



上海华皓会计师事务所(普通合伙)

Shanghai Well C.P.A. Partnership

Auditor's Report

HHSC (2024) No. 309

To the Shareholders of Tata Steel International (Shanghai) Limited:

I. Opinion

We have audited the accompanying financial statements of Tata Steel International (Shanghai) Limited (the "Company"), which comprise the balance sheet as at 31 December 2023, the income statement, the cash flow statement for the year then ended and the statement of changes in equity and notes to the financial statements.

In our opinion, the attached financial statements give a true and fair view of the company's financial position as of December 31 in all material respects, and calculate its financial position and cash flow for the year in accordance with the accounting system for business enterprises.

II. Basis for opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are independent of the Company in accordance with Code of Ethics of Professional Accountant ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III、Management's responsibility for the financial statements

The company's management (Management) is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the enterprise accounting system, and the design and implementation. The management believes it is necessary to maintain internal control so that the financial statements are free from material misstatement due to fraud or error.

In preparing the consolidated financial statements, the 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 the management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

IV、Auditor's responsibilities for the audit of the financial statements

Our objective is 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 the Standard 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 the Standard, we exercise professional judgement and maintain professional skepticism 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 sufficient, appropriate audit evidence to provide a basis of our opinion. Since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

(2) Obtain an understanding of internal control that is relevant to the audit in order to design appropriate audit procedures , 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.

(4) Conclude on the appropriateness of the management's use of 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, we have to modify our opinion. Our conclusion is based on the 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 fairly presented the underlying transactions and events.

We communicate with those charged with governance for the events such as the planned scope and timing of the audit and significant audit findings, also including any significant deficiencies in internal control that we identify during our audit.

Shanghai WELL.C.P.A Partnership China Certified Public Accountant: Chen Ying
(General Partnership)

China Certified Public Accountant: Zhang Meng

Shanghai, China

2024.4.30

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

BALANCE SHEET

Company Name : Tata Steel International (Shanghai) Limited		AS OF DECEMBER 31, 2023		(CURRENCY: RMB)	
Items		2023.12.31	2023.1.1	Items	2023.12.31
CURRENT ASSETS	1			CURRENT LIABILITIES	73
Cash	2	2,819,186.35	3,046,028.01	Short-term loans	74
△Deposit Reservation for Balance	3			△Borrowings from central bank	75
△Funds lent	4			△Customer deposit and interbank placement	76
△Financial assets	5			△Loans from other banks	77
Financial assets measured at fair value and changes recorded into current profit or loss	6			△Transitional financial liabilities	78
Derivative financial assets	7			Financial liabilities measured at fair value and changes recorded into current profit or loss	79
Accounts and notes receivable	8			Derivative financial liabilities	80
Payments in advance	9			Accounts and notes payable	81
△Premiums receivable	10			Receipts in advance	82
△Reinsurance receivables	11			△obligation of contract	83
△Receivable from subcontracting reserves	12			△financial assets sold for repurchase	84
Other receivables	13	3,135,294.56	2,239,861.64	△Handling charges and commissions payable	85
△Borrowing back the sale of financial assets	14			Wages payable	86
Inventories	15	486,835.76	376,950.54	Including: Accrued payroll	87
Including raw material	16			Staff welfare payable	88
Finished goods	17			△Staff bonus and welfare fund	89
△Contractual Assets	18			Taxes and dues payable	90
Assets held for sale	19			Including: Taxes payable	91
Long-term debt investments due within one year	20			Other payable	92
Other current assets	21			△Payable for Reinsurance	93
Total current assets	22	73,626.67	87,947.62	△Insurance contract reserve	94
NON-CURRENT ASSETS	23			△Receivings from Vicariously Traded Securities	95
△Loans and advances	24			△Receivings from Vicariously Sold Securities	96
△Debt investments	25			Liabilities held for sale	97
Financial assets available for sale	26			Long-term liabilities due within one year	98
△Other debt investment	27			Other current liabilities	99
Investment held to maturity	28			Total current liabilities	100
Long-term receivable	29			NON-CURRENT LIABILITIES	101
Long-term equity investments	30			Long-term loans	102
△Other investments in equity instruments	31			Debt securities payable	103
△Other non-current financial assets	32			Preferred Stock	104
Property for investments	33			Perpetual debt	105
Fixed assets	34	86,887.10	106,393.62	Long-term payables	106
Construction in progress	35			Long-term wages payable	107
Bearer biological assets	36			Contingent liabilities	108
Oil and gas assets	37			Deferred revenue	109
Intangible assets	38			Deferred income tax liabilities	110
Development expenditure	39			Other long-term liabilities	111
Goodwill	40			Special reserve fund	112
Long-term deferred expenses	41			Total non-current liabilities	113
Deferred tax assets	42			OWNERS' EQUITY:	114
Other long-term assets	43			Paid-in capital	115
Total non-current assets	44	86,887.10	111,148.04	government capital	116
	45			Including State-owned legal person's capital	117
	46			Collective capital	118
	47			Private capital	119
	48			Personal capital	120
	49			Foreign capital	121
	50			#Less: returned capital	122
	51			Paid-in capital, net	123
	52			Other equity instruments	124
	53			Preferred Stock	125
	54			Perpetual debt	126
	55			Capital surplus	127
	56			Less: Treasury shares	128
	57			Other Comprehensive Income	129
	58			Converted difference in Foreign Currency Statements	130
	59			Special reserve	131
	60			Surplus reserve	132
	61			Including: Statutory reserve	133
	62			Discretionary fund	134
	63			#Reserve fund	135
	64			#Enterprise development fund	136
	65			#Profit on return of investment	137
	66			△General risk provisions	138
	67			Retained earnings	139
	68			Total equity attributable to equity holders of the Company	140
	69			*Minority interest	141
	70			Total owners' equity	142
	71			TOTAL LIABILITIES AND OWNERS' EQUITY	143
Total assets	72	6,601,820.44	5,881,935.85		144

