



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

地址: 上海市黄浦区汉口路300号20楼(解放日报大厦) 总机: 021-63687866/63687868 传真: 021-63687832

## Auditor's Report

WELL. C. P. A (2019) No151

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 2018, 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 accompanying financial statements gave a true and fair view, in all material respects, of the the Company' s financial position as at 31 December, and its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises and 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 management of the Company (the Management) is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards for Business Enterprises and the Accounting System for Business Enterprises; and designing, implementing, and maintaining internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether 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 scepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 WLL. C. P. A Partnership      China Certified Public Accountant: Chen Ying  
(General Partnership)

China Certified Public Accountant: Zhang Meng

Shanghai, China

2019. 2. 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: Tain Steel International (Shanghai) Limited

AS OF DECEMBER 31, 2018

(CURRENCY: RMB)

Items	2018.12.31	2018.1.1	2017.12.31	Items	2018.12.31	2018.1.1	2017.12.31
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Cash	3,119,251.66	1,432,195.23	1,432,195.23	Short-term loans	0.00	0.00	0.00
△Deposit Reservation for Balance	0.00	0.00	0.00	△Borrowings from central bank	0.00	0.00	0.00
△Funds held	0.00	0.00	0.00	△Customer deposit and interbank placement	0.00	0.00	0.00
△Transactional financial assets	0.00	0.00	0.00	△Loans from other banks	0.00	0.00	0.00
Financial assets measured at fair value and changes recorded into current profit or loss	0.00	0.00	0.00	△Transactional financial liabilities	0.00	0.00	0.00
Derivative financial assets	0.00	0.00	0.00	Financial liabilities measured at fair value and changes recorded into current profit or loss	0.00	0.00	0.00
Accounts and notes receivable	0.00	0.00	0.00	Derivative financial liabilities	0.00	0.00	0.00
Payments in advance	0.00	0.00	0.00	Accounts and notes payable	0.00	0.00	0.00
△Premiums receivable	0.00	0.00	0.00	Receipts in advance	0.00	0.00	0.00
△Reinsurance receivables	0.00	0.00	0.00	△Liabilities of contract	0.00	0.00	0.00
△Receivable from subcontracting reserves	0.00	0.00	0.00	△Financial assets sold for repurchase	0.00	0.00	0.00
Other receivables	2,470,115.78	6,939,497.88	6,939,497.88	△Holding charges and commissions payable	0.00	0.00	0.00
△Buying back the sale of financial assets	0.00	0.00	0.00	Wages payable	0.00	0.00	0.00
Inventory	70,265.21	70,265.21	70,265.21	Including: Accrued payroll	0.00	0.00	0.00
Including: raw material	0.00	0.00	0.00	Staff welfare payable	0.00	0.00	0.00
Finished goods	70,265.21	70,265.21	70,265.21	Staff bonus and welfare fund	0.00	0.00	0.00
△Contractual Assets	0.00	0.00	0.00	Taxes and fees payable	1,212.33	29,486.92	29,486.92
Assets held for sale	0.00	0.00	0.00	Including: Taxes payable	1,212.33	29,486.92	29,486.92
Long-term debt investments due within one year	0.00	0.00	0.00	Other payable	132,195.26	453,434.60	453,434.60
Other current assets	34,611.90	8,497,480.22	8,497,480.22	△Payable for Reinsurance	0.00	0.00	0.00
<b>Total current assets</b>	<b>5,714,242.53</b>	<b>8,497,480.22</b>	<b>8,497,480.22</b>	△Insurance contract reserve	0.00	0.00	0.00
