ORACLE FINANCIAL SERVICES SOFTWARE (SHANGHAI) LIMITED

（甲骨文金融服务软件（上海）有限公司）

(Established in the People’s Republic of China with limited liability)

Auditors’ Report and Financial Statements

For the Year Ended December 31, 2020

Oracle Financial Services Software (Shanghai) Limited

Auditors' Report and Financial Statements

(For the Year Ended December 31, 2020)

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Auditors' Report

PCPAR (2021) No. ZA50700

To shareholders of Oracle Financial Services Software (Shanghai) Limited,

Opinion

We have audited the accompanying financial statements of Oracle Financial Services Software (Shanghai) Limited (hereafter referred to as "the Company"), which comprise the statement of financial position as at December 31, 2020, 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 Business 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, 2020, 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 Chinese Certified Public Accountants Auditing Standards. 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 fulfiled 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 Business 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, disclosing matters related to going concern (if applicable) , 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 Business 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 Business 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.

Shu Lun Pan Certified Public Accountants LLP

Certified Public Accountant of China

Zhang Yong

Hua Zhenghong

Shanghai, China

Date:April 5, 2021

This auditors' report and the accompanying notes to the financial statements are English translation of the Chinese auditors' report. In case of doubt as to the presentation of these documents, the Chinese version shall prevail.

Oracle Financial Services Software (Shanghai) Limited

Statement of Financial Position

As at December 31, 2020

(All the amounts are denominated in CNY unless otherwise stated.)

Assets	Notes	As at December 31, 2020	As at December 31, 2019
Current assets:			
Cash and cash equivalents	5.1	19,796,421.36	22,931,164.18
Trading financial assets			
Financial assets measured at fair value through profit and loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	5.2	792,530.47	3,505,685.23
Accounts receivable financing			
Advances to suppliers			
Other receivables	5.3	196,493.64	196,493.64
Inventories			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets	5.4	448,873.86	2,592,419.88
Total current assets		21,234,319.33	29,225,762.93
Non-current assets:			
Debt investment			
Available-for-sale financial assets			
Other debt investment			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments			
Other equity instrument investment			
Other non-current financial assets			
Investment properties			
Fixed assets	5.5		15,671.14
Construction in progress			
Productive biological assets			
Oil and natural gas assets			
Intangible assets			
Development costs			
Goodwill			
Long-term deferred expenses			
Deferred tax assets			
Other non-current assets			
Total non-current assets			15,671.14
Total assets		21,234,319.33	29,241,434.07

The accompanying notes form an integral part of these financial statements.

Legal Representative: AVADHUT DIGAMBAR KETKAR Chief Accountant:Eileen Wong Accountant in Charge:

Oracle Financial Services Software (Shanghai) Limited

Statement of Financial Position (Continued)

As at December 31, 2020

(All the amounts are denominated in CNY unless otherwise stated.)

Liabilities and owners' equity	Notes	As at December 31, 2020	As at December 31, 2019
Current liabilities:			
Short-term borrowings			
Trading financial liabilities			
Financial liabilities measured at fair value through profit and loss			
Derivative financial liabilities			
Notes payable			
Accounts payable	5.6	1,192,429.60	8,828,138.18
Advances from customers			
Employee benefits payable	5.7	932,465.35	1,449,605.67
Taxes and surcharges payable	5.8	438,130.07	1,359,096.20
Other payables	5.9	1,862,935.54	3,919,132.45
Liabilities held for sale			
Non-current liabilities maturing within one year			
Other current liabilities			
Total current liabilities		4,425,960.56	15,555,972.50
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preference shares			
Perpetual debts			
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income			
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities			
Total liabilities		4,425,960.56	15,555,972.50
Owners' equity:			
Paid-in capital	5.10	6,826,400.00	6,826,400.00
Other equity instruments			
Including: Preference shares			
Perpetual debts			
Capital reserves			
Other comprehensive income			
Specific reserves			
Surplus reserves	5.11	2,552,028.45	2,239,738.73
General risk reserves			
Retained profit	5.12	7,429,930.32	4,619,322.84
Total owners' equity		16,808,358.77	13,685,461.57
Total liabilities and owners' equity		21,234,319.33	29,241,434.07

The accompanying notes form an integral part of these financial statements.

Legal Representative: AVADHUT DIGAMBAR KETKAR Chief Accountant:Eileen Wong Accountant in Charge:

Oracle Financial Services Software (Shanghai) Limited

Statement of Comprehensive Income
For the Year Ended December 31, 2020
(All the amounts are denominated in CNY unless otherwise stated.)

