

## **Sun Pharma (Shanghai) Co., Ltd**

### **FOR THE YEAR ENDED 31 DECEMBER 2022 AUDITORS' REPORT**

The auditors' report and the accompanying financial statements are English translations of the Chinese auditors' report and statutory financial statements prepared under accounting principles generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

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# AUDITORS' REPORT

Shenya No.2023-263

**TO THE BOARD OF DIRECTORS OF  
Sun Pharma (Shanghai) Co., Ltd**

## **Opinion**

We have audited the accompanying financial statements of Sun Pharma (Shanghai) Co., Ltd (hereafter referred to as “the Company”), which comprise the balance sheet as at December 31, 2022, the statement of comprehensive income, statement of cash flows and statement of changes in equity for the reporting year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Accounting Standards for Small Enterprises so as to give a true and fair view of, in all material respects, the financial position of the Company as at December 31, 2022, and of the financial performance and cash flows of the Company for the year ended on that date.

## **Basis for opinion**

We conducted our audit in accordance with the requirements of the Accounting Standards for Small Enterprises. Our responsibilities under those standards are further described in the auditor 's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Professional Conduct and Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Responsibilities of management for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Accounting Standards for Small Enterprises, and for devising and maintaining a system of internal accounting controls necessary to permit the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, and using the going concern assumption, unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Accounting Standards for Small Enterprises 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 with the Accounting Standards for Small Enterprises, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

Shanghai Shenyua Certified Public Accountants Co.,Ltd.  
(For identification purpose only)

Certified Public Accountant

Certified Public Accountant

Address: Shanghai, China

4 April 2023

## BALANCE SHEET

[English Translation for Reference Only]

Company: Sun Pharma (Shanghai) Co., Ltd

Currency: RMB

Items	Notes V	31 December 2022	31 December 2021
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	1	446,865.84	707,788.77
Short-term investment			
Notes receivable			
Accounts receivable	2	320,487.98	
Prepayments	3	16,192.16	103,595.21
Other receivables			
Inventories			
Including: Raw materials			
Goods in process			
Finished goods			
Turnover materials			
Other current assets			
<b>TOTAL CURRENT ASSETS</b>		<b>783,545.98</b>	<b>811,383.98</b>
<b>NON-CURRENT ASSETS:</b>			
Long-term equity investments			
Long-term debt investment			
Fixed assets - Cost	4	43,385.00	43,385.00
Less: Accumulated depreciation	4	20,446.79	6,194.15
Fixed assets - Net book value	4	22,938.21	37,190.85
Construction in progress			
Fixed assets pending for disposal			
Productive biological assets			
Intangible assets			
Development costs			
Long-term deferred expenses			
Other non-current assets			
<b>TOTAL NON-CURRENT ASSETS</b>		<b>22,938.21</b>	<b>37,190.85</b>
<b>TOTAL ASSETS</b>		<b>806,484.19</b>	<b>848,574.83</b>

## BALANCE SHEET (CONTINUED)

[English Translation for Reference Only]

Company: Sun Pharma (Shanghai) Co., Ltd

Currency: RMB

Items	Notes V	31 December 2022	31 December 2021
<b>CURRENT LIABILITIES:</b>			
Short-term loans			
Notes payable			
Accounts payable			
Advance from customers			
Salaries and employee benefits payable	5	502,936.23	305,984.40
Taxes and other fees payable	6	40,570.88	15,579.57
Other payables			
Liabilities classified as held for sale			
Non-current liabilities due within one year			
Other current liabilities			
<b>TOTAL CURRENT LIABILITIES</b>		<b>543,507.11</b>	<b>321,563.97</b>
<b>NON-CURRENT LIABILITIES:</b>			
Long-term loans			
Bonds payable			
Long-term payables			
Long-term employee benefits payable			
Provisions			
Other non-current liabilities			
Including: Fund specifically reserved			
<b>TOTAL NON-CURRENT LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>		<b>543,507.11</b>	<b>321,563.97</b>
<b>OWNERS' EQUITY:</b>			
Paid-in capital	7	1,000,000.00	1,000,000.00
Capital reserves			
Less: Treasury stocks			
Specific reserves			
Surplus reserves			
Retained earnings ("-" for accumulated losses)	8	-737,022.92	-472,989.14
<b>TOTAL OWNERS' EQUITY</b>		<b>262,977.08</b>	<b>527,010.86</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>806,484.19</b>	<b>848,574.83</b>