<b>NON-CURRENT ASSETS</b>				△Receivables from Viceriously Traded Securities	0.00	0.00	0.00
△Loans and advances	0.00	0.00	0.00	△Receivables from Viceriously Sold Securities	0.00	0.00	0.00
△Debt investments	0.00	0.00	0.00	Liabilities held for sale	0.00	0.00	0.00
Financial assets available for sale	0.00	0.00	0.00	Long-term liabilities due within one year	0.00	0.00	0.00
△Other debt investment	0.00	0.00	0.00	Other current liabilities	0.00	0.00	0.00
Investment held to maturity	0.00	0.00	0.00	<b>Total current liabilities</b>	<b>133,407.59</b>	<b>482,921.52</b>	<b>482,921.52</b>
Long-term receivable	0.00	0.00	0.00	<b>NON-CURRENT LIABILITIES</b>			
Long-term equity investments	0.00	0.00	0.00	Long-term loans	0.00	0.00	0.00
△Other investments in equity instruments	0.00	0.00	0.00	Preferred Stock	0.00	0.00	0.00
△Other non-current financial assets	0.00	0.00	0.00	Debt securities payable	0.00	0.00	0.00
Property for investments	0.00	0.00	0.00	Perpetual debt	0.00	0.00	0.00
Fixed assets	41,678.57	54,576.29	54,576.29	Long-term payables	0.00	0.00	0.00
Construction in progress	0.00	0.00	0.00	Contingent liabilities	0.00	0.00	0.00
Bearer biological assets	0.00	0.00	0.00	Deferred revenue	0.00	0.00	0.00
Oil and gas assets	0.00	0.00	0.00	Deferred income tax liabilities	0.00	0.00	0.00
Intangible assets	0.00	0.00	0.00	Other long-term liabilities	0.00	0.00	0.00
Development expenditure	0.00	0.00	0.00	Special reserve fund	0.00	0.00	0.00
Goodwill	0.00	0.00	0.00	<b>Total non-current liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Long-term deferred expenses	0.00	0.00	0.00	<b>OWNERS' EQUITY:</b>			
Deferred tax assets	0.00	0.00	0.00	Paid-in capital	4,881,202.70	4,881,202.70	4,881,202.70
Other long-term assets	0.00	0.00	0.00	government capital	0.00	0.00	0.00
<b>Total non-current assets</b>	<b>41,678.57</b>	<b>54,576.29</b>	<b>54,576.29</b>	Including: State-owned legal person's capital	0.00	0.00	0.00
				Collective capital	0.00	0.00	0.00
				Private capital	0.00	0.00	0.00
				Foreign capital	0.00	0.00	0.00
				Foreign capital	4,881,202.70	4,881,202.70	4,881,202.70
				△Less: returned capital	0.00	0.00	0.00
				Paid-in capital, net	4,881,202.70	4,881,202.70	4,881,202.70
				Other equity instruments	0.00	0.00	0.00
				Preferred Stock	0.00	0.00	0.00
				Perpetual debt	0.00	0.00	0.00
				Capital surplus	60,000.00	60,000.00	60,000.00
				Less: Treasury shares	0.00	0.00	0.00
				Other Comprehensive Income	0.00	0.00	0.00
				Converted difference in Foreign Currency Statements	0.00	0.00	0.00
				Special reserve	0.00	0.00	0.00
				Surplus reserve	343,170.65	298,574.33	298,574.33
				Including: Statutory reserve	343,170.65	298,574.33	298,574.33
				Discretionary fund	0.00	0.00	0.00
				△Reserve fund	0.00	0.00	0.00
				△Enterprise development fund	0.00	0.00	0.00
				△Profit on return of investment	0.00	0.00	0.00
				△General risk provisions	0.00	0.00	0.00
				Retained earnings	318,140.16	2,819,357.96	2,819,357.96
				Total equity attributable to equity holders of the Company	5,622,513.51	8,059,134.99	8,059,134.99
				△Minority interest	0.00	0.00	0.00
				<b>Total owners' equity</b>	<b>5,622,513.51</b>	<b>8,059,134.99</b>	<b>8,059,134.99</b>
<b>Total assets</b>	<b>5,755,921.10</b>	<b>8,542,056.51</b>	<b>8,542,056.51</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>5,755,921.10</b>	<b>8,542,056.51</b>	<b>8,542,056.51</b>