Items	Notes	2020	2019
1. Revenue from operations	5.13	27,087,445.19	42,544,458.27
Less: Cost of operations	5.13	5,930,765.43	9,226,465.97
Taxes and surcharges	5.14	13,608.70	54,255.50
Selling and distribution expenses			
General and administrative expenses	5.15	17,471,276.74	25,667,904.24
Research and development expenses			
Financial expenses	5.16	-11,964.37	-301,056.29
Including: Interest expenses			
Interest income		240,298.79	573,358.13
Plus: Other income	5.17	31,136.44	48,905.44
Investment income ("-" for loss)			
Including: Investment income from associates and joint ventures			
Income from derecognition of financial assets measured at amortized cost			
Net exposure hedge income("-" for loss)			
Gain on changes in fair value ("-" for loss)			
Impairment of credit ("-" for loss)	5.18	516,691.87	-347,091.87
Impairment of assets("-" for loss)			
Gain on disposal of assets ("-" for loss)			
2. Profit from operations ("-" for loss)		4,231,587.00	7,598,702.42
Plus: Non-operating income	5.19	17,868.70	368,996.57
Less: Non-operating expenses			
3. Profit before tax ("-" for loss)		4,249,455.70	7,967,698.99
Less: Income tax expenses	5.20	1,126,558.50	2,448,451.39
4. Net profit ("-" for loss)		3,122,897.20	5,519,247.60
Gain or loss from continued operations		3,122,897.20	5,519,247.60
Gain or loss from discontinued operations			
5. Other comprehensive income net of tax			
(1) Other comprehensive income not to be reclassified as profit or loss			
(i) Movements arising from remeasurements of net liabilities or assets of the defined benefit plan			
(ii) Shares of other comprehensive income not to be reclassified as profit or loss in the investee under the equity method			
(iii) Changes in fair value of other equity instrument investments			
(iv) Changes in fair value of enterprise's own credit risk			
(2) Other comprehensive income to be reclassified as profit or loss			
(i) Shares of other comprehensive income to be reclassified as profit or loss in the investee under the equity method			
(ii) Changes in fair value of other debt investment			
(iii)Gain on changes in fair value of available-for-sale financial assets ("-" for loss)			
(iv) Amount of financial assets reclassified into other comprehensive income			
(v) Held-to-maturity investments reclassified as gain on available-for-sale financial assets ("-" for loss)			
(vi) Provision for credit impairment of other debt investment			
(vii) Effective gain on hedged cash flows ("-" for loss)			
(viii) Differences arising from the translation of foreign currency financial statements			
(ix) Others			
6. Total comprehensive income		3,122,897.20	5,519,247.60

The accompanying notes form an integral part of these financial statements.

Legal Representative: AVADHUT DIGAMBAR KETKAR Chief Accountant:Eileen Wong Accountant in Charge:

Oracle Financial Services Software (Shanghai) Limited
Statement of Cash Flows
For the Year Ended December 31, 2020
(All the amounts are denominated in CNY unless otherwise stated.)

Items	Notes	2020	2019
1. Cash flows from operating activities			
Cash receipts from the sale of goods and the rendering of services		32,385,293.55	46,460,358.53
Cash receipts of tax refunds			
Other cash receipts relating to operating activities		4,396,781.91	1,158,410.00
Sub-total of cash inflows from operating activities		36,782,075.46	47,618,768.53
Cash payments for goods purchased and services received		13,492,245.61	138,228,619.49
Cash payments to and on behalf of employees		16,987,748.94	23,310,309.98
Cash payments of all types of taxes and surcharges		6,796,681.90	2,861,368.83
Other cash payments relating to operating activities		2,415,861.58	1,929,622.13
Sub-total of cash outflows from operating activities		39,692,538.03	166,329,920.43
Net cash flows from operating activities		-2,910,462.57	-118,711,151.90
2. Cash flows from investing activities			
Cash receipts from disposal and redemption of investments			
Cash receipts from returns on investments			
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets			
Net cash receipts from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities			
Sub-total of cash inflows from investing activities			
Cash payments to purchase or construct fixed assets, intangible assets and other long-term assets			
Cash payments to acquire investments			
Net cash payments for acquisitions of subsidiaries and other business units			
Other cash payments relating to investing activities			
Sub-total of cash outflows from investing activities			
Net cash flows from investing activities			
3. Cash flows from financing activities			
Cash receipts from investments			
Cash receipts from absorption of borrowings			
Cash receipts from issuance of bonds			
Other cash receipts relating to financing activities			
Sub-total of cash inflows from financing activities			
Cash repayments of borrowings			
Cash payments for distribution of dividends, profits, or interest expenses			
Other cash payments relating to financing activities			
Sub-total of cash outflows from financing activities			
Net cash flows from financing activities			
4. Effect of foreign exchange rate changes on cash and cash equivalents		-224,280.25	-262,241.34
5. Net increase in cash and cash equivalents		-3,134,742.82	-118,973,393.24
Plus: Opening balance of cash and cash equivalents		22,931,164.18	141,904,557.42
6. Closing balance of cash and cash equivalents		19,796,421.36	22,931,164.18

The accompanying notes form an integral part of these financial statements.

Legal Representative: AVADHUT DIGAMBAR KETKAR Chief Accountant:Eileen Wong Accountant in Charge:

Oracle Financial Services Software (Shanghai) Limited
Statement of Changes in Equity
For the Year Ended December 31, 2020
(All the amounts are denominated in CNY unless otherwise stated.)