# INCOME STATEMENT

[English Translation for Reference Only]

Company: Sun Pharma (Shanghai) Co., Ltd

Currency: RMB

Items	Notes V	2022	2021
<b>Total revenue</b>	9	<b>5,166,340.02</b>	<b>3,772,356.90</b>
<b>Total cost of sales</b>		<b>5,522,573.35</b>	<b>4,324,035.93</b>
Including: Operating costs			
Tax and surcharges	10	6,926.84	2,068.84
Including: Consumption tax			
Urban maintenance and construction tax		3,524.98	1,206.82
Resource tax			
Selling expenses	11		71,651.78
General and administrative expenses	12	5,514,639.40	4,247,052.20
Research and development costs			
Finance expenses ("-" for income)	13	1,007.11	3,263.11
Including: Interest expenses			
Interest income			
Net foreign exchange losses ("-" for gains)			
Add: Other income ("-" for losses)			
Investment income ("-" for losses)			
<b>PROFIT FROM OPERATIONS ("-" FOR LOSSES)</b>		<b>-356,233.33</b>	<b>-551,679.03</b>
Add: Non-operating income	14	93,209.55	78,689.89
Less: Non-operating expenses	15	1,010.00	
Including: Losses from disposal of non-current assets			
Losses from non-monetary exchange of assets			
Losses from debt restructuring		1,010.00	
<b>PROFIT BEFORE TAX ("-" FOR LOSSES)</b>		<b>-264,033.78</b>	<b>-472,989.14</b>
Less: Income tax expenses			
<b>NET PROFIT FOR THE YEAR ("-" FOR LOSSES)</b>		<b>-264,033.78</b>	<b>-472,989.14</b>



## CASH FLOWS STATEMENT

[English Translation for Reference Only]

Company: Sun Pharma (Shanghai) Co., Ltd

Currency: RMB

Items	Notes	2022	2021
<b>Cash Flows from Operating Activities:</b>			
Cash received from sales of goods or rendering of services		4,934,969.54	3,885,527.59
Refunds of taxes			
Other cash received relating to operating activities		1,151,100.33	684,570.47
<b>Sub-total of cash inflows from operating activities</b>		<b>6,086,069.87</b>	<b>4,570,098.06</b>
Cash paid for goods and services			
Cash paid to and on behalf of employees		1,887,546.63	488,835.50
Tax payments		175,128.99	93,953.93
Other cash paid relating to operating activities		4,284,317.18	4,235,235.86
<b>Sub-total of cash outflows from operating activities</b>		<b>6,346,992.80</b>	<b>4,818,025.29</b>
<b>Net Cash Flows used in Operating Activities</b>		<b>-260,922.93</b>	<b>-247,927.23</b>
<b>Cash Flows from Investing Activities:</b>			
Cash received from disposal of investments			
Cash received from return on investments			
Cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash recovered from disposal of subsidiaries and other operating units			
Other cash receipts relating to investing activities			
<b>Sub-total of cash inflows from investing activities</b>			
Cash paid to acquire investment			
Cash paid to acquire fixed assets, intangible assets and other long-term assets			44,284.00
Other cash paid relating to investing activities			
<b>Sub-total of cash outflows from investing activities</b>			<b>44,284.00</b>
<b>Net Cash Flows used in Investing Activities</b>			<b>-44,284.00</b>
<b>Cash Flows from Financing Activities:</b>			
Cash received from capital contributions			1,000,000.00
Cash received from borrowings			
Other cash receipts relating to financing activities			
<b>Sub-total of cash inflows from financing activities</b>			<b>1,000,000.00</b>
Repayments of borrowings			
Dividends paid, profit distributed or interest paid			
Other cash payments relating to financing activities			
<b>Sub-total of cash outflows from financing activities</b>			
<b>Net Cash Flows from Financing Activities</b>			<b>1,000,000.00</b>
<b>Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>			
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		<b>-260,922.93</b>	<b>707,788.77</b>
Add: Cash and cash equivalents at the beginning of the period		707,788.77	
<b>Cash and cash equivalents at the end of the period</b>		<b>446,865.84</b>	<b>707,788.77</b>

## STATEMENT OF CHANGES IN EQUITY

[English Translation for Reference Only]