INCOME STATEMENT

Company Name : Tata Steel International (Shanghai) Limited

FOR THE YEAR ENDED 31 DECEMBER 2023

(CURRENCY: RMB)

Items	2023	2022	Items	2023	2022
Revenues					
Revenues from main operations	9,781,897.81	9,605,834.66	Debt restructuring gains	38	
△Interest income	9,781,897.81	9,605,834.66	Less: Non-operating expenses	39	1.14
△Insurance premiums earned			Including: Debt restructuring losses	40	
△Handling charges and commission income			Total profit / (loss)	41	329,128.29
Costs			Less: Income taxes expenses	42	6,279.00
Cost of main operations	9,476,593.38	9,092,023.29	Net profit / (loss)	43	322,849.29
△Interest expense	318,420.17	81,350.13	(1) Classification by ownership	44	-
△Handling charges and commission fee			Net profits attributable to parent	45	322,849.29
△Surrender Value			*Minority shareholder's profit	46	521,338.45
△Net payments for insurance claims			(2) Classification according to business continuity	47	-
△Net change in insurance contract reserves			Income from continuing operations	48	
△Policyholder dividend expense			Net profit from discontinued operations	49	
△Reinsured expenses			6. Other Comprehensive net profit	50	
Tax and levies on operations	29,953.04	30,602.73	Other comprehensive net profit attributable to parent	51	
Selling and distribution expenses	43,775.08	41,365.35	(1) Items not to be reclassified into profit or loss in subsequent periods	52	
General and administrative expenses	9,104,071.43	9,107,372.16	1. Changes arising from remeasurement of net liabilities or assets of defined benefit plan	53	
Party building work expenses			2. Share in other comprehensive income of the investee that cannot be reclassified into profit	54	
Research and development expense			☆3 Other equity instruments classified as fair value	55	
Finance expenses	-19,626.34	-168,667.08	☆4 Changes in the fair value of their own credit risk	56	
Including: interest expenses			5 Others	57	
Interest income	5,127.19	6,638.25	(2) other comprehensive income of the investee that will be reclassified into profit	58	
Exchange gains	-16,718.47	-165,078.58	1 other comprehensive income that can be reclassified into profit under equity method	59	
Exchange losses			☆2 Other changes in fair value of debt investments	60	
Loss of assets impairment			3 Gains or losses from changes in fair value of available for sale financial assets	61	
☆Credit impairment losses			☆4 Reclassification of financial assets recognized in other comprehensive income	62	
Others			5 Reclassification of held-to-maturity investments as available for sale financial assets, gains and losses	63	
Add: Other income			☆6 Boreidior's rights investment depreciation reserves	64	
Investment income			7 Cash flow hedging reserve	65	
Investment income in associates and joint ventures			8 Foreign currency translation differences	66	
△Foreign Exchange Income			9 Other	67	
☆Net exposure hedging gains			*Other comprehensive income, net of tax attributable to minority shareholders	68	
Changes of fair value assets			7. Total comprehensive income	69	322,849.29
Gain on disposal of assets			Total comprehensive income attributable to owners of the parent company	70	322,849.29
Operating profit / (loss)	305,304.43	513,811.37	*Comprehensive income attributable to minority shareholders	71	
Add: Non-operating income	23,825.00	7,527.08	8. Earnings per share:	72	
Including: government subsidy			Basic earnings per share	73	
			Diluted earnings per share	74	

CASH FLOW STATEMENT

Company Name : Tata Steel International (Shanghai) Limited

FOR THE YEAR ENDED 31 DECEMBER 2023

(CURRENCY: RMB)