Items	2020										
	Paid-in capital	Other equity instruments			Capital reserves	Other comprehensive income	Specific reserves	Surplus reserves	General risk reserves	Retained profit	Total owners' equity
		Preference shares	Perpetual debts	Others							
1. Balance as at December 31, 2019	6,826,400.00							2,239,738.73		4,619,322.84	13,685,461.57
Plus: Adjustments for changes in accounting policies											
Adjustments for correction of accounting errors in prior periods											
Others											
2. Balance as at January 1, 2020	6,826,400.00							2,239,738.73		4,619,322.84	13,685,461.57
3. Increase in 2020 ("-" for decrease)								312,289.72		2,810,607.48	3,122,897.20
(1) Total comprehensive income										3,122,897.20	3,122,897.20
(2) Capital contributions or withdrawals by owners											
(i) Capital contributions by owners											
(ii) Capital contributions by other equity instrument holders											
(iii) Share-based payments charged into owners' equity											
(iv) Others											
(3) Profit distribution								312,289.72		-312,289.72	
(i) Appropriation for surplus reserves								312,289.72		-312,289.72	
(ii) Appropriation for general risk reserves											
(iii) Profit distribution to owners (or shareholders)											
(iv) Others											
(4) Internal transfer of owners' equity											
(i) Transfer of capital reserves into paid-in capital (or share capital)											
(ii) Transfer of surplus reserves into paid-in capital (or share capital)											
(iii) Surplus reserve covering losses											
(iv) Others											
(5) Special reserves											
(i) Appropriation during the current period											
(ii) Consumption during the current period											
(6) Others											
4. Balance as at December 31, 2020	6,826,400.00							2,552,028.45		7,429,930.32	16,808,358.77

The accompanying notes form an integral part of these financial statements.
Legal Representative: AVADHUT DIGAMBAR KETKAR Chief Accountant: Eileen Wong Accountant in Charge:

Oracle Financial Services Software (Shanghai) Limited
Statement of Changes in Equity (Continued)
For the Year Ended December 31, 2020
(All the amounts are denominated in CNY unless otherwise stated.)

Items	2019										
	Paid-in capital	Other equity instruments			Capital reserves	Other comprehensive income	Specific reserves	Surplus reserves	General risk reserves	Retained profit	Total owners' equity
		Preference shares	Perpetual debts	Others							
1. Balance as at December 31, 2018	6,826,400.00							1,726,480.64		-386,666.67	8,166,213.97
Plus: Adjustments for changes in accounting policies											
Adjustments for correction of accounting errors in prior periods											
Others											
2. Balance as at January 1, 2019	6,826,400.00							1,726,480.64		-386,666.67	8,166,213.97
3. Increase in 2019 ("-" for decrease)								513,258.09		5,005,989.51	5,519,247.60
(1) Total comprehensive income										5,519,247.60	5,519,247.60
(2) Capital contributions or withdrawals by owners											
(i) Capital contributions by owners											
(ii) Capital contributions by other equity instrument holders											
(iii) Share-based payments charged into owners' equity											
(iv) Others											
(3) Profit distribution								513,258.09		-513,258.09	
(i) Appropriation for surplus reserves								513,258.09		-513,258.09	
(ii) Appropriation for general risk reserves											
(iii) Profit distribution to owners (or shareholders)											
(iv) Others											
(4) Internal transfer of owners' equity											
(i) Transfer of capital reserves into paid-in capital (or share capital)											
(ii) Transfer of surplus reserves into paid-in capital (or share capital)											
(iii) Surplus reserve covering losses											
(iv) Others											
(5) Special reserves											
(i) Appropriation during the current period											
(ii) Consumption during the current period											
(6) Others											
4. Balance as at December 31, 2019	6,826,400.00							2,239,738.73		4,619,322.84	13,685,461.57

The accompanying notes form an integral part of these financial statements.

Legal Representative: AVADHUT DIGAMBAR KETKAR   Chief Accountant: Eileen Wong   Accountant in Charge:

Oracle Financial Services Software (Shanghai) Limited

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

(All the amounts are denominated in CNY unless otherwise stated.)

1. Company profile

Oracle Financial Services Software (Shanghai) Limited (the "Company") is a wholly owned foreign invested enterprise established by Oracle Financial Service Software Limited on February 23rd, 2010. The Company was approved by the People's Government of Shanghai with an approval certificate of SWZHPDZZ No.[2010]0477. The total investment of the Company is US$1,420,000 and the registered capital is US$1,000,000. The above capital contributed by the investors was verified by Shanghai Xinjie CPAs Co., Ltd. with a capital verification report of XJKSZ No. (2010) 5016.

The Company obtained the business certificate No. 91310000551510963C. The legal representative of the Company is Mr AVADHUT DIGAMBAR KETKAR. The registered address is Room806, No. 155, Tianjin Road, Huangpu District, Shanghai. The operating period is from February 23rd, 2010 to February 23rd, 2040, the operating period is 30 years. The company's principal activities is Development and production of computer software products; installation, debugging and sales of computer system integration and related software systems, as well as self-produced products; supply of technical consultation, maintenance, services, and after-sales training of software products; wholesale, import and export, as well as commission agent (auction excluded) of computer hardware and software and relevant associated components (products subject to the administration of State-run Trade not involved; products subject to the administration of quota and licensing are applied in line with relevant national regulations).

The financial statements were approved by the board of directors of the Company on April 5, 2021.

