



上海华皓会计师事务所(普通合伙)

Shanghai Well C.P.A. Partnership

Auditor's Report

HHSC (2025) No. 345

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 2024, 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

2025. 4. 21

[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, 2024

(CURRENCY: RMB)

Items	2024,12,31	2024,1,1	Items	2024,12,31	2024,1,1
CURRENT ASSETS			CURRENT LIABILITIES		
Cash	1		Short-term loans	73	
△Deposit Reservation for Balance	2	3,917,710.02	△Borrowings from central bank	74	
△Funds lent	3		△Customer deposit and interbank placement	75	
☆ Transactional financial assets	4		△Loans from other banks	76	
Financial assets measured at fair value and changes recorded into current profit or loss	5		☆ Transactional financial liabilities	77	
Derivative financial assets	6		Financial liabilities measured at fair value and changes recorded into current profit or loss	78	
Accounts and notes receivable	7		Derivative financial liabilities	79	
Payments in advance	8		Accounts and notes payable	80	
△Premiums receivable	9		Receipts in advance	81	403,868.85
△Reinsurance receivables	10		☆ Obligation of contract	82	
△Receivable from subcontracting reserves	11		△ Financial assets sold for repurchase	83	
Other receivables	12	3,034,259.76	△ Handling charges and commissions payable	84	
△ Buying back the sale of financial assets	13		Wages payable	85	
Inventories	14		Including: Accrued payroll	86	
Including: raw material	15	486,835.76	Staff welfare payable	87	
Finished goods	16	486,835.76	☆ Staff bonus and welfare fund	88	
☆ Contractual Assets	17		Taxes and duties payable	89	
Assets held for sale	18		Including: Taxes payable	90	268,986.21
Long-term debt investments due within one year	19		Other payable	91	267,302.48
Other current assets	20		△ Payable for Reinsurance	92	95,286.37
Total current assets	21	73,626.67	△ Insurance contract reserve	93	
NON-CURRENT ASSETS	22	6,514,933.34	△ Receivables from Variously Traded Securities	94	
△ Loans and advances	23		△ Receivables from Variously Sold Securities	95	
☆ Debt investments	24		Liabilities held for sale	96	
Financial assets available for sale	25		Long-term liabilities due within one year	97	
☆ Other debt investment	26		Other current liabilities	98	
Investment held to maturity	27		Total current liabilities	99	770,141.43
Long-term receivable	28		NON-CURRENT LIABILITIES	100	
Long-term equity investments	29		Long-term loans	101	
☆ Other investments in equity instruments	30		Debentures payable	102	
☆ Other non-current financial assets	31		Preferred Stock	103	
Property for investments	32		Perpetual debt	104	
Fixed assets	33	63,135.43	Long-term payables	105	
Construction in progress	34		Long-term wages payable	106	
Bearer biological assets	35		Contingent liabilities	107	
Oil and gas assets	36		Deferred revenue	108	
Intangible assets	37		Deferred income tax liabilities	109	
Development expenditure	38		Other long-term liabilities	110	
Goodwill	39		Special reserve fund	111	
Long-term deferred expenses	40		Total non-current liabilities	112	
Deferred tax assets	41		Total liabilities	113	
Other long-term assets	42		OWNERS' EQUITY	114	650,424.93
Total non-current assets	43		Paid-in capital	115	
	44	63,135.43	Including: State-owned legal person's capital	116	4,881,202.70
	45		Collective capital	117	
	46		Private capital	118	
	47		Foreign capital	119	
	48		☆ Less: returned capital	120	
	49		Paid-in capital, net	121	4,881,202.70
	50		Other equity instruments	122	
	51		Preferred Stock	123	
	52		Perpetual debt	124	4,881,202.70
	53		Capital surplus	125	
	54		Less: Treasury shares	126	
	55		Other Comprehensive Income	127	2,078,805.99
	56		Converted difference in Foreign Currency Statements	128	
	57		Surplus reserve	129	
	58		Including: Statutory reserve	130	
	59		Discretionary fund	131	
	60		☆ Reserve fund	132	
	61		☆ Enterprise development fund	133	361,467.44
	62		☆ Profit on return of investment	134	361,467.44
	63		△ General risk provisions	135	
	64		Retained earnings	136	
	65		Total equity attributable to equity holder of the Company	137	
	66		☆ Minority interest	138	
	67		Total owners' equity	139	6,601,820.44
	68		TOTAL LIABILITIES AND OWNERS' EQUITY	140	
	69			141	-1,380,080.62
	70			142	6,318,590.45
	71	7,088,731.88		143	5,941,395.51
Total assets	72	6,601,820.44		144	6,318,590.45
					7,088,731.88