Items	2023	2022	Items	2023	2022
1. Cash flows from operating activities	1	-	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	30	
Cash received from sales of goods or rendering of services	2	7,387,200.76	Cash received from disposal of subsidiaries	31	
△Net increase in deposits from customers and due from banks and other financial institutions	3		Cash received relating to other investing activities	32	
△Net increase in borrowings from the central bank	4		Sub-total of cash inflows	33	
△Net increase in loans from other financial institutions	5		Cash paid to acquire fixed assets, intangible assets and other long-term assets	34	52,460.18
△Cash received from receiving insurance premium of original insurance contract	6		Cash paid to acquire investments	35	
△Net cash received from reinsurance business	7		△Net increase in pledge loans	36	
△Net increase in deposits and investments from policyholders	8		Cash paid for acquisition of subsidiaries	37	
△Net increase received from disposal of financial assets measured at fair value through current profit and loss	9		Cash paid relating to other investing activities	38	
△Cash received from interests, handling charges and commissions	10		Sub-total of cash outflows	39	52,460.18
△Net increase in loans from banks and other financial institutions	11		Net cash flows from investing activities	40	-52,460.18
△Net capital increase in repurchase business	12		3. Cash flows from financing activities	41	
Refunds of taxes	13		Cash received from capital contributions	42	
Other cash received relating to operating activities	14	1,976,079.50	*Including: Cash received by subsidiaries from investments by minority shareholders	43	
Sub-total of cash inflows	15	9,363,280.26	Cash received from borrowings	44	
Cash paid for goods and services	16	233,598.66	△Cash received from bonds issue	45	
△Net increase in customers' loans and advances	17		Cash received relating to other financing activities	46	
△Net increase in deposits with central bank and with banks and other financial institutions	18		Sub-total of cash inflows	47	
△Cash paid for original insurance contract claims	19		Cash repayments of amounts borrowed	48	
△Cash paid for interests, handling charges and commissions	20		Cash payments for interest expenses and distribution of dividends or profits	49	
△Cash paid for policy dividends	21		*Including: Dividends and profits paid to minority shareholders by subsidiaries	50	
Cash paid to and on behalf of employees	22	7,771,645.87	Cash payments relating to other financing activities	51	
Payments of taxes and levies	23	539,155.49	Sub-total of cash outflows	52	
Cash paid relating to other operating activities	24	1,053,767.80	Net cash flows from financing activities	53	
Sub-total of cash outflows	25	9,598,167.82	4. Effect of foreign exchange rate changes on cash	54	16,718.47
Net cash flows from operating activities	26	-234,887.56	5. Net increase / (decrease) in cash	55	987.91
2. Cash flows from investing activities	27	-	Add: cash equivalents at beginning of year	56	3,045,040.10
Cash received from disposal of investments	28		6. Cash at end of year	57	3,046,028.01
Cash received from returns on investments	29			58	

STATEMENT OF CHANGES IN EQUITY

Company Name : Tata Steel International (Shanghai) Limited

FOR THE YEAR ENDED 31 DECEMBER 2023

(CURRENCY: RMB)

Items		2023															Minority interests		Total owners' equity	
		Total equity attributable to equity holders of the Company																		
		Paid-in capital		Other equity instruments				Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Othera	Sub-total				
				Preferred stock	Perpetual debis	Other														
	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
1. At the end of prior year	1	4,881,202.70				2,078,805.99				361,467.44		-1,702,929.91		5,618,546.22		5,618,546.22				
Add: Changes in accounting policies	2																			
Correction of significant accounting errors	3																			
Others	4																			
2. At the beginning of current year	5	4,881,202.70				2,078,805.99				361,467.44		-1,702,929.91		5,618,546.22		5,618,546.22				
3. Changes during the year	6											322,849.29		322,849.29		322,849.29				
(1) total revenue	7											322,849.29		322,849.29		322,849.29				
(2) Increase/(decrease) in capital	8																			
1.Common shares contributed by shareholders	9						-	-		-		-								
2.Capital contributed by the holders of other equity instruments	10						-	-		-		-								
3. Amounts of share-based payments recognized in owners' equity	11						-	-		-		-								
4. Other	12																			
(3) Extraction and use of special reserves	13																			
1. Extraction of special reserves	14																			
2. Use of special reserves	15																			
(4) Profit distribution	16																			
1. Appropriation of surplus reserve	17																			
Including: Statutory reserve	18																			
Discretionary fund	19																			
#Reserve fund	20																			
#Expansion fund of enterprise	21																			
#Profit on return of investment	22																			
2. Extraction of general risk reserve	23																			
3. Profit distributed to owners	24	-			-	-	-	-		-										
4.Other	25																			
(5) Internal carry-forward of owner's equity	26																			
1. conversion of capital reserve into paid-in capital	27						-	-		-		-			-					
2.conversion of capital reserve into paid-in capital	28						-	-		-		-			-					
3.surplus reserve offsetting losses	29	-				-	-	-							-					
4.settling profits change amount carry forward retained earnings	30																			
☆5.5 other comprehensive income carry forward retained earnings	31																			
5.others	32																			
4. At the end of current year	33	4,881,202.70				2,078,805.99				361,467.44		-1,380,080.62		5,941,395.51		5,941,395.51				