Company: Sun Pharma (Shanghai) Co., Ltd

Currency: RMB

Items	2022							Total Owners' Equity
	Paid-in capital	Capital reserves	Less: Treasury stocks	Other comprehensive income	Specific reserves	Surplus reserves	Retained earnings	
<b>1. Balance as at the end of last year</b>	<b>1,000,000.00</b>						<b>-472,989.14</b>	<b>527,010.86</b>
Add: Changes in accounting policies Corrections of errors in prior periods								
<b>2. Balance at the beginning of the year</b>	<b>1,000,000.00</b>						<b>-472,989.14</b>	<b>527,010.86</b>
<b>3. Movement during the year ("-" for decrease)</b>							<b>-264,033.78</b>	<b>-264,033.78</b>
3.1. Total comprehensive income							<b>-264,033.78</b>	<b>-264,033.78</b>
3.2. Paid-in capital injected by or returned to investors								
a. Paid-in capital injected by investors								
b. Share-based payments charged to equity								
c. Others								
3.3. Appropriations of profits								
a. Appropriations to surplus reserves								
Including: Statutory reserves								
Discretionary reserves								
Reserved funds								
Enterprise development funds								
Profit to be returned to investors								
b. Appropriations to investors								
c. Others								
3.4. Equity transfer among equity accounts ("-" for decrease)								
a. Capital reserves transferred to paid-in capital								
b. Surplus reserves transferred to paid-in capital								
c. Surplus reserves used to offset losses								
d. Others								
3.5. Specific reserves								
a. Provision in the current period								
b. Utilised in the current period ("-" for utilisation)								
<b>4. Balance at the end of the year</b>	<b>1,000,000.00</b>						<b>-737,022.92</b>	<b>262,977.08</b>

## STATEMENT OF CHANGES IN EQUITY (CONTINUED)

[English Translation for Reference Only]

Company: Sun Pharma (Shanghai) Co., Ltd

Currency: RMB

Items	2021							Total Owners' Equity
	Paid-in capital	Capital reserves	Less: Treasury stocks	Other comprehensive income	Specific reserves	Surplus reserves	Retained earnings	
<b>1. Balance as at the end of last year</b>								
Add: Changes in accounting policies								
Corrections of errors in prior periods								
<b>2. Balance at the beginning of the year</b>								
<b>3. Movement during the year ("-" for decrease)</b>	<b>1,000,000.00</b>						<b>-472,989.14</b>	<b>527,010.86</b>
3.1. Total comprehensive income							-472,989.14	-472,989.14
3.2. Paid-in capital injected by or returned to investors	1,000,000.00							1,000,000.00
a. Paid-in capital injected by investors	1,000,000.00							1,000,000.00
b. Share-based payments charged to equity								
c. Others								
3.3. Appropriations of profits								
a. Appropriations to surplus reserves								
Including: Statutory reserves								
Discretionary reserves								
Reserved funds								
Enterprise development funds								
Profit to be returned to investors								
b. Appropriations to investors								
c. Others								
3.4. Equity transfer among equity accounts ("-" for decrease)								
a. Capital reserves transferred to paid-in capital								
b. Surplus reserves transferred to paid-in capital								
c. Surplus reserves used to offset losses								
d. Others								
3.5. Specific reserves								
a. Provision in the current period								
b. Utilised in the current period ("-" for utilisation)								
<b>4. Balance at the end of the year</b>	<b>1,000,000.00</b>						<b>-472,989.14</b>	<b>527,010.86</b>

## I. COMPANY BACKGROUND

Sun Pharma (Shanghai) Co., Ltd (“the Company”) is a limited liability company (wholly foreign legal entity) established on December 21, 2020, and has obtained the Business License with the unified social credit code of 91310000MA1FRN0Y0B. The registered capital of the company is RMB 1 million, legal representative: SETHURAMAN THILLAI GOVINDAN, company address: Room 4D, No. 1800 west Zhongshan Road, Xuhui District, Shanghai.

The Company approved scope of business operations includes Permitted items: Import and export agent; Import and export of goods; Import and export of pharmaceuticals; Pharmaceutical wholesale; Drug commissioned production (branch only). (For projects subject to approval according to law, business activities can be carried out only after approval by relevant departments, and specific business projects shall be subject to approval documents or licenses of relevant departments.) general projects: marketing planning; Enterprise management consulting; Information technology consulting services; Information consulting services (excluding licensing information consulting services). (Except for projects subject to approval according to law, independently carry out business activities according to law with business license).