INCOME STATEMENT

Company Name : Tata Steel International (Shanghai) Limited

FOR THE YEAR ENDED 31 DECEMBER 2024

(CURRENCY: RMB)

Items	2024	2023	Items	2024	2023
Revenues	1	10,286,429.48	Debt restructuring gains	38	
Revenues from main operations	2	10,286,429.48	Less: Non-operating expenses	39	5,163.53
△Interest income	3		Including: Debt restructuring losses	40	1.14
△Insurance premiums earned	4		Total profit / (loss)	41	400,347.87
△Handling charges and commission income	5		Less: Income taxes expenses	42	329,128.29
Costs	6	9,897,813.60	Net profit / (loss)	43	23,152.93
Cost of main operations	7	850,518.36	(1) Classification by ownership	44	322,849.29
△Interest expense	8		Net profits attributable to parent	45	-
△Handling charges and commission fee	9		*Minority shareholder's profit	46	322,849.29
△Surrender Value	10		(2) Classification according to business continuity	47	-
△Net payments for insurance claims	11		Income from continuing operations	48	
△Net change in insurance contract reserves	12		Net profit from discontinued operations	49	
△Policyholder dividend expense	13		6. Other Comprehensive net profit	50	
△Reinsured expenses	14		Other comprehensive net profit attributable to parent	51	
Tax and levies on operations	15	35,562.09	(1) Items not to be reclassified into profit or loss in subsequent periods	52	
Selling and distribution expenses	16	84,437.09	1. Changes arising from remeasurement of net liabilities or assets of defined benefit plan	53	
General and administrative expenses	17	8,969,845.51	2. Share in other comprehensive income of the investee that cannot be reclassified into profit	54	
Party building work expenses	18		☆3. Other equity instruments classified as fair value	55	
Research and development expense	19		☆4. Changes in the fair value of their own credit risk	56	
Finance expenses	20	-42,549.45	5. Others	57	
Including: interest expenses	21		(2) other comprehensive income of the investee that will be reclassified into profit	58	
Interest income	22	4,659.70	1. other comprehensive income that can be reclassified into profit under equity method	59	
Exchange gains	23	-40,485.48	☆2. Other changes in fair value of debt investments	60	
Exchange losses	24		3. Gains or losses from changes in fair value of available for sale financial assets	61	
Loss of assets impairment	25		☆4. Reclassification of financial asset recognized in other comprehensive income to available for sale	62	
☆Credit impairment losses	26		5. Reclassification of held-to-maturity investments as available for sale financial assets, gains and losses	63	
Others	27		☆6. Borrower's rights investment depreciation reserves	64	
Add: Other income	28		7. Cash flow hedging reserve	65	
Investment income	29		8. Foreign currency translation differences	66	
Investment income in associates and joint ventures	30		9. Other	67	
△Foreign Exchange Income	31		*Other comprehensive income, net of tax attributable to minority shareholders	68	
☆Net exposure hedging gains	32		7. Total comprehensive income	69	377,194.94
Changes of fair value assets	33		Total comprehensive income attributable to owners of the parent company	70	377,194.94
Gain on disposal of assets	34		*Comprehensive income attributable to minority shareholders	71	
Operating profit / (loss)	35	388,615.88	8. Earnings per share:	72	
Add: Non-operating income	36	16,895.52	Basic earnings per share	73	
Including: government subsidy	37		Diluted earnings per share	74	

CASH FLOW STATEMENT

Company Name : Tata Steel International (Shanghai) Limited		FOR THE YEAR ENDED 31 DECEMBER 2024		(CURRENCY: RMB)	
Items		2024	2023	Items	
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	10,620,692.85	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
△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
△Net increase in loans from banks and other financial institutions	11			Net cash flows from investing activities	40
△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	516,981.39	1,976,079.50	*Including: Cash received by subsidiaries from investments by minority shareholders	43
Sub-total of cash inflows	15	11,137,674.24	9,363,280.26	Cash received from borrowings	44
Cash paid for goods and services	16	379,520.88	223,598.66	△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	7,732,491.59	7,771,645.87	Cash payments relating to other financing activities	51
Payments of taxes and levies	23	661,926.24	539,155.49	Sub-total of cash outflows	52
Cash paid relating to other operating activities	24	1,297,669.02	1,053,767.80	Net cash flows from financing activities	53
Sub-total of cash outflows	25	10,071,007.73	9,598,167.32	4. Effect of foreign exchange rate changes on cash	54
Net cash flows from operating activities	26	1,066,666.51	-234,887.56	5. Net increase / (decrease) in cash	55
2. Cash flows from investing activities	27	-	-	Add: cash equivalents at beginning of year	56
Cash received from disposal of investments	28			6. Cash at end of year	57
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 2024