2. Basis of preparation for financial statements

2.1 Basis of preparation for financial statements

The Company recognizes and measures its accounting items on a going concern basis in compliance with the Accounting Standards for Business Enterprises – Basic Standards and specific accounting standards, the Application Guidance on the Accounting Standards for Business Enterprises, the Explanation on the Accounting Standards for Business Enterprises, and other relevant regulations published by the Ministry of Finance (all of which known as "the Accounting Standards for Business Enterprises") on the basis of actual transactions and events, and prepares its financial statements on the above basis.

2.2 Going concern

The Company's financial statements for the year ended December 31, 2020 were prepared on a going concern basis.

3. Principal accounting policies and accounting estimates

3.1 Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises.

3.2 Accounting year

The accounting year is from January 1 to December 31.

3.3 Operating cycle

The Company's operating cycle is 12 months.

3.4 Functional currency

The Company adopts CNY as the functional currency.

3.5 Recognition criteria of cash and cash equivalents

For the purpose of preparing the statement of cash flows, the term "cash equivalents" refers to short-term (maturing within three months on acquisition) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.6 Accounting for foreign currency transactions and translation of foreign currency financial statements

3.6.1 Accounting for foreign currency transactions

Foreign currency transactions are translated into CNY for accounting purpose at the spot exchange rate on the day when the transaction occurs.

The exchange differences arising from balances of foreign currency monetary items are translated at the spot exchange rate prevailing at the end of the reporting period. Except those arising from specific-purpose borrowings in foreign currencies related to assets eligible for capitalization that shall be measured in accordance with principle of capitalization of the borrowing costs, other exchange differences shall be recognized in profit or loss for the current period.

3.7 Allowance for bad debts of receivables

Separate impairment tests are performed on the individually material receivables. For individually immaterial receivables, they are tested for impairment separately or as part of a portfolio with similar credit risk features. Receivables with no indication of impairment as the result of the separate impairment test (including both individually material and immaterial receivables) are tested for impairment as part of a portfolio with similar credit risk features. Receivables written down as the result of the separate impairment test are not tested for impairment again as part of a portfolio with similar credit risk features.

Among which, allowance for bad debts made by aging analysis:

Aging	Proportion of allowance for bad debts of accounts receivable (%)	Proportion of allowance for bad debts of other receivables (%)
Within 1 year (including 1 year)	0	
1 to 2 years	20	
2 to 3 years	75	
Over 3 years	100	

3.8 Fixed assets

3.8.1 Recognition of fixed assets

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful lives exceeding one accounting year.

Fixed assets are recognized when all the following criteria are satisfied:

i) It is probable that the economic benefits relating to the fixed assets will flow into the Company; and
ii) The costs of the fixed assets can be measured reliably.

3.8.2 Depreciation methods of fixed assets

Depreciation is provided on a category basis using the straight-line method. The depreciation rates are determined according to the categories, estimated useful lives and estimated net residual rates of fixed assets. If the useful lives of various categories of fixed assets are different, or economic benefits are generated from various fixed assets in different ways, then different depreciation rates or methods shall be selected by the Company for the fixed assets.

The estimated depreciation methods, depreciation periods, residual rates and annual depreciation rates of fixed assets are listed by their respective categories as follows:

Categories	Depreciation methods	Depreciation periods	Residual rates (%)	Annual depreciation rates (%)
Office equipment	straight-line method	3 years	0.00	33.33
Leasehold improvement	straight-line method	83 months	0.00	1.23

3.9 Employee benefits

3.9.1 Accounting for short-term benefits

The short-term benefits incurred during the period when the employees render services to the Company shall be recognized as liabilities and charged to profit or loss for the current period or costs of relevant assets.

Social insurance fees and housing provident funds paid by the Company for the employees, as well as labor union fees and labor education fees accrued during the period when the employees render services to the Company shall be recognized as employee benefits payable according to the stipulated basis of calculation and proportion.

The employee welfare expenditure in the form of benefits in kind shall be measured at fair value.

3.9.2 Accounting for post-employment benefits

3.9.2.1 Defined contribution plans

The Company participates in the basic pension schemes and unemployment insurance programs as required by the local government. The Company calculates the amount payable according to the base and proportion of payment stipulated by the local government and recognizes the amount payable as liabilities, and charges it to profit or loss for the current period or includes it in costs of relevant assets.

In addition, the Company has established the corporate annuities scheme. The portion paid by the Company is accrued at a certain percentage of the total wages for the last year, and charged into profit or loss for the current period or costs of relevant assets.

3.9.2.2 Defined benefit plans

The Company attributes the defined benefit obligations to the periods of service using the "projected unit credit method", and recognizes them in current profit or loss or costs of relevant assets.

The deficit or surplus arising from the present value of the defined benefit obligations deducting fair value of the plan assets is recognized as a net liability or net asset of a defined benefit plan. If there is a net surplus of the defined benefit plan, the Company measures the net asset of the defined benefit plan at the lower of the net surplus of the plan or the upper limit of the plan asset.

All contributions to a defined benefit plan, including those that are expected to be settled within 12 months after the end of the annual reporting period in which the employee renders the related service are discounted to their present value. The discount rate used is determined by reference to market yields on government bonds or high quality corporate bonds at the active market at the end of the reporting period. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the obligation being discounted.