## II. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the requirements of “Accounting Standards for Small Enterprises” as promulgated by Ministry of Finance of P. R. China. These financial statements present truly and completely the financial position as at 31 December 2022, the results of operations and the cash flows of the Company for the year then ended.

## III. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES

### 1. Accounting system and accounting standards

The accounting policies adopted by the Company are in accordance with Accounting Standards for Business Enterprises.

### 2. Accounting period

The Company’s accounting year starts on 1 January and ends on 31 December.

### 3. Recording currency

The recording currency of the Company is Renminbi Yuan (“RMB”).

### 4. Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. Assets are initially recorded at actual cost on acquisition and subsequently adjusted for impairment, if any.

### 5. Foreign currency translation

Transactions denominated in foreign currencies (currencies other than the recording currency) are translated into Renminbi at the applicable rate of exchange (“market exchange rate”) prevailing at the date of the transaction quoted by the People’s Bank of China. Monetary assets and liabilities denominated in foreign currencies are translated into Renminbi at the market exchange rate prevailing at the balance sheet date. Exchange gains or losses are dealt with as finance expenses.

### 6. Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are held by the Company and subject to limited risk on changes in value.

### 7. Short-term investments (Presented as “Held-for-trading financial assets” on the balance sheet)

#### Short-term investments

Short-term investments represent those investments which are readily converted into cash and intended to be held for less than one year, including shares, bonds and funds etc.

Short-term investments are initially measured at costs on acquisition and stated at the lower of cost and fair value on the balance sheet date. If the fair value is lower than cost, the difference is recorded as provision against income statement. Provision for impairment of short-term investments is made on an individual item basis.

The investment gain and loss is accounted for when a short-term investment is sold or matures.

#### 8. Bad debt provision

Criteria for recognition of bad debts:

- (1) Due to bankruptcy or death of the debtors, the balance becomes irrecoverable despite pursuing statutory recovery procedures or offsetting against the estate of the administrators;
- (2) Where the debtor dies or is declared missing or dead according to law, and his property or inheritance is insufficient to pay
- (3) If the debtor is overdue for more than three years and has conclusive evidence to prove that it is unable to liquidate the debts.
- (4) After reaching a debt restructuring agreement with the debtor or approval of the bankruptcy restructuring plan by the court, the debtor cannot be recovered.
- (5) Those that cannot be recovered due to force majeure such as natural disasters or wars.
- (6) Other conditions prescribed by the competent financial and tax authorities under the State Council.

#### 9. Inventory

Inventories include raw materials, work-in-progress, self-made semi-finished goods, finished goods, packaging materials and low value consumables, etc.. Inventories are maintained using perpetual accounting record and recorded at actual cost. Raw materials, packaging materials and finished goods are valued using weighted average method. Packaging materials amortised using the immediate write-off method .

#### 10. Long-term investments

##### (1) Long-term equity investments

Long-term equity investments are stated at cost paid upon acquisition. The cost method is used to account for long-term equity investments with less than 20% of the voting rights, or with over 20% voting rights but without significant influence over the investees' financial and operating policies. The equity method is used to account for long-term equity investments with over 20% of the voting rights, or with less than 20% of the voting rights but with significant influence over the investees' financial and operating policies.

##### (2) Long-term investments in bonds (Presented as "Held-for-maturity investments, Available-for-sale financial assets" on the balance sheet)

Long-term debt investments are stated at cost paid upon acquisition and interest receivable is computed in the current period.

#### 11. Fixed assets and depreciation

Fixed assets are tangible assets stated at cost upon acquisition with useful economic lives exceeding one year and relatively high unit price. These include buildings, plants and machinery equipments, motor vehicles, and other facilities held by the Company that are used in production, rendering of services, held for rental to others or held for management purposes.

Subsequent expenditures for major reconstruction, expansion, improvement and renovation are capitalised when it is probable that the future economic benefits exceeds the originally assessment of the existing asset, or the useful life of fixed assets is prolonged or the quality of products is substantively improved or the cost of products is substantively reduced as a result of such

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. Depreciation is provided when the fixed assets are ready for their intended use and should cease when they are derecognised as fixed assets. The category of fixed assets, estimated useful lives, estimated residual values expressed as a percentage of cost and annual depreciation rates are as follows (without considering impairment):

Category of fixed assets	Estimated useful life	Estimated residual Value %	Annual rate of depreciation %
Electronic equipment	3 years	-	33.33
Office facilities and others	3 years	-	33.33