(CURRENCY: RMB)

Items	2023																		
	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	Retained earnings	Othera	Sub-total	Minority interests	Total owners' equity				
		Preferred stock	Perpetual debts	Other															
	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30				
1. At the end of prior year	4,881,202.70				2,078,805.99						-1,702,929.91		5,618,546.22		5,618,546.22				
Add: Changes in accounting policies																			
Correction of significant accounting errors																			
Others																			
2. At the beginning of current year	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											322,849.29		322,849.29		322,849.29				
(1) total revenue											322,849.29		322,849.29		322,849.29				
(2) Increase/(decrease) in capital																			
1.Common shares contributed by shareholders						-	-		-		-								
2. Capital contributed by the holders of other equity instruments						-	-		-		-								
3. Amounts of share-based payments recognized in owners' equity						-	-		-		-								
4. Other																			
(3) Extraction and use of special reserves																			
1. Extraction of special reserves																			
2. Use of special reserves																			
(4) Profit distribution																			
1. Appropriation of surplus reserve																			
Including: Statutory reserve																			
Discretionary fund																			
#Reserve fund																			
#Expansion fund of enterprise																			
#Profit on return of investment																			
2. Extraction of general risk reserve																			
3. Profit distributed to owners					-	-	-												
4.Other																			
(5) Internal carry-forward of owner's equity																			
1. conversion of capital reserve into paid-in capital						-	-		-		-			-					
2.conversion of capital reserve into paid-in capital					-	-	-				-			-					
3.surplus reserve offsetting losses					-	-	-							-					
4.settling profits change amount carry forward retained earnings																			
☆5.other comprehensive income carry forward retained earnings																			
5.others																			
4. At the end of current year	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 2024 (CURRENCY: RMB)

Total equity attributable to equity holders of the Company																
Items	Paid-in capital	Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Others	Sub-total	Minority interests	Total owners' equity	
		Preferred stock	Perpetual debits	Other												
-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1. At the end of prior year	4,881,202.70				2,078,805.99				361,467.44		-1,380,080.62		5,941,395.51		5,941,395.51	
Add: Changes in accounting policies																
Correction of significant accounting errors																
Others																
2. At the beginning of current year	4,881,202.70				2,078,805.99				361,467.44		-1,380,080.62		5,941,395.51		5,941,395.51	
3. Changes during the year											377,194.94		377,194.94		377,194.94	
(1) total revenue																
(2) Increase/(decrease) in capital																
1.Common shares contributed by shareholders							-		-		-					
2. Capital contributed by the holders of other equity instruments							-		-		-					
3. Amounts of share-based payments recognized in owners' equity							-		-		-					
4. Other																
(3) Extraction and use of special reserves																
1. Extraction of special reserves																
2. Use of special reserves																
(4) Profit distribution																
1. Appropriation of surplus reserve																
Including: Statutory reserve																
Discretionary fund																
#Reserve fund																
#Expansion fund of enterprise																
#Profit on return of investment																
2. Extraction of general risk reserve																
3. Profit distributed to owners	-			-	-	-	-		-							
4.Other																
(5) Internal carry-forward of owner's equity																
1. conversion of capital reserve into paid-in capital						-	-		-		-			-		
2.conversion of capital reserve into paid-in capital					-	-	-		-		-			-		
3.surplus reserve offsetting losses	-			-	-	-	-		-					-		
4.settling profits change amount carry forward retained earnings																
☆5.other comprehensive income carry forward retained earnings																
5.others																
4. At the end of current year	4,881,202.70				2,078,805.99				361,467.44		-1,002,885.68		6,318,590.45		6,318,590.45	

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

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

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

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 statements

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.

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

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 date for interest payment by the debtor,

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

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

①The 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.

②The 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.

③The 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.

④Unable 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.