# INCOME STATEMENT

Company Name : Tata Steel International (Shanghai) Limited

FOR THE YEAR ENDED 31 DECEMBER 2018

(CURRENCY: RMB)

Items	2018	2017	Items	2018	2017
Revenues	4,144,818.51	10,511,740.12	Debt restructuring gains	0.00	0.00
Revenues from main operations	4,144,818.51	10,511,740.12	Less: Non-operating expenses	0.00	118.03
△ Interest income	0.00	0.00	Including: Debt restructuring losses	0.00	0.00
△ Insurance premiums earned	0.00	0.00	Total profit / (loss)	381,083.81	395,326.34
△ Handling charges and commission income	3,769,629.52	10,116,625.75	Less: Income taxes expenses	8,868.32	19,224.63
Costs			Net profit / (loss)	372,215.49	376,101.71
Cost of main operations	0.00	5,847,146.73	(1) Classification by ownership		
△ Interest expense	0.00	0.00	Net profits attributable to parent	372,215.49	376,101.71
△ Handling charges and commission fee	0.00	0.00	*Minority shareholder's profit	0.00	0.00
△ Surrender Value	0.00	0.00	(2) Classification according to business continuity		
△ Net payments for insurance claims	0.00	0.00	Income from continuing operations	0.00	0.00
△ Net change in insurance contract reserves	0.00	0.00	Net profit from discontinued operations	0.00	0.00
△ Policyholder dividend expense	0.00	0.00	6. Other Comprehensive net profit	0.00	0.00
△ Reinsured expenses	0.00	0.00	Other comprehensive net profit attributable to parent	0.00	0.00
Tax and levies on operations	26,925.04	31,813.37	(1) Items not to be reclassified into profit or loss in subsequent periods		
Selling and distribution expenses	0.00	12,407.20	1. Changes arising from remeasurement of net liabilities or assets of defined benefit plan	0.00	0.00
General and administrative expenses	3,783,080.79	3,968,090.07	2. Share in other comprehensive income of the investee that cannot be reclassified into profit	0.00	0.00
Party building work expenses	0.00	0.00	☆3 Other equity instruments classified as fair value	0.00	-
Research and development expense	0.00	0.00	☆4 Changes in the fair value of their own credit risk	0.00	-
Finance expenses	-40,376.31	257,168.38	5. Others	0.00	0.00
Including: interest expenses	0.00	0.00	(2) other comprehensive income of the investee that will be reclassified into profit	0.00	0.00
Interest income	11,108.42	9,739.36	1 other comprehensive income that can be reclassified into profit under equity method	0.00	0.00
Exchange gains	74,856.41	8,783.18	☆2 Other changes in fair value of debt investments	0.00	-
Exchange losses	39,901.33	268,239.87	3 Gains or losses from changes in fair value of available for sale financial assets	0.00	0.00
Loss of assets impairment	0.00	0.00	☆4 Reclassification of financial assets recognized in other	0.00	-
☆ Credit impairment losses	0.00	0.00	5 Reclassification of held-to-maturity investments as available for sale financial assets, gains and losses	0.00	0.00
Others	0.00	0.00	☆6 Bereavor's rights investment depreciation reserves	0.00	-
Add: Other income	0.00	0.00	7. Cash flow hedging reserve	0.00	0.00
Investment income	0.00	0.00	8. Foreign currency translation differences	0.00	0.00
Investment income in associates and joint ventures	0.00	0.00	9. Other	0.00	0.00
△ Foreign Exchange Income	0.00	0.00	* Other comprehensive income, net of tax attributable to minority	0.00	0.00
☆ Net exposure hedging gains	0.00	0.00	7. Total comprehensive income	372,215.49	376,101.71
Changes of fair value assets	0.00	0.00	Total comprehensive income attributable to owners of the parent	372,215.49	376,101.71
Gain on disposal of assets	0.00	0.00	* Comprehensive income attributable to minority shareholders	0.00	0.00
Operating profit / (loss)	375,188.99	395,114.37	8. Earnings per share:		
Add: Non-operating income	5,894.82	330.00	Basic earnings per share	0.00	0.00
Including: government subsidy	0.00	0.00	Diluted earnings per share	-	-

# CASH FLOW STATEMENT

Company Name : Taishan Steel International (Shanghai) Limited

FOR THE YEAR ENDED 31 DECEMBER 2018

(CURRENCY: RMB)