STATEMENT OF CHANGES IN EQUITY

Company Name : Tata Steel International (Shanghai) Limited

FOR THE YEAR ENDED 31 DECEMBER 2023

(CURRENCY: RMB)

Items	2022																	Total equity attributable to equity holders of the Company							Minority interests	Total owners' equity
	Paid-in capital			Other equity instruments				Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Dividend risk reserve	Retained earnings	Othera	Sub-total										
	Preferred stock	Perpetual debits		Other																						
		17	18		19																					
-	16						20	21	22	23	24	25	26	27	28											
1. At the end of prior year	1	4,881,202.70					2,078,805.99				361,467.44		-2,224,268.36		5,097,207.77	29	30									
Add: Changes in accounting policies	2																									
Correction of significant accounting errors	3																									
Others	4																									
2. At the beginning of current year	5	4,881,202.70					2,078,805.99				361,467.44		-2,224,268.36		5,097,207.77		5,097,207.77									
3. Changes during the year	6																									
(1) total revenue	7																									
(2) Increase/(decrease) in capital	8																									
I.Common shares contributed by shareholders	9																									
2. Capital contributed by the holders of other equity instruments	10																									
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2. Extraction of general risk reserve	23																									
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4.Other	25																									
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3.surplus reserve offsetting losses	29	-																								
4.settling profits change amount carry forward retained earnings	30																									
5.5 other comprehensive income carry forward retained earnings	31																									
5.others	32																									
4. At the end of current year	33	4,881,202.70					2,078,805.99				361,467.44		-1,702,925.91		5,618,546.22		5,618,546.22									

I. Corporate Information

The company was invested and established by Tata Steel International (Asia) Limited on June 8, 2006. The investor of the company changed from Tata Steel International (Asia) limited to Tata Steel International (Singapore) Holdings Pte. Ltd. on July 31, 2018. The investor of the company then merged with T S GLOBAL PROCUREMENT COMPANY PTE. LTD. in late November 2020, and T S GLOBAL PROCUREMENT COMPANY PTE. LTD. became the legal entity company name of the surviving company after the merger, the company completed the filing procedures of government departments for investor changes in April 2021. Now, it holds the business license with unified social credit code of 91310000717864543J issued by Shanghai Administration for Industry and commerce. NAKAMURA RITSU is the legal representative of the Company. 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; Company type: limited liability company (wholly owned by foreign legal person)

Principal Activities:

General items: wholesale, commission agency (excluding auction) and related supporting and after-sales services of steel raw and auxiliary materials and spare parts, aluminum materials, building materials and other related products. (With the exception of items that must be approved according to law, business activities shall be carried out independently according to law with business licenses)

Permitted items: import and export of goods; import and export of technologies. (Projects that must be approved according to law shall be

approved by relevant departments before business activities can be carried out, and the specific business projects shall be subject to the approval documents or licenses of relevant departments)

II. Basis of Preparation and adoption of Accounting Standard for financial statement s

The financial statements are prepared on the basis of continuous operation and according to the actual transactions and events. It shall be confirmed and measured in accordance with the accounting system for business enterprises and other relevant provisions.

III. Statement of Compliance with Accounting Standards for Business Enterprises and 《Accounting System for Business Enterprises》

The financial statements give a true and complete view of the financial position, operating results and cash flows, etc. of the enterprise in accordance with 《Accounting System for Business Enterprises》 .

IV. Significant Accounting Policies and Accounting Estimates

1、 The accounting system the Company currently implements

The Company is in accordance with 《Accounting System for Business Enterprises》 and other relevant provisions.

2、 Accounting year

The accounting year of the Company is from 1 January to 31 December.

3、 Functional currency

Renminbi (“Rmb”) is the functional currency of the Company.

4、Basis of accounting and measurement bases

The Company follows the accrual basis of accounting, and assets are initially recorded at actual costs on acquisition.

5、Foreign currency translation

(1) The foreign currency transactions are translated into Rmb at the exchange rates stipulated by the People's Bank of China on the first day of the month when the transactions took place. Balances of foreign currency monetary items at the balance sheet date are translated into Rmb at the stipulated exchange rates at the balance sheet date.

(2) The exchange difference arising from these translations shall be entered as gain and loss on exchange, and included in the current financial expenses; for those occurred during the construction preparation period are included in long-term deferred expenses; exchange difference relating to foreign currency borrowings specifically for construction and acquisition of fixed assets was capitalized; exchange differences from different currencies are included in the financial expenses.

6、Short-term investments

(1) Short-term investment valuation method:

The short-term investment is accounted by the actual cost upon acquisition(including taxes, handling fee and correlative charges), deducting the cash dividends declared to be released but not yet paid (interest of creditor's right whose debenture interest is already due but have not been received) .