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

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;

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

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.

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

(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.

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

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

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

service) as a liability.

Relevant cost shall be recognized according to the 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 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

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 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

VII. Notes To The Financial Statements

1、Monetary funds

Items	2024-12-31			2023-12-31		
	Amount of original currency	Exchange rate	Translated to RMB	Amount of original currency	Exchange rate	Translated to RMB
Cash in bank			3,917,710.02			2,819,186.35
Including : RMB	1,520,371.07		1,520,371.07	1,141,314.06		1,141,314.06
USD	333,501.05	7.1884	2,397,338.95	236,897.27	7.0827	1,677,872.29
Total			3,917,710.02			2,819,186.35

2、Other receivables

Item	2024-12-31	2023-12-31
Interest receivable		
Dividends receivable		
Other receivable	3,034,259.76	3,135,284.56
Total	3,034,259.76	3,135,284.56

Other receivable

(1) Aging analysis

Items	2024-12-31		2023-12-31	
	Balance	Provision for bad debts	Balance	Provision for bad debts
Within 1 year	2,844,682.04		2,946,173.92	
1-2 years	2,467.08		135,110.64	
Over 2 years	187,110.64		54,000.00	
Total	3,034,259.76		3,135,284.56	

(2) Main debtors:

Company's (Personal) names	Amount owed	Aging
T S GLOBAL PROCUREMENT COMPANY PTE. LTD.	1,607,473.17	Within 1 year
Tata Steel Limited	1,215,037.12	Within 1 year

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

3、Inventories

Items	2024-12-31		2023-12-31	
	Balance	Provision for inventory devaluation	Balance	Provision for inventory devaluation
Finished goods			486,835.76	
Materials in transit				
Total			486,835.76	

4、Other current assets

Items	2024-12-31	2023-12-31
Prepaid expenses – rent for office	73,626.67	73,626.67
Total	73,626.67	73,626.67

5、Fixed assets

Items	2024-12-31	2023-12-31
fixed assets	63,135.43	86,887.10
Disposal of fixed assets		
合 计	63,135.43	86,887.10

(1) Fixed assets

Items	2023-12-31	Additions	Decreases	2024-12-31
1、Total Cost	190,354.92	8,628.32	31,636.29	167,346.95
Including: Office equipment	190,354.92	8,628.32	31,636.29	167,346.95
2、Total Accumulated depreciation	103,467.82	29,216.46	28,472.76	104,211.52
Including: Office equipment	103,467.82	29,216.46	28,472.76	104,211.52
3、Provisions for impairment				
Including: Office equipment				
4、Total net book value	86,887.10			63,135.43
Including: Office equipment	86,887.10			63,135.43

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

6、Accounts payable

(1) Aging analysis

Aging	2024-12-31		2023-12-31	
	Amount	ratio (%)	Amount	ratio (%)
Within 1 year	405,868.85	100.00	302,316.84	100.00
1-2 years				
Over 2 years				
Total	405,868.85	100.00	302,316.84	100.00

(2) Main Creditor:

Company's (Personal) names	Amount owed	Aging
Tata Steel Ijmuiden BV	313,759.28	Within 1 year

7、Payroll payable

Items	2023-12-31	Accrued amount	Expenditure amount	2024-12-31
Wages, bonuses, allowances and subsidies		6,393,416.12	6,393,416.12	
Employee welfare expenses		478,581.50	478,581.50	
Social insurance and housing provident fund		872,973.20	872,973.20	
Total		7,744,970.82	7,744,970.82	

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

8、Taxes payable

Items	2024-12-31	2023-12-31
Value added tax	67,349.53	67,121.92
Corporate income tax	11,402.12	3,709.08
City maintenance and construction surtax	2,357.23	2,349.27
Additional Education Fee	1,010.24	1,006.83
Local Education Fee	673.49	671.22
Stamp duty	128.94	
Personal income theory	186,064.66	173,585.43
Total	268,986.21	248,443.75

9、Other payables

Item	2024-12-31	2023-12-31
Interest Payable		
Dividends Payable		
Other Payables	95,286.37	109,664.34
Total	95,286.37	109,664.34

(1) The aging analysis of Other payables:

Aging	2024-12-31		2023-12-31	
	Amount	ratio (%)	Amount	ratio (%)
Within 1 year	95,286.37	100.00	109,664.34	100.00
1-2 years				
Over 2 years				
Total	95,286.37	100.00	109,664.34	100.00

(2) Main content:

Content	Amount owed	Aging
TATA SONS PRIVATE LIMITED	53,913.47	Within 1 year

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

10、Paid-in capital

Name of investor	2023-12-31	Increase this year	Decrease this year	2024-12-31	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. SXSWYZ (2007) 6 Capital Verification Report issued by Shanghai Xiaotiancheng Certified Public Accountants Firm on January 25, 2007.