Items	2018	2017	Items	2018	2017
1. Cash flows from operating activities			Net cash received from disposal of fixed assets, intangible assets and other long-term assets	30	0.00
Cash received from sales of goods or rendering of services	8,955,923.31	11,598,772.08	Cash received from disposal of subsidiaries	31	0.00
△Net increase in deposits from customers and due from banks and other financial institutions			Cash received relating to other investing activities	32	0.00
△Net increase in borrowings from the central bank			Sub-total of cash inflows	33	0.00
△Net increase in loans from other financial institutions			Cash paid to acquire fixed assets, intangible assets and other long-term assets	34	0.00
△Cash received from receiving insurance premium of original insurance contract			Cash paid to acquire investments	35	0.00
△Net cash received from reinsurance business			△Net increase in pledge loans	36	0.00
△Net increase in deposits and investments from policyholders			Cash paid for acquisition of subsidiaries	37	0.00
△Net increase received from disposal of financial assets measured at fair value through current profit and loss			Cash paid relating to other investing activities	38	0.00
△Cash received from interests, handling charges and commissions			Sub-total of cash outflows	39	8,930.00
△Net increase in loans from banks and other financial institutions			Net cash flows from investing activities	40	0.00
△Net capital increase in repurchase business			3. Cash flows from financing activities	41	-
Refunds of taxes	0.00	0.00	Cash received from capital contributions	42	0.00
Other cash received relating to operating activities	17,800.24	10,889.36	*Including: Cash received by subsidiaries from investments by minority shareholders	43	0.00
Sub-total of cash inflows	8,972,926.55	11,609,661.44	Cash received from borrowings	44	0.00
Cash paid for goods and services	0.00	6,882,654.19	△Cash received from bonds issue	45	0.00
△Net increase in customers' loans and advances			Cash received relating to other financing activities	46	0.00
△Net increase in deposits with central bank and with banks and other financial institutions			Sub-total of cash inflows	47	-
△Cash paid for original insurance contract claims			Cash repayments of amounts borrowed	48	0.00
△Cash paid for interests, handling charges and commissions			Cash payments for interest expenses and distribution of dividends or profits	49	2,780,000.00
△Cash paid for policy dividends			*Including: Dividends and profits paid to minority shareholders by subsidiaries	50	0.00
Cash paid to and on behalf of employees	2,700,918.64	2,868,649.27	Cash payments relating to other financing activities	51	0.00
Payments of taxes and levies	300,653.54	360,311.47	Sub-total of cash outflows	52	2,780,000.00
Cash paid relating to other operating activities	1,519,233.02	1,368,344.19	Net cash flows from financing activities	53	0.00
Sub-total of cash outflows	4,520,825.20	11,479,959.12	4. Effect of foreign exchange rate changes on cash	54	34,955.08
Net cash flows from operating activities	4,452,101.35	129,702.32	5. Net increase / (decrease) in cash	55	1,707,056.43
2. Cash flows from investing activities			Add: cash equivalents at beginning of year	56	1,432,195.23
Cash received from disposal of investments	0.00	0.00	6. Cash at end of year	57	3,139,251.66
Cash received from returns on investments	0.00	0.00		58	1,432,195.23

# STATEMENT OF CHANGES IN EQUITY

Company Name : Tata Steel International (Shanghai) Limited

FOR THE YEAR ENDED 31 DECEMBER 2018

(CURRENCY: RMB)

Items	Total equity attributable to equity holders of the Company														Total owners' equity				
	Paid-in capital		Other equity instruments			Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Dividend in arrears	Retained earnings	Others	Sub-total		Minority interests			
	1	2	3	4	5												6	7	8
-																			
1. At the end of prior year	4,881,202.70				60,000.00				298,574.33					8,059,134.99					8,059,134.99
2. Add: Changes in accounting policies																			
3. Correction of significant accounting errors																			
4. Others																			
2. At the beginning of current year	4,881,202.70				60,000.00				298,574.33					8,059,134.99					8,059,134.99
3. Changes during the year									44,596.32					-2,436,621.48					-2,436,621.48
(1) total revenue														372,215.49					372,215.49
(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									44,596.32					-2,853,433.29					-2,808,836.97
1. Appropriation of surplus reserve									44,596.32					-44,596.32					
Including: Statutory reserve									44,596.32					-44,596.32					
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. setting profits change amount carry forward retained earnings																			
5.5 other comprehensive income carry forward retained earnings																			
5. others																			
4. At the end of current year	4,881,202.70				60,000.00				343,170.65					5,622,513.51					5,622,513.51





Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

---

**I. Corporate information**

Tata Steel International (Shanghai) Limited (hereinafter referred to as the Company) was set up by Tata Steel International (Asia) Limited, which was established on June 08, 2006. Investors changed from Tata Steel International (Asia) Limited to Tata Steel International (Singapore) Holdings Pte. Ltd. on July 31, 2018. Renewal of the business license held by the Shanghai Commercial and Industry Administration. The Uniform Social Credit Code is 91310000717864543J. The total investment of the Company amounts to USD 880,000.00, the registered capital amounts to USD620,000.00, and the paid-in capital amounts to USD 620,000.00; the registered address of the Company is Room 2006, No. 568, Hengfeng Road, Jingan District, Shanghai. NAKAMURA RITSU is the legal representative of the Company. The operating period of the Company is 30 years.