Service cost, net interest arising from net liabilities or assets of the defined benefit plan are all recognized in profit or loss or costs of relevant assets; movements arising from remeasurements of net liabilities or assets of the defined benefit plan are recognized in other comprehensive income, and they are not reversed to profit or loss in subsequent periods. When the defined benefit plan is terminated, the entire amount recognized as other comprehensive income shall be transferred to retained profit.

At the settlement of the defined benefit plan, the difference between the present value of the defined benefit plan and the settled price at the settlement date shall be recognized as gain or loss on settlement.

3.9.3 Accounting for termination benefits

If the Company has no right to revoke plans or offer for termination of the employment relationship or the Company recognizes the cost or expenditure relevant to restructuring involving termination benefits, whichever is earlier, the termination benefits shall be recognized as provisions and charged to profit or loss for the current period.

3.10 Revenue

3.10.1 Sales of goods

Revenues from sale of goods are recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; it is probable that the economic benefits associated with the transaction will flow to the enterprise; and the relevant amounts of revenues and costs can be measured reliably.

3.10.2 Rendering of services

When the provision of services is started and completed within the same accounting year, the service has been provided, and when receipt of the proceeds or the evidence to receive proceeds has obtained, revenue is recognized. When the provision of services is started and completed in different accounting years and the outcome of a transaction can be estimated reliably, revenue is recognized using the percentage of completion method at the balance sheet date.

3.10.3 Alienation of assets

Interest and royalties should be recognized when both the following conditions have been satisfied: the economic benefits associated with the transactions will flow to the Company, and the amounts of the revenues can be measured reliably.

3.11 Government grants

3.11.1 Classification

Government grants refer to the monetary or non-monetary assets obtained by the Company from the government for free. Government grants are classified into government grants relating to assets and government grants relating to income.

Government grants relating to assets are those acquired by the Company for the purpose of purchasing, constructing or forming long-term assets in other ways, including fiscal grants for purchase of fixed assets or intangible assets, and subsidized interest for specific loans relating to fixed assets. Government grants relating to income are grants other than those relating to assets.

3.11.2 Timing for recognition

Besides government grants that have been obtained in accordance with the fixed quota standard and clearly stipulated in the relevant documents, government grants will be confirmed according to the actual time received; government grants that have been obtained in accordance with the fixed quota standard and clearly stipulated in the relevant documents, the amount will be confirmed in accordance with documents and fixed quota standards at the end of the year.

3.11.3 Accounting treatments

For government grants relating to assets, the carrying amounts of relevant assets shall be reversed, or they are recognized as deferred income and amortized over the useful lives of assets and charged to profit or loss for the current period by stage (those relevant to the normal operations are recognized as other income and those not are recognized as non-operating income).

Government grants relating to income to compensate future expenses or losses shall be recognized as deferred income and shall be charged to profit or loss for the current period (those relevant to the normal operations are recognized as other income and those not are recognized as non-operating income) during the period when the relevant expenses or losses are recognized, or the relevant expenses or losses shall be reversed. The government grants relating to income to compensate incurred expenses or losses shall be directly recognized as profit or loss for the current period (those relevant to the normal operations are recognized as other income and those not are recognized as non-operating income), or the relevant expenses or losses shall be reversed.

3.12 Changes in major accounting policies and accounting estimates

3.12.1 Changes in major accounting policies

The Company does not change the accounting policies in the reporting period.

3.12.2 Changes in major accounting estimates

The Company does not change the accounting estimates in the reporting period.

4. Taxation

4.1 Major tax types and tax rates

Tax types	Basis of tax assessment	Tax rates
Value added tax (VAT)	Output VAT is calculated and paid on taxable revenue, and VAT is paid at the net amounts after deducting input VAT for the current period.	16%、13%、6%
Educational surtax	Educational surtaxes are paid on turnover taxes at a tax rate of 3% and 2%	3%、2%
Urban maintenance and construction tax	Urban maintenance and construction tax is calculated and paid on actually paid business tax, VAT and excise tax.	7%
Corporate income tax	Corporate income tax is calculated and paid on taxable profits.	25%

5. Notes to the main items of financial statements

5.1 Cash and cash equivalents

Items	As at December 31, 2020			As at December 31, 2019		
	Foreign currencies	Exchange rate	Equivalent to RMB	Foreign currencies	Exchange rate	Equivalent to RMB
Cash						
Cash in bank						

RMB	19,472,336.50		19,472,336.50	22,589,759.12		22,589,759.12
USD	49,434.83	6.5558	324,084.86	48,690.77	7.0117	341,405.06
Subtotal			19,796,421.36			22,931,164.18
Total			19,796,421.36			22,931,164.18

5.2 Accounts receivable

5.2.1 Accounts receivable

Categories	As at December 31, 2020				As at December 31, 2019			
	Carrying amounts		Provisions for bad debts		Carrying amounts		Provisions for bad debts	
	Amounts	Proportions	Amounts	Proportions	Amounts	Proportions	Amounts	Proportions
Aging provision	792,530.47	100.00			4,022,377.10	100.00	516,691.87	12.85
Specific identification method								
Total	792,530.47	100.00		/	4,022,377.10	100.00	516,691.87	/