## 12. Borrowing costs

Borrowing costs, including interests, amortised premiums/discounts and exchange differences, incurred in connection with specific borrowings obtained for the acquisition or construction of fixed assets are capitalised as costs of the fixed assets when capital expenditures and borrowing costs are incurred and the activities have commenced to enable the assets to be ready for their intended use. The capitalised interests for each accounting period are determined by using the weighted average amount of accumulated expenditures incurred in that period for the acquisition or construction of fixed assets and the weighted average capitalisation rate/the related specific capitalisation rate of the borrowings. The amount of interest capitalised during a period shall not exceed the amount of interest incurred during that period. Capitalisation of borrowing costs should be suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally, and the interruption period is more than 3 months. These costs should be recognised as expenses for the current period until the acquisition or construction is resumed. The capitalisation of borrowing costs ceases when the assets are ready for their intended use and borrowing costs incurred thereafter are expensed in the period incurred. Interests incurred in connection with other borrowings are expensed as incurred.

## 13. Revenue recognition

### (1) Revenue from the sales of goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and it is probable that the economic benefit associated with the transaction will flow to the Company and the relevant revenue and costs can be measured reliably.

### (2) Revenue from rendering of services

When the total amount of revenue and costs arising from provision of services can be estimated reliably, it is probable that the economic benefits associated with the transaction will flow in and the stage of completion of the services provided can be measured reliably, service revenue is recognised using the percentage of completion method.

## 14. Accounting for income taxes

The Company accounts for enterprise income taxes using the tax payable method. Tax expense is recognised based on current period taxable income and tax rates after adjusting for items which are non-assessable or non-deductible under the relevant tax laws and regulations.

## IV. TAXATION

### 1. Main taxes and rates

Category of Taxes	Basis of taxes	Tax rates %
Value added tax (output tax)	Taxable revenue	3.00/6.00
Corporate income tax	Taxable profit	25.00

## V. DETAILED NOTES ON MAIN FINANCIAL STATEMENTS ITEMS

### 1. Cash and cash equivalents

Category	31 December 2022	31 December 2021
Cash in hand	18,089.00	18,299.00
Cash at bank	428,776.84	689,489.77
<b>Total</b>	<b>446,865.84</b>	<b>707,788.77</b>

### 2. Prepayments

(1) The aging analysis of prepayments is as follows

Aging	31 December 2022		31 December 2021	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	16,192.16	100.00	103,595.21	100.00
<b>Total</b>	<b>16,192.16</b>	<b>100.00</b>	<b>103,595.21</b>	<b>-</b>

3. Fixed assets and accumulated depreciation

(1) Cost

Category	31 December 2021	Increase	Decrease	31 December 2022
Electronic equipment	43,385.00	-	-	43,385.00
<b>Total</b>	<b>43,385.00</b>	<b>-</b>	<b>-</b>	<b>43,385.00</b>

(2) Accumulated depreciation

Category	31 December 2021	Increase	Decrease	31 December 2022
Electronic equipment	6,194.15	14,252.64	-	20,446.79
<b>Total</b>	<b>6,194.15</b>	<b>14,252.64</b>	<b>-</b>	<b>20,446.79</b>

(3) Net carrying value

Category	31 December 2021	31 December 2022
Electronic equipment	37,190.85	22,938.21
<b>Total</b>	<b>37,190.85</b>	<b>22,938.21</b>

4. Salaries and employee benefits payable

Category	31 December 2022	31 December 2021
Wages, bonuses, allowances and subsidies	502,936.23	305,984.40
<b>Total</b>	<b>502,936.23</b>	<b>305,984.40</b>

5. Taxes and other fees payable

Category	31 December 2022	31 December 2021
Value added tax	38,274.43	20,080.76
Urban maintenance and construction tax	1,339.60	702.82
Education add	574.11	301.21
Local education add	382.74	200.81
Corporate income tax	-	-5,706.03
<b>Total</b>	<b>40,570.88</b>	<b>15,579.57</b>

6. Paid-in capital

Name	31 December 2022		31 December 2021	
	%	Amount	%	Amount
Sun Pharma(Netherlands) B.V.	100.00	1,000,000.00	100.00	1,000,000.00
<b>Total</b>	<b>100.00</b>	<b>1,000,000.00</b>	<b>100.00</b>	<b>1,000,000.00</b>