**Principal Activities:**

The wholesale, commission agency (excluding auction), import and export of steel, aluminum products, construction products and other relevant products, and rendering of the relevant supporting service and after service (operate the products involved in quota license administration or specific stipulation administration in accordance with the relevant provisions of the State) 【Projects subject to approval in accordance with the law may not carry out business activities until they have been approved by relevant departments】

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

The financial statements have been prepared under the going concern basis and according to the actual transactions and matters. They have also

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited (Expressed in Renminbi Yuan)

---

been prepared in accordance with Accounting Standards for Business Enterprises, 《Accounting System for Business Enterprises》 and other relevant provisions for recognition and measurement.

**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 Standards for Business Enterprises and 《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 Standards for Business Enterprises, 《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

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

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 installment 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

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

---

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.

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.

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

(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 equity investment

(1) Recognition of investment cost

Long-term equity investment includes the investment to subsidiary companies, joint ventures and associated enterprises. The long-term equity investments are initially recorded at cost on acquisition.

①The initial cost of long-term equity investment obtained by cash payment shall be recorded as full cost including taxes, handling fees and other expenses.

②The initial cost of a long-term equity investment obtained by abandoning non-cash assets shall be the value determined from the rules in Accounting Standards for Business Enterprises-Non monetary transactions;

③The initial cost of a long-term equity investment obtained by recombination of liabilities shall be ascertained in accordance with Accounting Standards for Enterprises – Debt Restructuring;

④The initial cost of a long-term equity investment obtained through administrative allocation shall be valued according to the book value of the divided unit. ⑤The initial cost of a long-term equity investment acquired from merger of enterprises shall be recognized in accordance with the methods of combination;

⑥The initial cost of a long-term equity investment obtained on the basis

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

of issuing equity securities shall be the fair value of the equity securities issued.

⑦ The initial cost of a long-term equity investment of an investor shall be the value stipulated in the investment contract or agreement except the unfair value stipulated in the contract or agreement.

(2) Subsequent measurement and recognition of investment income or loss

Cost method shall be adopted in a long-term equity investment where the investing enterprise does not have common control or significant influence over the investee, the investment is not quoted in an active market and its fair value cannot be measure reliably.

Under the cost method, a long term equity investment is measured at initial investment cost. Except for cash dividends or profits declared but not yet paid that are included in the price or consideration actually paid upon acquisition of the investment, investment income is recognized in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

Cost method shall be adopted in a long-term equity investment where the Company have common control or significant influence over the investee.

Under the cost method, if the initial cost of a long-term equity investment is more than the investing enterprise' attributable share of the fair value of the invested entity's identifiable net assets for the investment, still included in the initial investment cost; if the initial cost of a long term equity investment is less than the investing enterprise' attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profits and losses and the cost of the long-term equity investment shall be adjusted simultaneously.

Under the cost method , after acquiring long-term equity investment, the Company recognizes its share of the net profit or loss of the investee as investment

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

income or loss and adjust the book value of long-term equity investment. When recognizing the share of the investee's net profit or loss, the Company should, based on the fair value of the investee's each identifiable asset when the investment is acquired, in accordance with the Company's accounting policies and periods, after eliminating the portion of the profits or losses, arising from the internal transactions between the Company and its associates and joint ventures, attributable to the investing entity according to the share ratio (but losses arising from internal transactions that belong to losses on the impairment of assets, should be recognized in full), recognize the net profit of the investee entity after making appropriate adjustments.

For long-term equity investments in associates and joint ventures which had been held by the Company before its first adoption day, where the initial investment cost of a long-term equity investment exceeds the Company's interest in the investee's net assets at the time of acquisition, the excess which is amortized on a straight line basis over the original remaining life shall be deducted and then recognized in profit or loss. The book value of the long-term equity investment is reduced to the extent that the Company's share of the profit or cash dividends declared to be distributed by the investee. When the investee is recognized net loss, reduce the book value of long-term equity investments and long-term equity of net investment (in substance) in investee to zero, except to the extent that the Company has obligation on additional losses. The Company shall adjust the book value of the long-term equity investment for other changes in owners' equity of the investee (other than net profits or losses), and include the corresponding adjustments in equity; when disposal of long-term equity investment, transfer it to current profit or loss on a pro-rata basis.