(2) The recognition of investment income:

During the holding period of short-term investment, the cash dividends declared by the investee or interest income, at the due day for interest payment by the debtor,

calculated on the basis of the coupon rate of term bond in accordance with the instalment payment, shall be included in the investment income. For sale of the short-term investment, the net amount of sale price (deducting its book balance and relevant taxes), shall be included in the investment income.

7、Provision for bad debts of receivables

(1) Recognition criteria of bad debts

① The irrecoverable amount of a debtor who declares bankruptcy, closing down, dissolution, or the business license shall be canceled or revoked in accordance with the law and has insufficient liquidating property to repay.

② The irrecoverable amount of a debtor who has deceased, or has been declared missing or dead in accordance with the law, and has insufficient estate to repay.

③ The amount owed by a debtor who is unable to repay the obligations after the debts are three years overdue, and the amount is unlikely to be recovered as demonstrated by sufficient evidence.

④ Unable to recourse against the debtor after a debt restructuring agreement or the court's approval of the bankruptcy reorganization plan.

⑤ The debt is unrecoverable because of natural disasters, war and other force majeure.

⑥ Other conditions as prescribed by the finance and tax administrative department of the State Council.

(2) Accounting methods for bad debts losses

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.

8、Inventories

Inventory refers to finished products or merchandise possessed by an enterprise for sale in the daily of business, or work in progress in the process of production. Inventories include finished goods.

(1) Measurement: The inventories shall be initially measured in light of their cost.

For the inventories obtained from debtors as a way of debt-paying by debt restructuring, the value of these inventories are recognized based on the book value of creditor's right. For inventories received from Non-monetary transactions, the value of these inventories are recognized based on the book value of assets surrendered.

(2) Low value consumables are amortized by using immediate write-off method.

(3) Inventory system:

Perpetual Inventory System. For the loss from the inventory losses or damaged inventories, shall be included in the current profits and losses

(4) Provisions for declines in the value of inventories: presented at the lower of cost and net realizable value. The company made provision for loss on decline in value of inventories on the ground of each item of inventories. (For inventories with large quantity and relatively low unit prices, the provision for loss on decline in value of inventories shall be made on the ground of the categories of inventories)

9、Long term investment accounting method

(1) Long term equity investment

The long-term equity investment of the company is valued at the initial investment cost when it is obtained. If the investment in the invested entity accounts for less than 20% of the total voting capital of the entity, or if it accounts for more than 20% but has no significant impact, the cost method shall be used for accounting;

if the investment in the invested entity accounts for more than 20% or 20% of the total voting capital of the entity, or if the investment is less than 20% but has significant impact, the equity method shall be used for accounting.

(2) Long term debt investment (items of "held to maturity investment and available for sale financial assets" listed in the balance sheet)

The long-term debt investment of the company is regarded as the initial investment cost according to the actual cost at the time of acquisition. Interest receivable of long-term debt investment shall be calculated on schedule.

(3) Provision for impairment of long-term investment

The company checks the long-term investment item by item at the end of the period. If the recoverable amount is lower than the book value due to the continuous decline of the market price or the deterioration of the operating condition of the investee, the provision for impairment of long-term investment shall be withdrawn. When withdrawing, the long-term investment depreciation reserves shall be recognized according to the difference between the recoverable amount of single investment and the book value.

10、Fixed assets and depreciation

(1) The recognition criteria of fixed assets

Fixed assets are tangible assets that are held for the sake of producing commodities, rendering labor service, renting or business management; and their useful life is in excess of one fiscal year.

Fixed assets are recognized only when the economic benefits relating to the fixed assets are likely to flow into the enterprise and the cost of the fixed assets can be measured reliably.

The initial measurement of a fixed asset shall be made at its cost.

(2) Classification of fixed assets and Depreciation method

The depreciation is calculated using the straight-line method.

Depreciation of the fixed asset begins when it is available for use. Depreciation of an asset ceases when the asset is derecognised or divided into non-current assets held for sale. Without considering the provisions for impairment loss of fixed assets, the category, estimated useful lives, estimated residual values and annual depreciation rate of the fixed assets are as follows:

<u>Category</u>	<u>Estimated residual rate</u>	<u>Estimated useful lives</u>	<u>Annual depreciation rate</u>
Office equipment	10%	5 years	18%

For the improvement expenditure of fixed assets under operating lease, depreciation shall be accrued by straight-line method within the benefit period.

Under the condition of considering the provision for impairment, the net book value and remaining depreciation life of a single fixed asset after deducting the provision for impairment shall be determined and depreciated separately. Provisions for impairment of fixed assets.

(3) If recoverable amount is lower than carrying amount of due to the market prices continuing falling, obsolete technology, damage, being long-term idle, etc., the provisions are taken by the difference.

The company made provisions for impairment of fixed assets on the ground of each item of assets.

