening Balance	
	Balance	Bad debt provision	Balance	Bad debt provision
Within 1 year (inclusive)	97,400.00		18,600.00	
1-2 years (inclusive)				
2-3 years (inclusive)				
Over 3 years				
Total	97,400.00		18,600.00	

(2) Accounts with larger amount

Business name	Amount
Jiangyin Xingke Hoisting Machinery Co., Ltd.	81,600.00
Changzhou Xinboxiang Transportation Co., Ltd.	15,800.00

Notes to the Financial Statements for the Year ended December 31, 2014

Tata Steel International (Shanghai) Limited (Unless otherwise stated specially, the currency unit is CNY)

4. Other Receivables

(1) Analysis on other receivables by aging

Item	Closing Balance		Opening Balance	
	Balance	Bad debt provision	Balance	Bad debt provision
Within 1 year (inclusive)	4,939,765.19		3,958,784.95	
1-2 years (inclusive)	1,214,799.53		2,000.00	
2-3 years (inclusive)	2,000.00		319,102.30	
Over 3 years				
Total	6,156,564.72		4,279,887.25	

(2) Accounts with larger amount

Business name	Description	Amount
Tata Steel International (Asia) Limited	Receivable service charges and advances	5,896,562.00
Jetgood Development Real Estate (Shanghai) Co.,Ltd.	Deposit	95,641.21
Chen Mo	Deposit	42,000.00
Total	Proportion to other receivables	98.01%

5. Inventories

Item	Opening Balance	Closing Balance
Commodity stocks	448,265.96	742,847.76
Goods in transit	768,753.96	
Total	1,217,019.92	742,847.76

6. Other Current Assets

Item	Ending book value	Beginning book value
Prepaid expenses – rent and property management fee for room 1806		105,387.16
Prepaid expenses – broadband fee	5,970.00	13,930.00
Prepaid expenses –rent for office 2306	26,380.00	
Total	32,350.00	119,317.16

7. Fixed Assets

Item	Opening Balance	Increased for the year	Decreased for the year	Closing Balance
1. Total original value	208,823.42		91,577.00	117,246.42
Including: Office equipment	208,823.42		91,577.00	117,246.42
2. Total accumulated depreciation	175,833.99	4,521.48	82,419.30	97,936.17
Including: Office equipment	175,833.99	4,521.48	82,419.30	97,936.17
3. Total net carrying value of fixed assets	32,989.43			19,310.25
Including: Office equipment	32,989.43			19,310.25

Notes to the Financial Statements for the Year ended December 31, 2014

Tata Steel International (Shanghai) Limited (Unless otherwise stated specially, the currency unit is CNY)

8. Other Long-term Assets

Item	Initial cost	Beginning Balance	Increased this year	Decrease this year (amortized)	Ending Balance	Remaining period for amortization
Long-term prepaid expenses house decoration expenses	381,115.98	63,519.47		63,519.47		
Long-term prepaid expenses house decoration expenses	97,000.00		97,000.00	26,944.40	70,055.60	26 Months

9. Accounts Payable

(1) Presented by aging

Item	Ending Balance		Beginning Balance	
	Amount	% total amount	Amount	% total amount
Within 1 year	803,039.64	100.00%	1,512,224.93	100.00%
1-2 years				
2-3 years				
Over 3 years				
Total	803,039.64	100.00%	1,512,224.93	100.00%

(2) Accounts with larger amount

Business name	Amount
Tata Steel International (Asia) Limited	803,039.64

10. Advances from Customers

Item	Ending Balance		Beginning Balance	
	Amount	% total amount	Amount	% total amount
Within 1 year			9,000.00	100.00%
1-2 years				
2-3 years				
Over 3 years				
Total			9,000.00	100.00%

11. Other Payables

Item	Ending Balance		Beginning Balance	
	Amount	% total amount	Amount	% total amount
Within 1 year	149,441.19	100.00%	17,630.00	100.00%
1-2 years				
2-3 years				
Over 3 years				
Total	149,441.19	100.00%	17,630.00	100.00%

12. Tax Payable

Notes to the Financial Statements for the Year ended December 31, 2014

Tata Steel International (Shanghai) Limited (Unless otherwise stated specially, the currency unit is CNY)

Item	Opening Balance	Payable this year	Paid this year	Closing Balance
VAT	-70,227.47	348,834.59	276,071.72	2,535.40
Enterprise income tax	8,422.13	96,083.83	109,907.48	-5,401.52
Total	-61,805.34	444,918.42	385,979.20	-2,866.12

Note: the paid urban maintenance & construction tax, educational surtax, local educational surtax, and river management charge were deducted from taxes and additions of operations directly instead of taxes payable.

13. Paid-in Capital

Item	Opening Balance		Increased this year	Decreased this year	Closing Balance	
	Amount	Proportion (%)			Amount	Proportion (%)
Tata Steel International (Asia) Limited	USD 620,000 Equivalent to CNY 4,884,202.70	100.00%			USD 620,000 Equivalent to CNY 4,884,202.70	100.00%

The above paid-in capital had been verified by No. SXSZY (2007) 6 Capital Verification Report issued by Shanghai Xiaotiancheng Certified Public Accountants Firm on January 25, 2007. The Investor was changed from Corus Asia Limited to Tata Steel International (Asia) Limited under the approval of Shanghai Municipal Commission of Commerce [No. HSWZP(2010)1369].