On disposal of a long-term equity investment, the difference between the book value of the investment and the actual amount paid for acquisition is



## Notes to Financial Statements

For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

recognized in current profit or loss. Where the equity method is adopted, the amount attributable to the long-term equity investment previously included shareholders' equity shall be transferred to current profit or loss on a pro-rata basis.

### (3) Recognition of investee under joint control or significant influence

#### 1) Joint control

Joint control will not exist unless the investing parties of the economic activity with one an assent on sharing the control power over the relevant important financial and operating decisions, which is in accordance with the contracts and agreements.

Joint control should be recognized when one of the following conditions have been satisfied:

① Any party cannot independently control the important financial and operating decisions of the joint venture; ② The decision on the basic operating activities of a joint venture requires the unanimous consent of the parties of the joint venture;

③ Each parties of the joint venture may appoint one of them to manage the daily activities of the joint venture through the form of a contract or agreement, but it must exercise the right of administration within the scope of financial and business policies agreed by the all other parties.

#### 2) Significant influence

Significant influence refers to the power to participate in making decisions on the financial and operating policies of the investee, but not to control or do joint control together with other parties over the formulation of these policies.

There is significant influence on the investee when one of the following conditions have been satisfied:

① There are representatives dispatched in the board of directors or similar authorities of the investee; ② Participating in the policy making process of the

## Notes to Financial Statements

For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

investee, including the policy of dividend distribution, etc. ③ There is a major transaction with the investee; ④ dispatching the management to the investee; ⑤ Provide key technical information to the investee.

(4) The conversion between Equity method Cost method of the long-term equity investments

For those long-term equity investments that the Company has no longer had a joint control or significant influence on the investee due to a reduction in investment, etc., or have no quotation in active markets and whose fair values cannot be reliably estimated, shall be changed into the cost method, and take the book value of long-term equity investments under equity method as the initial cost of investment in accordance with the cost method.

For those investment that the Company exists a joint control or significant influence on the investee but not a control because of the additional investment shall be changed into the measurement of equity method, and take the book value of long-term equity investments under cost method or book value of investment recognized in accordance with "Accounting Standards for Enterprise No.22-Recognition and measurement of financial instruments as initial cost of investment in accordance with equity method.

(5) The recognition criteria and methods of impairment provision

At the end of the year, the recoverable amount of the investment is lower than the book value of that investment, which results from the continuous decline in the market price or the deterioration of the operating status of the investee, and the value of the reduction will not be restored in the predictable in the future, so the difference between recoverable amount and book value of long-term equity investments shall be recognized as provision for impairment loss of long-term equity investments.

The provision is stated at the lower of cost of individual investments projects and

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

---

recoverable amount.

**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 improved fixed assets under operating lease, depreciation is calculated using straight-line method within the period.

Considering the provision for impairment, depreciation is based on the individual fixed asset (excluding the net book value after provision and remaining years).

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

---

**(5) Provisions for impairment of fixed assets**

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. 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

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

---

employee service.

### 13. 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.

### 14. 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 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

**V. Tax**

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)	17% or 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% or 1%	Turnover tax payable

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

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

**VII. Notes To The Financial Statements**

**1、 Monetary funds**

Items	2018-12-31			2017-12-31		
	Amount of original currency	Exchange rate	Translated to RMB	Amount of original currency	Exchange rate	Translated to RMB
Cash in bank			3,139,251.66			1,432,195.23
Including:RMB	3,134,598.69		3,134,598.69	708,942.08		708,942.08
USD	677.96	6.8632	4,652.97	110,687.33	6.5342	723,253.15
<b>Total</b>			<b>3,139,251.66</b>			<b>1,432,195.23</b>

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

**2、 Other receivables**

Item	Ending bal.	Beginning bal.
Interest receivable		
Dividends receivable		
Other receivable	2,470,113.76	6,950,407.88
合 计	2,470,113.76	6,950,407.88

**Other receivable**

**(1) Aging analysis**

Items	2018-12-31		2017-12-31	
	Balance	Provision for bad debts	Balance	Provision for bad debts
Within 1 year	2,359,158.08		6,851,835.15	
1-2 years	12,382.95			
Over 2 years	98,572.73		98,572.73	
Total	2,470,113.76		6,950,407.88	

**(2) Main debtors:**

Company's ( Personal ) names	Amount owed	Aging
Tata Steel International (Singapore) Holdings Pte. Ltd.	2,338,190.54	Within 1 year