11、Construction in progress

(1)Measurement: Construction in progress is recorded at the actual cost incurred for the construction. When the asset is ready for its intended use, the construction in progress is transferred to fixed assets. After available for intended use but before the final settlement, the built-up fixed assets are accounted at estimated value.

After the settlement, the Company should adjust the estimate.

(2)Provision for impairment of construction in progress:

The provisions are taken for the long suspension of construction in progress which is expected to not be restarted over the next 3 years, or the construction in progress whose project has been lagged behind in performance, technology and brings economic benefit of great uncertainty to the enterprise.

12、Amortization method of long-term unamortized expenses

The long-term unamortized expenses incurred by the company shall be valued at the actual cost and amortized averagely according to the expected benefit period. The amortized value of long-term unamortized expenses that cannot benefit the future accounting period shall be included in the current profit and loss.

13、Employee benefits

Employee benefits are all forms of consideration given and other relevant expenditures incurred by the Company in exchange for service rendered by employees. Employee benefits include staff wages, bonuses, allowances, subsidies and staff welfare, etc. In the accounting period in which an employee has rendered service to an enterprise, the enterprise shall recognize the employee benefits payable (for that

service) as a liability.

Relevant cost shall be recognized according to the he benefits derived from the employee service.

14、Revenue Recognition

(1)Revenue from sale of goods shall be recognized when the company received payment for goods after delivering the goods or acquired the right on receivables.

(2)The revenue from rendering of services (the services started and completed in the same fiscal year) shall be recognized when service transactions have been completed and meanwhile, have received the payment or acquired the right of on receivables. An enterprise shall ascertain the total revenue from the providing of labor services in accordance with the received or to-be-received price of the party that receives the labor services as stipulated in the contract or agreement.

For the services started or completed in different fiscal years, the revenue from rendering of services shall be recognized in accordance with schedule of completion. An enterprise shall, on the date of the balance sheet, ascertain the current revenue from rendering services in accordance with the amount of multiplying the total amount of revenues from rendering services by the schedule of completion then deducting the accumulative revenues from the providing of labor services that have been recognized in the previous accounting periods.

15、Income tax

The company adopts the tax payable method

Take the taxable income after the corresponding adjustment of current pre-tax accounting profit, in accordance with rules established by the taxation authorities, as the base for calculating the income tax expense of the current period.

Notes to Financial Statements

For the Year Ended 31 December 2023

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

V. Tax

1、The major categories of taxes applicable to the Company and the tax rates are as follows:

Categories of Tax	Tax rate	Tax base
Corporate income tax	25%	Taxable income
Value added tax(VAT)	13%、 6%	Added value in the process of circulation of goods or taxable services
City maintenance and construction surtax	7%	Turnover tax payable
Educational surtax and surcharge	3%	Turnover tax payable
Local educational surcharge	2%	Turnover tax payable

2、Corporate income tax and tax preferences

According to the notice of the State Administration of Taxation of the Ministry of Finance 《Announcement on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses 》 (Announcement No.12, 2023 of the Ministry of Finance and the State Administration of Taxation), for small and low-profit enterprises, the taxable income is calculated at a reduced rate of 25%, and the policy of paying enterprise income tax at a rate of 20% will continue to be implemented until December 31, 2027.

VI. Changes in accounting policies, accounting estimates and Explanation of error correction

There is no change of accounting policies, accounting estimates and / or correction of accounting errors.

Notes to Financial Statements

For the Year Ended 31 December 2023

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

VII. Notes To The Financial Statements

1、Monetary funds

Items	2023-12-31			2022-12-31		
	Amount of original currency	Exchange rate	Translated to RMB	Amount of original currency	Exchange rate	Translated to RMB
Cash in bank			2,819,186.35			3,046,028.01
Including : RMB	1,141,314.06		1,141,314.06	1,343,288.20		1,343,288.20
USD	236,897.27	7.0827	1,677,872.29	244,484.94	6.9646	1,702,739.81
Total			2,819,186.35			3,046,028.01

2、Other receivables

Item	2023-12-31	2022-12-31
Interest receivable		
Dividends receivable		
Other receivable	3,135,284.56	2,259,861.64
Total	3,135,284.56	2,259,861.64

Other receivable

(1) Aging analysis

Items	2023-12-31		2022-12-31	
	Balance	Provision for bad debts	Balance	Provision for bad debts
Within 1 year	2,946,173.92		2,012,841.48	
1-2 years	135,110.64		147,707.44	
Over 2 years	54,000.00		99,312.72	
Total	3,135,284.56		2,259,861.64	

(2) Main debtors:

Company's (Personal) names	Amount owed	Aging
T S GLOBAL PROCUREMENT COMPANY PTE. LTD.	1,751,800.13	Within 1 year
Tata Steel Limited	1,172,571.07	Within 1 year

Notes to Financial Statements

For the Year Ended 31 December 2023

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

3、Inventories

Items	2023-12-31		2022-12-31	
	Balance	Provision for inventory devaluation	Balance	Provision for inventory devaluation
Finished goods	486,835.76		376,950.54	
Materials in transit				
Total	486,835.76		376,950.54	