7. Retained earnings / (Accumulated losses)

Category	31 December 2022	31 December 2021
Accumulated losses at the begin of the year	-472,989.14	-
Add: Changes in accounting policies	-	-
Corrections of errors in prior periods	-	-
Prior year adjustments, restating opening balances	-472,989.14	-
Add: Net losses	-264,033.78	-472,989.14
Offset by Surplus Reserves	-	-
Profit available for distribution	-737,022.92	-472,989.14
Less: Appropriation to statutory reserves	-	-
Appropriation to discretionary reserves	-	-
Appropriations to reserved funds	-	-
Appropriation to enterprise development funds	-	-
Appropriations to staff incentive and welfare funds	-	-
Profit distribution to equity owners	-	-
Conversion to paid-in capital	-	-
<b>Accumulated losses at the end of the year</b>	<b>-737,022.92</b>	<b>-472,989.14</b>

8. Revenue from operations

Category	2022	2021
Main operations	5,166,340.02	3,772,356.90
<b>Total</b>	<b>5,166,340.02</b>	<b>3,772,356.90</b>

9. Taxes and surcharges

Category	2022	2021
Urban maintenance and construction tax	3,524.98	1,206.82
Education add	2,517.83	862.02
Stamp tax	884.03	-
<b>Total</b>	<b>6,926.84</b>	<b>2,068.84</b>

10. Selling expenses

Category	2022	2021
Freight expenses	-	9,422.45
Advertising expenses	-	580.00
Transportation	-	31,885.25
Communication expenses	-	2,867.32
Meal fees	-	21,570.18
Accommodation expenses	-	5,326.58
<b>Total</b>	<b>-</b>	<b>71,651.78</b>

11. General and administrative expenses

Category	2022	2021
Travel expenses	51,109.62	65,928.70
Business entertainment expenses	40,610.03	79,735.02
communication expenses	12,842.19	10,708.60
Office expenses	711,319.35	230,786.82
Depreciation	14,252.64	6,194.15
Consulting fees	922,391.09	685,166.48
Office rent	274,305.92	171,633.36
Office property charge	63,063.30	32,879.04
The electricity and water	6,673.37	6,858.16
The worker wages	2,649,004.70	2,618,398.87
Social insurance	442,984.61	259,564.38
Service charge	52,992.60	41,606.91
Maintenance costs	-	2,738.00
Welfare funds	265,373.00	4,570.84



(All Amounts in RMB Yuan Unless Otherwise Stated)

[English Translation for Reference Only]

Training expenses	2,000.00	11,860.00
Legal advice fee	-	15,000.00
Vehicle costs	1,000.00	3,422.87
Audit	4,716.98	-
<b>Total</b>	<b>5,514,639.40</b>	<b>4,247,052.20</b>

12. Finance expenses

<b>Category</b>	<b>2022</b>	<b>2021</b>
Interest expenses	-	-
Interest income	1,550.97	968.50
Others	2,558.08	4,231.61
<b>Total</b>	<b>1,007.11</b>	<b>3,263.11</b>

13. Non-operating income

<b>Category</b>	<b>2022</b>	<b>2021</b>
Refund of tax and levy	5,552.07	40,161.51
Value added tax exemption	87,657.48	38,528.38
<b>Total</b>	<b>93,209.55</b>	<b>78,689.89</b>

**VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS**

As at 31 December 2022, the Company has no significant commitments that needs to be disclosed about related parties.

**VII. COMMITMENTS**

1. Significant commitments

As at 31 December 2022, the Company has no significant commitments that needs to be disclosed except for the above.

2. Contingent liabilities

As at 31 December 2022, the Company has no significant contingent liabilities that needs to be disclosed

**VIII. POST BALANCE SHEET EVENTS**

As at 4 April 2023, the Company has no post balance sheet event that needs to be disclosed.

**IX. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year presentation.

Sun Pharma (Shanghai) Co., Ltd

4 April 2023

## TAXABLE INCOME RECONCILIATION

2022

[English Translation for Reference Only]

Company: Sun Pharma (Shanghai) Co., Ltd

Currency: RMB

<b>Items</b>	<b>Amount</b>
Accounting income for the year	-264,033.78
Add: Sub total of adjustment for increase tax	17,254.01
The extra spending on business entertainment	16,244.01
Overdue fine	1,010.00
Less: Sub total of adjustment for decrease tax	-
Taxable income for adjustment	-246,779.77
Less: Accumulated taxable losses	-
Taxable income	-246,779.77

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