Aging provision

Categories	As at December 31, 2020				As at December 31, 2019			
	Carrying amounts		Provisions for bad debts		Carrying amounts		Provisions for bad debts	
	Amounts	Proportions	Amounts	Proportions	Amounts	Proportions	Amounts	Proportions
Within 1 year	792,530.47	100.00			2,823,542.75	70.20		
1-2 years					695,334.35	17.29	139,066.87	20.00
2-3 years					503,500.00	12.52	377,625.00	75.00
Over 3 years								
Total	792,530.47	100.00		/	4,022,377.10	100.00	516,691.87	/

Provision, reversal or recovery of provision for bad debts in the current period

Provision for bad debts made in the current period amounted to CNY 0.00; provision for bad debts recovered or reversed in the current period amounted to CNY 516,691.87.

Significant amount of provision for bad debts recovered or reversed in the current period:

Items	Amount of reversal or recovery	Basis for determining the original provision for bad debts and its rationality	Reasons of reversal or recovery	Recovery method
Dalian Tongfang Softbank Science And Technology Co.,Ltd	483,625.00			
Oracle Corporation Australia Pty Limited	33,066.87			
Total	516,691.87			

5.3 Other receivables

Items	As at December 31, 2020	As at December 31, 2019
Interest receivable		
Dividends receivable		
Other receivables	196,493.64	196,493.64
Total	196,493.64	196,493.64

5.3.1 Other receivables

Categories	As at December 31, 2020				As at December 31, 2019			
	Carrying amounts		Provisions for bad debts		Carrying amounts		Provisions for bad debts	
	Amounts	Proportions	Amounts	Proportions	Amounts	Proportions	Amounts	Proportions
Aging provision	196,493.64	100.00			196,493.64	100.00		
Specific identification method								
Total	196,493.64	100.00			196,493.64	100.00		

Aging provision

Categories	As at December 31, 2020				As at December 31, 2019			
	Carrying amounts		Provisions for bad debts		Carrying amounts		Provisions for bad debts	
	Amounts	Proportions	Amounts	Proportions	Amounts	Proportions	Amounts	Proportions
Within 1year								
1-2 years								
2-3 years								
Over 3 years	196,493.64	100.00			196,493.64	100.00		
Total	196,493.64	100.00			196,493.64	100.00		

Breakdown of other receivables

The nature of payment	As at December 31, 2020	As at December 31, 2019
deposits	196,493.64	196,493.64
Total	196,493.64	196,493.64

5.4 Other current assets

Items	As at December 31, 2020	As at December 31, 2019
Deductible VAT	448,873.86	2,592,419.88
Total	448,873.86	2,592,419.88

5.5 Fixed assets

Classification of fixed assets

Items	As at December 31, 2019	Increase	Decrease	As at December 31, 2020
1.Total cost of fixed assets	1,540,057.16			1,540,057.16
Office equipment	777,807.90			777,807.90
Leasehold improvement	762,249.26			762,249.26
2.Total Accumulated depreciation	1,524,386.02	15,671.14		1,540,057.16

Items	As at December 31, 2019	Increase	Decrease	As at December 31, 2020
Office equipment	762,136.76	15,671.14		777,807.90
Leasehold improvement	762,249.26			762,249.26
3.Total net book value of fixed assets	15,671.14	-15,671.14		0.00
Office equipment	15,671.14	-15,671.14		0.00
Leasehold improvement				

5.6 Accounts payable

Items	As at December 31, 2020	As at December 31, 2019
Within 1 year (including 1 year)	1,192,429.60	7,554,409.05
1-2 years		233,729.13
2-3 years		1,040,000.00
Over 3 years		
Total	1,192,429.60	8,828,138.18

5.7 Employee benefits payable

Items	As at December 31, 2019	Accruals	Payments	As at December 31, 2020
Short-term salary	1,449,605.67	14,871,589.92	15,388,730.24	932,465.35
Termination benefits		1,599,018.70	1,599,018.70	
Total	1,449,605.67	16,470,608.62	16,987,748.94	932,465.35

5.8 Taxes and surcharges payable

Items	As at December 31, 2020	As at December 31, 2019
Value-added tax		
Individual income tax	99,792.75	101,272.59
Corporate income tax	338,337.32	1,257,823.61

Items	As at December 31, 2020	As at December 31, 2019
Total	438,130.07	1,359,096.20

5.9 Other payables

Items	As at December 31, 2020	As at December 31, 2019
Within 1 year (including 1 year)	335,648.52	2,034,589.17
1-2 years	1,527,287.02	1,189,657.14
2-3 years		694,886.14
Over 3 years		
Total	1,862,935.54	3,919,132.45

5.10 Paid-in capital

Investees	As at December 31, 2019		Increase	Decrease	As at December 31, 2020	
	Investment amounts	Proportions			Investment amounts	Proportions
Oracle Financial Service Software Limited	6,826,400.00	100.00			6,826,400.00	100.00

Remark: the paid-in capital was verified by Xinjie CPAs Co with the Capital Verification Report HYHZ（2010）No. 5016.