4、Other current assets

Items	2023-12-31	2022-12-31
Prepaid expenses – rent for office	73,626.67	87,947.62
Total	73,626.67	87,947.62

5、Fixed assets

Items	2023-12-31	2022-12-31
fixed assets	86,887.10	106,393.62
Disposal of fixed assets		
合 计	86,887.10	106,393.62

(1) Fixed assets

Items	2022-12-31	Additions	Decreases	2023-12-31
1、Total Cost	181,682.35	8,672.57		190,354.92
Including: Office equipment	181,682.35	8,672.57		190,354.92
2、Total Accumulated depreciation	75,288.73	28,179.09		103,467.82
Including: Office equipment	75,288.73	28,179.09		103,467.82
3、Provisions for impairment				
Including: Office equipment				
4、Total net book value	106,393.62			86,887.10
Including: Office equipment	106,393.62			86,887.10

Notes to Financial Statements

For the Year Ended 31 December 2023

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

6、Long term unamortized expenses

Item	2022-12-31	Current increase	Current amortization	Other reduction	2023-12-31	Other reasons for decrease
Decoration works	4,754.42		4,754.42			

7、Accounts payable**(1) Aging analysis**

Aging	2023-12-31		2022-12-31	
	Amount	ratio (%)	Amount	ratio (%)
Within 1 year	302,316.84	100.00		
1-2 years				
Over 2 years				
Total	302,316.84	100.00		

(2) Main Creditor:

Company's (Personal) names	Amount owed	Aging
Hille & Müller GmbH	238,811.01	Within 1 year
Tata Steel Ijmuiden BV	63,505.83	Within 1 year

8、Payroll payable

Items	2022-12-31	Accrued amount	Expenditure amount	2023-12-31
Wages, bonuses, allowances and subsidies		6,318,902.22	6,318,902.22	
Employee welfare expenses		503,216.53	503,216.53	
Social insurance and housing provident fund		951,622.46	951,622.46	
Total		7,773,741.21	7,773,741.21	

Notes to Financial Statements

For the Year Ended 31 December 2023

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

9、Taxes payable

Items	2023-12-31	2022-12-31
Value added tax	67,121.92	58,977.19
Corporate income tax	3,709.08	
City Maintenance and Construction	2,349.27	2,064.20
Additional Education Fee	1,006.83	884.66
Local Education Fee	671.22	589.77
Stamp duty		2.72
Personal income theory	173,585.43	171,490.09
Total	248,443.75	234,008.63

10、Other payables

Item	2023-12-31	2022-12-31
Interest Payable		
Dividends Payable		
Other Payables	109,664.34	29,381.00
Total	109,664.34	29,381.00

(1) The aging analysis of Other payables:

Aging	2023-12-31		2022-12-31	
	Amount	ratio (%)	Amount	ratio (%)
Within 1 year	109,664.34	100.00	29,381.00	100.00
1-2 years				
Over 2 years				
Total	109,664.34	100.00	29,381.00	100.00

(2) Main content:

Content	Amount owed	Aging
Employee reimbursement	102,843.24	Within 1 year

Notes to Financial Statements

For the Year Ended 31 December 2023

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

11、Paid-in capital

Name of investor	2022-12-31	Increase this year	Decrease this year	2023-12-31	Proportion (%)
T S GLOBAL PROCUREMENT COMPANY PTE. LTD.	4,881,202.70 (USD 620000)			4,881,202.70 (USD 620000)	100.00
Total	4,881,202.70			4,881,202.70	100.00

The paid in capital at the end of the above period is consistent with the registered capital of the company. The above paid-in capital had been verified by No. SXS WYZ (2007) 6 Capital Verification Report issued by Shanghai Xiaotiancheng Certified Public Accountants Firm on January 25, 2007.

12、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
Other capital reserve	2,018,805.99			2,018,805.99
Total	2,078,805.99			2,078,805.99

13、Surplus reserve

Item	Opening Balance	Increased this year	Decreased this year	Closing Balance
Statutory surplus reserve	361,467.44			361,467.44
Total	361,467.44			361,467.44

Notes to Financial Statements

For the Year Ended 31 December 2023

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

14、Retained earnings

Items	Amount
Retained earnings at beginning of year before	-1,702,929.91
Add: Adjusted initial amount	
At beginning of the year	-1,702,929.91
Add: Net profit	322,849.29
Less: Surplus reserves	
Less: Distribution of ownership	
At end of the year	-1,380,080.62

15、Revenues and Cost of revenue

Items	2023		2022	
	Income	Cost	Income	Cost
1、Prime operating income (subtotal)	321,462.02	318,420.17	140,228.82	81,350.13
2、Other operating income	9,460,435.79		9,465,605.84	
Total (subtotal)	9,781,897.81	318,420.17	9,605,834.66	81,350.13