**3、 Inventories**

Items	2018-12-31		2017-12-31	
	Balance	Provision for inventory devaluation	Balance	Provision for inventory devaluation
Finished goods	70,265.21		70,265.21	
Total	70,265.21		70,265.21	

**4、 Other current assets**

Items	2018-12-31	2017-12-31
Prepaid expenses – rent for office	28,641.90	28,641.90
Prepaid expenses – broadband fee	5,970.00	5,970.00
Total	34,611.90	34,611.90

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

**5、 Fixed assets**

Items	2018-12-31	2017-12-31
Fixed assets	41,678.57	54,576.29
Liquidation of Fixed Assets		
Total	41,678.57	54,576.29

**Fixed assets**

Items	2017-12-31	Additions	Decreases	2018-12-31
1、 Total Cost	132,251.15			132,251.15
Including: Office equipment	132,251.15			132,251.15
2、 Total Accumulated depreciation	77,674.86	12,897.72		90,572.58
Including: Office equipment	77,674.86	12,897.72		90,572.58
3、 Provisions for impairment				
Including: Office equipment				
4、 Total net book value	54,576.29			41,678.57
Including: Office equipment	54,576.29			41,678.57

**6、 Taxes payable**

Items	2018-12-31	2017-12-31
Value added tax	26,452.57	27,278.40
City Maintenance and Construction	1,851.68	
Additional Education Fee	793.58	
Local Education Fee	264.53	
Corporate income tax	-28,150.03	2,208.52
Total	1,212.33	29,486.92

**7、 Other payables**

Item	Ending bal.	Beginning bal.
Interest Payable		
Dividends Payable		
Other Payables	132,195.26	453,434.60
Total	132,195.26	453,434.60



Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

**(1) The aging analysis of Other payables:**

Aging	2018-12-31		2017-12-31	
	Amount	ratio (%)	Amount	ratio (%)
Within 1 year	6,922.10	5.24	453,434.60	100.00
1-2 years	125,273.16	94.76		
Over 2 years				
<b>Total</b>	<b>132,195.26</b>	<b>100.00</b>	<b>453,434.60</b>	<b>100.00</b>

**(2) Main content:**

Content	Amount owed	Aging
Bonus Accrual	125,273.16	1-2 years

**8. Paid-in capital**

Item	Opening Balance		Increased this year	Decreased this year	Closing Balance	
	Amount	Proportion (%)			Amount	Proportion (%)
Tata Steel International (Asia) Limited	CNY 4,881,202.70 ( USD 620,000 )	100.00		4,881,202.70		
Tata Steel International (Singapore) Holdings Pte. Ltd.			4,881,202.70		CNY 4,881,202.70 ( USD 620,000 )	100.00

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. Investors changed from Tata Steel International (Asia) Limited to Tata Steel International (Singapore) Holdings Pte. Ltd. on July 31, 2018.

**9. 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
<b>Total</b>	<b>60,000.00</b>			<b>60,000.00</b>

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

**10. Surplus Reserve**

Item	Opening Balance	Increased this year	Decreased this year	Closing Balance
Statutory surplus reserve	260,964.16	37,610.17		298,574.33
<b>Total</b>	<b>260,964.16</b>	<b>37,610.17</b>		<b>298,574.33</b>

**11. Retained earnings**

Items	Amount
Retained earnings at beginning of year before	2,819,357.96
Add: Adjusted initial amount	
At beginning of the year	2,819,357.96
Add: Net profit	372,215.49
Less: Reserve fund	44,596.32
Less: Distribution of ownership	2,780,000.00
Less: Others	28,836.97
At end of the year	338,140.16

**12. Revenue and Cost of revenue**

Items	2018		2017	
	Income	Cost	Income	Cost
1. Prime operating income (subtotal)			6,238,021.25	5,847,146.73
2. Other operating income	4,144,818.51		4,273,718.87	
<b>Total (subtotal)</b>	<b>4,144,818.51</b>		<b>10,511,740.12</b>	<b>5,847,146.73</b>

**13. Tax and Surcharges**

Items	2018	2017
City maintenance and construction surtax	16,355.35	18,232.96
Educational surtax and surcharge	7,009.44	7,814.12
Local educational surcharge	3,555.25	5,209.42
Watercourse management fee		556.87
Stamp duty	5.00	
<b>Total</b>	<b>26,925.04</b>	<b>31,813.37</b>