5.11 Surplus reserves

Items	As at December 31, 2019	Increases	Decreases	As at December 31, 2020
Statutory surplus reserves	2,239,738.73	312,289.72		2,552,028.45
Total	2,239,738.73	312,289.72		2,552,028.45

5.12 Retained profit

Items	As at December 31, 2020	As at December 31, 2019
Opening balances of retained profit	4,619,322.84	-386,666.67
Adjustment Retained profit (plus+, less-)		
Opening balances of retained profit after adjustment	4,619,322.84	-386,666.67
Plus: Net profit ("-" for loss)	3,122,897.20	5,519,247.60
Less: Appropriation of statutory surplus reserves	312,289.72	513,258.09
Appropriation of discretionary surplus reserves		
Appropriation of general risk reserves		
Dividends payable		
Closing balances of retained profit	7,429,930.32	4,619,322.84

5.13 Revenue from operations and cost of operations

Items	Current period		Last period	
	Revenue	Cost	Revenue	Cost
Major operations				
License-Old Contract			-292,161.42	-233,729.10
Out of Pocket expense-Old Contract			841,856.25	841,856.25
Implementation/ customization services-Old Contract			-1,633,249.75	-1,306,598.81
Support(annual maintenance)-Old Contract			-420,394.60	-336,315.68
Primesourcing-Old Contract				
Implementation/ customization services(Correction)-Old Contract				-20,059.37

Items	Current period		Last period	
	Revenue	Cost	Revenue	Cost
Out of Pocket expense(Correction)-Old Contract				13,586.39
License-New Contract	157,997.52	82,158.71	748,513.26	389,226.90
Out of Pocket expense-New Contract	84,253.39	84,253.39	1,129,146.48	1,129,146.46
Support Renewal-New Contract	6,125,069.59	3,185,035.70	8,151,449.01	4,238,752.73
Consulting Services offshore-New Contract	3,283,645.00	1,707,495.40	5,977,950.01	3,108,534.00
Consulting Services Onsite-New Contract	17,436,479.69	871,822.23	28,041,349.03	1,402,066.20
Total	27,087,445.19	5,930,765.43	42,544,458.27	9,226,465.97

5.14 Taxes and surcharges

Items	Current period	Last period
Stamp duty	13,608.70	54,255.50
Total	13,608.70	54,255.50

5.15 General and administrative expenses

Items	Current period	Last period
Salary expenses	12,242,707.27	15,734,586.61
Social Insurance	1,028,246.35	2,672,317.83
Labour Union fee	244,193.84	332,072.27
Travel expenses	796,084.25	3,453,893.53
Communication expenses	30,284.61	56,345.48
Entertainment Expenses	14,716.00	7,513.58
Commercial Insurance	699,968.30	1,466,359.18
Staff training fee		6,237.77

Items	Current period	Last period
Individual Income Tax	88,529.09	43,911.79
Rental	636,733.53	778,788.07
Management fee	102,981.84	117,647.21
Utility charge	45,298.81	54,170.10
Logistics support cost	75,922.12	84,684.63
Administrative expenses	38,109.66	129,701.17
Audit fee	107,328.30	107,328.00
Depreciation cost	15,671.14	77,842.97
Consultancy expenses	239,101.05	648,267.43
Courier charge	6,150.80	5,141.64
Labor dispatch fee		47,700.00
Other	-539,768.92	-156,605.02
Termination benefits	1,599,018.70	
Total	17,471,276.74	25,667,904.24

5.16 Financial expenses

Items	Current period	Last period
Interest expense		
Less: Interest income	240,298.79	573,358.13
Exchange loss (“-” for gain)	224,280.25	262,241.34
Bank Charge	4,054.17	10,060.50
Total	-11,964.37	-301,056.29

5.17 Other income

Items	Current period	Last period
Return of processing fees for individual income tax	31,136.44	48,905.44
Total	31,136.44	48,905.44

5.18 Impairment of credit

Items	Current period	Last period
Bad debts	516,691.87	-347,091.87
Total	516,691.87	-347,091.87

5.19 Non-operating income

Items	Current period	Last period
Debt Forgiveness		297,415.58
Others (audit error correction & Pfund gain)	17,868.70	71,580.99
Total	17,868.70	368,996.57

5.20 Income tax expenses

5.20.1 Breakdown of income tax expenses

Items	Current period	Last period
Current income tax expense	1,126,558.50	2,448,451.39
Total	1,126,558.50	2,448,451.39

5.21 Supplementary information of the statement of cash flows

(1) Supplementary information of the statement of cash flows

Items	Current period	Last period
1. Adjustments to reconcile net profit to net cash flows in operating activities:		
Net profit	3,122,897.20	5,519,247.60
Plus: Provision for impairment of assets	516,691.87	347,091.87
Depreciation of fixed assets, etc.	15,671.14	77,842.97
Amortization of intangible assets		
Amortization of long-term deferred expenses		
Loss on disposal of fixed assets, intangible assets and other long-term assets (“-”for gain)		