16、Taxes and surcharges

Items	2023	2022
City maintenance and construction surtax	16,933.22	17,837.70
Educational surtax and surcharge	7,257.09	7,644.73
Local educational surcharge	4,838.07	5,096.48
Stamp duty	924.66	23.82
Total	29,953.04	30,602.73

Notes to Financial Statements

For the Year Ended 31 December 2023

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

17、Selling expenses

Items		2023	2022
Total		43,775.08	41,365.35
Mainly:	Customs clearance and transportation fees	37,758.22	204,869.80
	Sample fee	3,894.99	-167,290.59

18、Administrative expenses

Items		2023	2022
Total		9,104,071.43	9,107,372.16
Mainly:	Employee compensation	7,773,741.21	7,898,053.98
	Rent	388,149.67	611,371.44

19、Financial expenses

Items	2023	2022
Total	-19,626.34	-168,667.08
Including: Interest expenses		
Less: Interest income	5,127.19	6,638.25
Bank charges	2,219.32	3,049.75
Less: Exchange gain	16,718.47	165,078.58
Exchange loss		

20、Non-operating income and expense

Items	2023	2022
Total non-operating income	23,825.00	7,527.08
Including: Rebate received from tax bureau for withholding individual income tax for employees	16,885.72	7,527.08
Input tax plus deduction	6,939.28	
Total non-operating expenses	1.14	
Including: Late fee	1.14	

Notes to Financial Statements

For the Year Ended 31 December 2023

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

21. Income tax expense

Items	2023	2022
Current income tax	6,279.00	
Total	6,279.00	

VIII. Relationship and Transactions with Related Parties

1. Information about the Company's Parent Company

Name of parent company	Registered address	Business nature
T S GLOBAL PROCUREMENT COMPANY PTE. LTD.	2 Venture Drive, #19-23 Vision Exchange, Singapore 608526.	Trading

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

Item	Beginning Balance	Ending Balance
T S GLOBAL PROCUREMENT COMPANY PTE. LTD.	100.00%	100.00%

3. Other related parties

Name of related party	Association relationship
Tata Steel Limited	Ultimate parent company
Tata Steel Ijmuiden BV	Other related parties
Hille & Müller GmbH	Other related parties

Notes to Financial Statements

For the Year Ended 31 December 2023

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

4. Transactions with Related Parties

(1) Purchase and Sale Transactions

Type of transaction	Name of entity	Nature of relationship	Amount of transaction	Pricing policy
1. Transactions with related parties for purchase of goods and acceptance of service				
Purchase goods	Tata Steel Ijmuiden BV	Other related parties	164,017.01	At market price
Complimentary goods	Tata Steel Ijmuiden BV	Other related parties	152,999.89	At market price
Purchase goods	Hille & Müller GmbH	Other related parties	232,832.89	At market price
2. Transactions with related parties for sale of goods and rendering of service				
Rendering of service	T S GLOBAL PROCUREMENT COMPANY PTE. LTD.	Parent Company	5,054,932.73	Management fee plus 1%
Rendering of service	Tata Steel Limited	Ultimate parent company	4,119,390.77	Management fee plus 7%
Rendering of service	Tata Steel Ijmuiden BV	Other related parties	853,738.42	Management fee plus 7%

(2) Amount Due from/ to Related Parties

Item and Entity	Ending Balance	Beginning Balance
Other Receivables		
T S GLOBAL PROCUREMENT COMPANY PTE. LTD.	1,751,800.13	671,453.59
Tata Steel Limited	1,172,571.07	1,085,301.45
Tata Steel Ijmuiden BV		100,206.05
Accounts payable		
Tata Steel Ijmuiden BV	63,505.83	
Hille & Müller GmbH	238,811.01	

IX. Contingencies

As at the balance sheet dated December 31, 2023, the Company had no significant contingencies affecting the reading and understanding of financial statements.

X. Commitments

As at the balance sheet dated December 31, 2023, the Company had no significant commitments affecting the reading and understanding of financial statements.

Notes to Financial Statements

For the Year Ended 31 December 2023

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

XI. Events occurring after the balance sheet date

As at the financial statements for issuance, there is no Non-adjusting events in the events occurring after balance sheet occurred, which affects the reading and understanding of financial statements.

XII. Other significant events to be illustrated

None.

Tata Steel International (Shanghai) Limited
Statement of Adjustments to Taxable Amount of Income
for the year ended December 31, 2023

Unit: CNY

Item	Amount	Remark
I. Total Profits (tax returns)	329,128.29	
II. Plus: Adjusted increase	12,630.45	
1. Entertainment expenses over allowed limit	9,552.93	
2. Tax late fee	1.14	
3. Other	3,076.38	Gross margin on samples given to customer
III. Less: Adjusted decrease		
IV. Taxable amount of income after adjustment	341,758.74	

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.