## Notes to Financial Statements

For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

### 14. Selling & distribution cost

Items		2018	2017
<b>Total</b>			12,407.20
<b>Mainly:</b>	<b>Other</b>		12,222.23
	<b>Storage charge</b>		185.00

### 15. Administrative expenses

Items		2018	2017
<b>Total</b>		3,783,080.79	3,968,090.07
<b>Mainly:</b>	<b>Salary</b>	1,777,402.57	1,942,080.00
	<b>Social insurance and housing funds</b>	473,209.78	539,987.27
	<b>Rent</b>	343,702.80	338,551.32

### 16. Financial expenses

Items	2018	2017
<b>Total</b>	-40,376.31	257,168.38
<b>Including: Interest expenses</b>		
<b>Less: Interest income</b>	11,108.42	9,739.36
<b>Bank charges</b>	5,687.19	7,451.05
<b>Less: Exchange gain</b>	74,856.41	8,783.18
<b>Exchange loss</b>	39,901.33	268,239.87

### 17. Non-operating income and expense

Items	2018	2017
<b>Total non-operating income</b>	5,894.82	330.00
<b>Including: Rebate received from tax bureau for withholding individual income tax for employees</b>	5,894.82	
<b>Tax-related incentive income on upgrading VAT system</b>		330.00
<b>Total non - operating expenses</b>		118.03
<b>Including: Late filing penalty</b>		118.03

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

**18. Income tax**

Items	2018	2017
Income tax expense during the period	8,868.32	19,224.63
Total	8,868.32	19,224.63

The company's corporate income tax is subject to tax settlement.

**VIII. Contingencies**

As at the balance sheet date(December. 31, 2018), the Company had no significant contingencies affecting the reading and understanding of financial statements.

**IX. Commitments**

As at the balance sheet date (December. 31, 2018), the Company had no significant commitments affecting the reading and understanding of financial statements.

**X. Events occurring after the balance sheet date**

As at the financial statements for issuance (February 21, 2019), there is no Non-adjusting events in the events occurring after balance sheet occurred, which affects the reading and understanding of financial statements.

**XI. Relationship and Transactions with Related Parties**

**1. Information about the Company's Parent Company**

Name of parent company	Registered address	Business nature
Tata Steel International (Asia) Limited	Unit 603B, Empire Centre, 68 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong	Trading

## Notes to Financial Statements

For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited (Expressed in Renminbi Yuan)

Name of parent company	Registered address	Business nature
Tata Steel International (Singapore) Holdings Pte. Ltd.	22 Jining Road, Danrong, Singapore	Trading

Investors changed from Tata Steel International (Asia) Limited to Tata Steel International (Singapore) Holdings Pte. Ltd. on July 31, 2018.

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

Item	Beginning Balance	Ending Balance
Tata Steel International (Asia) Limited	100.00%	
Tata Steel International (Singapore) Holdings Pte. Ltd.		100.00%

### 3. Transactions with Related Parties

#### (1) Purchase and Sale Transactions

Type of transaction	Name of entity	Nature of relationship	Amount of transaction	Pricing policy
<b>1. Transactions with related parties for purchase of goods and acceptance of service</b>				
<b>2. Transactions with related parties for sale of goods and rendering of service</b>				
Rendering of service	Tata Steel International (Asia) Limited	Original Parent Company	2,071,516.14	Management fee plus 2%
Rendering of service	Tata Steel International (Singapore) Holdings Pte. Ltd.	Parent Company	2,321,991.49	Management fee plus 1%

(2) Security for Related Parties: None

#### (3) Amount Due from/ to Related Parties

Item and Entity	Ending Balance	Proportion to total amount of the project
<b>Other Receivables</b>		
Tata Steel International (Singapore) Holdings Pte. Ltd.	2,338,190.54	94.66%

Notes to Financial Statements  
For the Year Ended 31 December 2018

Tata Steel International (Shanghai) Limited

(Expressed in Renminbi Yuan)

---

**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, 2018**

Unit: CNY

Item	Amount	Remark
I. Total Profits (tax returns)	381,083.81	
II. Plus: Adjusted increase	3,642.40	
1. Entertainment expenses over allowed limit	3,642.40	
III. Less: Adjusted decrease	296,043.00	
1. Accrued bonus utilised during the year	296,043.00	
IV. Taxable amount of income after adjustment	88,683.21	

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.