Items	Current period	Last period
Loss on scrap of fixed assets ("-"for gain)		
Loss on changes in fair value ("-"for gain)		
Financial expense ("-"for gain)	224,280.25	262,241.34
Investment loss ("-"for gain)		
Decrease in deferred tax assets ("-" for increase)		
Increase in deferred tax liabilities ("-" for decrease)		
Decrease in inventories ("-"for increase)		
Decrease in operating receivables ("-"for increase)	4,340,008.91	-1,694,903.14
Increase in operating payables ("-"for decrease)	-11,130,011.94	-123,222,672.54
Others		
Net cash flows from operating activities	-2,910,462.57	-118,711,151.90
2. Net increase in cash and cash equivalents		
Cash and cash equivalents at the end of the year	19,796,421.36	22,931,164.18
Less: Cash and cash equivalents at the beginning of the year	22,931,164.18	141,904,557.42
Net increase in cash and cash equivalents	-3,134,742.82	-118,973,393.24

(2) Breakdown of cash and cash equivalents

Items	Current period	Last period
1. Cash	19,796,421.36	22,931,164.18
Including: Cash on hand		
Cash at bank readily available for payments	19,796,421.36	22,931,164.18
Other cash and cash equivalents readily available for payments		
2. Cash equivalents		
Including: Bond investments maturing within three months		
3. Cash and cash equivalents	19,796,421.36	22,931,164.18
Including: Restricted cash and cash equivalents in the parent company or subsidiaries of the Group		

6. Related parties and related party transactions

6.1 The parent of the Company

Company name	Registered address	Business nature	Percentage of shareholding in the Company	Percentage of shareholding with voting rights in the Company
Oracle Financial Service Software Limited	India	Software Service	100.00	100.00

6.2 Related party transactions

6.2.1 Sale of goods/provision of services and purchase of goods/receipt of services

Purchase of goods/receipt of services

Related parties	Description of transactions	Current period	Last period
Oracle Financial Service Software Limited	Cost of licenses	82,158.71	155,497.80
Oracle Financial Service Software Limited	Cost of implementation services	2,579,317.63	3,183,942.02
Oracle Financial Service Software Limited	Cost of maintenance services	3,185,035.70	3,902,437.05
Oracle Financial Service Software Limited	Cost of Out of Pocket expense	84,253.39	1,984,589.10
Total		5,930,765.43	9,226,465.97

Sale of goods/provision of services

Related parties	Description of transactions	Current period	Last period
Oracle Corporation Australia Pty Limited	Revenues of consulting services		-1,633,249.75

Related parties	Description of transactions	Current period	Last period
Oracle Corporation Australia Pty Limited	Revenues of Out of Pocket expense		841,856.25
Oracle (China) Software Systems Company	Revenues of licenses	157,997.52	456,351.85
Oracle (China) Software Systems Company	Revenues of tech-cross support	3,801,893.27	3,526,529.61
Total		3,959,890.79	3,191,487.96

6.2.2 Receivables and payables with related parties

Receivables

Items	Related parties	As at December 31, 2020		As at December 31, 2019	
		Carrying amounts	Allowance for bad debts	Carrying amounts	Allowance for bad debts
Accounts receivable					
	Oracle Corporation Australia Pty Limited			165,334.35	

Payables

Items	Related parties	As at December 31, 2020	As at December 31, 2019
Accounts payable			
	Oracle Financial Service Software Limited	1,192,429.60	8,828,138.18
Other payables			
	Oracle Financial Service Software Limited	1,802,998.83	

Items	Related parties	As at December 31, 2020	As at December 31, 2019
	Oracle Financial Services Software Singapore Pte Ltd	6,169.29	

7 Commitments and contingencies

The Company has no commitments and contingencies to be disclosed.

8 Subsequent events

The Company has no subsequent events to be disclosed.

9 Other significant events

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying value of Trade receivables, Unbilled receivables and Other assets , which are not significant to the standalone financial statements for the year ended December 31, 2020. In assessing the recoverability of these assets, the Company has used internal and external sources of information up to the date of approval of these standalone financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The impact on account of Covid-19 on the Company's financial statements may differ from the estimates as at the date of approval of these standalone financial statements. The Company will continue to monitor any material impact due to changes in future economic conditions.

Oracle Financial Services Software (Shanghai) Limited
（The official seal）
April 5, 2021

Oracle Financial Services Software (Shanghai) Limited
Adjustment of Taxable Income For Year 2020

Monetary Unit: CNY

No.	Items	Taxable Amount	
1	Profits for the year 2020		4,249,455.70
2	Adjustments	Increases	Decreases
	Employee IIT	88,529.09	
	Accrued Payroll		537,597.05
	Entertainment expenses	5,886.40	
	Other Accrued Expenses	470,727.69	
	Commercial insurance	699,968.30	
	Depreciation and amortization of assets	15,671.14	
	Communication Fee without proper invoices	30,284.61	
	Provision for doubtful debts		516,691.87
	Total adjustments	1,311,067.23	1,054,288.92
3	Taxable income after adjustment		4,506,234.01
4	Tax loss brought forward from prior years		
5	Taxable income for Year 2020		1,126,558.50

Remark: Only relevant tax items are included in the above statement, which serves as reference for tax settlement.

The taxable income (or the compensatory amount to losses before tax) shall be finalized after the review of the tax institution in charge.