14. Capital Reserve

Item	Opening Balance	Increased this year	Decreased this year	Closing Balance
Allocation from capital reserve under former system (provision for accepting non-monetary asset donation)	60,000.00			60,000.00
Total	60,000.00			60,000.00

15. Surplus Reserve

Item	Opening Balance	Increased this year	Decreased this year	Closing Balance
Statutory surplus reserve	220,485.14	28,527.44		249,012.58
Total	220,485.14	28,527.44		249,012.58

16. Undistributed Profit

Item	Amount this year	Amount last year
Balance at the beginning of the year	2,168,333.03	2,053,694.27
Increased for the year	285,274.44	127,376.40
Including: Allocation from net profit for the year	285,274.44	127,376.40
Decreased for the year	28,527.44	12,737.64
Including: Allocation to surplus reserve for the year	28,527.44	12,737.64
Balance at the end of the year	2,425,080.03	2,168,333.03

17. Operating Income

Item	Actual this year		Actual last year	
	Income	Cost	Income	Cost
1. Subtotal main operations	4,808,456.25	4,338,409.86	3,267,401.45	3,096,543.28

Notes to the Financial Statements for the Year ended December 31, 2014

Tata Steel International (Shanghai) Limited (Unless otherwise stated specially, the currency unit is CNY)

Including: External sales			317,011.24	273,230.77
Domestic sale	4,808,456.25	4,338,409.86	2,950,390.21	2,823,312.51
2. Subtotal other operations	4,355,094.76		5,031,150.32	
Including: Service charge	4,355,094.76		5,031,150.32	
Total	9,163,551.01	4,338,409.86	8,298,551.77	3,096,543.28

18. Non-operating Income and Expense

Item	Amount
Service charge for refund of personal income tax withheld and remitted	6,868.58
Profit from disposal of non-current assets	390.00
Total non-operating income	7,258.58
Loss from disposal of non-current assets	7,697.70
Fine charges	132.72
Other expenses-Bad Debt	10,884.00
Other expenses-	42,346.37
Total non-operating expenses	61,060.79

19. Foreign Currency Translation

The exchange profit recognized in the profit or loss for the period is CNY 105,773.94

VI. Notes to Contingent Events

As at December 31, 2014, the Company has no significantly contingent events influencing the reading and understanding of the financial statements.

VII. Non-adjusting Events after the Balance Sheet Date

As at the date on which this financial report is authorized for issue (March 13, 2015), the Company has no significantly non-adjusting events after the balance sheet date influencing the reading and understanding of these financial statements.

VIII. Relationship and Transactions with Related Parties

1. Information about the Company's Parent Company

Name of parent company	Registered address	Business nature
Tata Steel International (Asia) Limited	Unit 2313-15, Floor 23, BEA Tower, Millennium City 5,418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong	Trade

2. Proportion of shareholdings of the Parent Company in the Company

Item	Beginning Balance	Increased this year	Decreased this year	Ending Balance
Proportion of shareholdings	100.00%			100.00%
Proportion of voting rights	100.00%			100.00%

3. Subsidiaries of the Company

Notes to the Financial Statements for the Year ended December 31, 2014

Tata Steel International (Shanghai) Limited (Unless otherwise stated specially, the currency unit is CNY)

Name of subsidiary	Registered address	Business nature	Registered capital	Total proportion of shareholdings of the Company		Total proportion of voting rights owned by the Company at the end of the year
				This year	Last year	
1. Subsidiary formed by the consolidation of entities under common control						
None						
2. Subsidiary formed by the consolidation of entities not under common control						
None						

4. Joint Ventures and Associates of the Company

Name of invested entity	Registered address	Business nature	Proportion of shareholdings of the Company	Total assets at the end of year	Total liabilities at the end of year	Total equity at the end of year	Total operating income for the year	Net profit for the year
1. Joint venture								
None								
2. Associate								
None								

5. Transactions with Related Parties

(1) Purchase and Sale Transactions

Type of transaction	Name of entity	Nature of relationship	Amount of transaction	Open account	Bad debt provision for open accounts	Pricing policy
1. Transactions with related parties for purchase of goods and acceptance of service						
Purchase of goods	Tata Steel International (Asia) Limited	Parent Company	3,551,613.32	803,039.64		Market price
2. Transactions with related parties for sale of goods and rendering of service						
Rendering of service	Tata Steel International (Asia) Limited	Parent Company	4,355,094.76	5,896,562.00	not made	Management fee plus 5%

(2) Security for Related Parties: None

(3) Balance of Accounts with Related Parties

Item and Entity	Ending Balance	Proportion to total amount of the project
Other Receivables		
Tata Steel International(Asia) Limited	5,896,562.00	95.78%
Accounts Payable		
Tata Steel International(Asia) Limited	803,039.64	100.00%

IX. Approval on Financial Statements

These financial statements of the Company for the year ended December 31, 2014 and their notes were prepared by the Company in accordance with the *Accounting System*

Notes to the Financial Statements for the Year ended December 31, 2014

Tata Steel International (Shanghai) Limited (Unless otherwise stated specially, the currency unit is CNY)

for *Business Enterprises* and other pertinent regulations, and have been approved by the management of the Company.

Name of Enterprise: Tata Steel International (Shanghai) Limited

Enterprise Principal: ALAN ROY BRIDGER

Financial Principal: Sarah Lai Chun Law

Date: March 13, 2015

Date: March 13, 2015

Tata Steel International (Shanghai) Limited
Statement of Adjustments to Taxable Amount of Income
for the year ended December 31, 2014

Unit: CNY

Item	Amount	Remark
I. Total Profits (tax returns)	384,335.36	
II. Plus: Adjusted increase	75,357.59	
1. Overspent entertainment expenses	8,293.87	
2. Tax penalty	132.72	
3. Bad debt loss that cannot be recovered	10,884.00	
4. Accrual bonus	56,047.00	
III. Less: Adjusted decrease	-	
IV. Taxable amount of income after adjustment	459,692.95	

Note: The above taxable amount of income after adjustment is the opinion of the auditors, and the final determination on the taxable amount of income shall be subject to the final approval of the competent tax authority.



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