11、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	60,000.00		2,078,805.99
Total	2,078,805.99	60,000.00	60,000.00	2,078,805.99

The assets related to the acceptance of non-cash assets donation reserve have been disposed of, so they are transferred to other capital reserves.

12、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 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

13、Retained earnings

Items	Amount
Retained earnings at beginning of year before	-1,380,080.62
Add: Adjusted initial amount	
At beginning of the year	-1,380,080.62
Add: Net profit	377,194.94
Less: Surplus reserves	
Less: Distribution of ownership	
At end of the year	-1,002,885.68

14、Revenues and Cost of revenue

Items	2024		2023	
	Income	Cost	Income	Cost
1、Prime operating income (subtotal)	1,038,314.91	850,518.36	321,462.02	318,420.17
2、Other operating income	9,248,114.57		9,460,435.79	
Total (subtotal)	10,286,429.48	850,518.36	9,781,897.81	318,420.17

15、Taxes and surcharges

Items	2024	2023
City maintenance and construction surtax	20,598.06	16,933.22
Educational surtax and surcharge	8,827.73	7,257.09
Local educational surcharge	5,885.14	4,838.07
Stamp duty	251.16	924.66
Total	35,562.09	29,953.04

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

16、Selling expenses

Items		2024	2023
Total		84,437.09	43,775.08
Mainly:	Customs clearance and transportation fees	54,474.71	37,758.22
	Sample fee	29,962.38	3,894.99

17、Administrative expenses

Items		2024	2023
Total		8,969,845.51	9,104,071.43
Mainly:	Employee compensation	7,744,970.82	7,773,741.21
	Rent	439,520.04	388,149.67

18、Financial expenses

Items	2024	2023
Total	-42,549.45	-19,626.34
Including: Interest expenses		
Less: Interest income	4,659.70	5,127.19
Bank charges	2,595.73	2,219.32
Less: Exchange gain	40,485.48	16,718.47
Exchange loss		

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

19、Non-operating income and expense

Items	2024	2023
Total non-operating income	16,895.52	23,825.00
Including: Rebate received from tax bureau for withholding individual income tax for employees	16,895.52	16,885.72
Input tax plus deduction		6,939.28
Total non-operating expenses	5,163.53	1.14
Including: Loss on retirement of fixed assets	3,163.53	
Unrecoverable deposit	2,000.00	
Late fee		1.14

20、Income tax expense

Items	2024	2023
Current income tax	23,152.93	6,279.00
Total	23,152.93	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.	22, Tanjong Kling Road, Singapore 628048	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%

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

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

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	501,108.19	At market price
Complimentary goods	Tata Steel Ijmuiden BV	Other related parties	72,617.46	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	5,357,195.34	Management fee plus 1%
Rendering of service	Tata Steel Limited	Ultimate parent company	4,445,806.10	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.	1,607,473.17	1,751,800.13
Tata Steel Limited	1,215,037.12	1,172,571.07
Accounts payable		
Tata Steel Ijmuiden BV	313,759.28	63,505.83
Hille & Müller GmbH		238,811.01

IX. Contingencies

As at the balance sheet dated December 31, 2024, the Company had no significant contingencies affecting the reading and understanding of financial statements.

Notes to Financial Statements

For the Year Ended 31 December 2024

Tata Steel International (Shanghai) Limited

(Expressed in Rmb)

X. Commitments

As at the balance sheet dated December 31, 2024, the Company had no significant commitments affecting the reading and understanding of financial statements.

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, 2024

Unit: RMB

Item	Amount	Remark
I. Total Profits (tax returns)	400,347.87	
II. Plus: Adjusted increase	80,329.43	
1. Entertainment expenses over allowed limit	2,796.68	
2. Accrued expenses	69,532.27	
3. Unrecoverable deposit	2,000.00	
4. Other	6,000.48	Gross margin on samples given to customer
III. Less: Adjusted decrease		
IV. Taxable amount of income after adjustment	480,677.30	

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.