

Paytm Technology (Beijing) Co., Ltd.

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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[English Translation for Reference Only]

Auditor's Report

China Sincere & Success CPA Firm Shen [2023] No. [031]
Paytm Technology (Beijing) Co., Ltd.:

Opinion

We have audited the financial statements of Paytm Technology (Beijing) Co., Ltd. ("the Company"), which comprises of the balance sheet as at 31 December 2022, the income statement, the statement of cash flows, the statement for changes in equity, and notes to the financial statements for the year then ended.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Paytm (Beijing) Technology Co., Ltd as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). 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 China Code of Ethics for Certified Public Accountants ("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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with China Accounting Standards for Business Enterprises, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditor's Responsibility 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 CSAs 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 CSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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.
- 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 internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- conclude on the appropriateness of the 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 that may cause the Company to cease to continue as a going concern.
- 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 those charged with governance 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.

China Sincere & Success CPA Firm

Beijing
19th Apr. 2023



Certified Public Accountant of China:



Certified Public Accountant of China:



Paytm Technology (Beijing) Co., Ltd.
Balance Sheet
For the year ended 31 December 2022
(Expressed in Renminbi Yuan unless otherwise stated)
[English Translation for Reference Only]

Balance Sheet

	Notes	31 December 2022	31 December 2021
		RMB	RMB
Current assets			
Cash and Cash equivalents	V-1	4,651,318.98	4,564,013.36
Prepayments	V-2	288,576.91	576,472.12
Other receivables	V-3	2,378,764.00	2,376,864.00
Other current assets	V-4	1,391,235.10	824,716.27
Total current assets		8,709,894.99	8,342,065.75
Non-current assets:			
Fixed assets	V-5	1,056,091.95	1,529,376.37
Right-of-use asset	V-6	2,865,262.79	7,163,157.11
Deferred tax assets	V-7		3,468,221.55
Other non-current assets	V-8	8,138,362.86	-
Total non-current assets		12,059,717.60	12,160,755.03
TOTAL ASSETS		20,769,612.59	20,502,820.78
Current liabilities			
Accounts payable	V-9	-	310,003.96
Advances from customers	V-10	-	6,202,747.47
Contractual liabilities	V-11	8,040,872.49	-
Payroll and employee benefits payable	V-12	5,671,098.78	3,558,331.34
Taxes payable	V-13	688,837.62	429,293.79
Other payables	V-14	1,140,246.32	689,358.41
Long-term Liability due in one Year		2,575,613.71	4,655,856.99
Total current liabilities		18,116,668.92	15,845,591.96
Non-current Liabilities			
Estimated liability	V-15	-	2,575,613.71
Total Non-current Liabilities		-	2,575,613.71
TOTAL LIABILITIES		18,116,668.92	18,421,205.67
Shareholders' equity			
Paid-in capital	V-16	93,156.92	93,156.92
Surplus reserve		46,578.46	46,578.46
Retained earnings	V-17	2,513,208.29	1,941,879.73
Total shareholders' equity		2,652,943.67	2,081,615.11
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		20,769,612.59	20,502,820.78

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

The financial statements were signed by the following persons:

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Paytm Technology (Beijing) Co., Ltd.
Income Statement
For the year ended 31 December 2022
 (Expressed in Renminbi Yuan unless otherwise stated)
 [English Translation for Reference Only]

Income Statement

	Notes	<u>31 December 2022</u>	<u>31 December 2021</u>
1.Total revenue	V-18	84,627,660.92	42,359,407.57
Less: Total cost of sales	V-18	66,295,736.61	31,278,483.57
Taxes and surcharges		-8.20	9,344.49
General and administrative expenses	V-19	12,654,939.91	8,147,730.07
Financial expenses	V-20	549,720.76	152,673.24
Add: Other income		18,787.14	-
Asset impairment losses		-3,315,438.96	-
2.Operating profit		1,830,620.02	2,771,176.20
Add: Non-operating income		17,590.52	1.23
3.Profit before tax		1,848,210.54	2,771,177.43
Less: Income tax expense		1,276,881.98	767,719.24
4.Net profit		571,328.56	2,003,458.19
Net profit from continuing operations		571,328.56	2,003,458.19
6.Total comprehensive income		571,328.56	2,003,458.19

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

The financial statements were signed by the following persons:

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Paytm Technology (Beijing) Co., Ltd.
Statement of Cash flows
For the year ended 31 December 2022
(Expressed in Renminbi Yuan unless otherwise stated)
[English Translation for Reference Only]

Statement of Cash Flows

	Notes	31 December 2022	31 December 2021
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from the sale of goods and the rendering of services		77,451,818.78	43,705,939.54
Refunds of taxes		223,228.67	
Cash received relating to other operating activities		13,469.67	5,189.90
Sub-total of cash inflows		77,688,517.12	43,711,129.44
Cash paid for purchase of goods and services		95,400.00	2,855,093.04
Cash paid to and on behalf of employees		67,871,903.87	28,719,422.30
Cash paid for taxes		1,243,386.93	58,098.18
Cash paid relating to other operating activities		3,700,611.56	3,284,404.89
Sub-total of cash outflows		72,911,302.36	34,917,018.41
Net cash flows from operating activities	V-21	4,777,214.76	8,794,111.03
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, intangible asset and other non-current assets		217,727.30	1,714,481.36
Sub-total of cash outflows		217,727.30	1,714,481.36
Net cash flows from investing activities		-217,727.30	-1,714,481.36
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from shareholder's investment		-	93,156.92
Sub-total of cash inflows		-	93,156.92
Cash repayments to loan		4,283,175.09	2,608,773.30
Payment for debt, dividend and interest		189,007.71	
Sub-total of cash outflows		4,472,182.80	2,608,773.30
Net cash flows from financing activities		-4,472,182.80	-2,515,616.38
4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		0.96	0.07
5. NET INCREASE IN CASH AND CASH EQUIVALENTS;		87,305.62	4,564,013.36
Add: cash and cash equivalents at beginning of year		4,564,013.36	
6. CASH AND CASH EQUIVALENTS AT END OF YEAR		4,651,318.98	4,564,013.36

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

The financial statements were signed by the following persons:

Legal Representative:

Chief Accountant:

Head of Accounting Department:

Paytm Technology (Beijing) Co., Ltd.
Notes to the Financial Statements
For the year ended 31 December 2022
 (Expressed in Renminbi Yuan unless otherwise stated)
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Statement of Changes in Equity

	Paid-in capital	Capital reserve	Surplus reserve	Retained earnings	Total
2022					
Item					
1. Balance at 31 December 2021	93,156.92		46,578.46	1,941,879.73	2,081,615.11
(1) Adjustment gain or loss for previous year					
2. Balance at 1 January 2022	93,156.92		46,578.46	1,941,879.73	2,081,615.11
3. Increase/(decrease) during the period				571,328.56	571,328.56
(1) Total comprehensive income				571,328.56	571,328.56
4. Balance at 31 December 2022	<u>93,156.92</u>		<u>46,578.46</u>	<u>2,513,208.29</u>	<u>2,652,943.67</u>
2021					
Item					
1. Balance at 31 December 2020					
(1) Adjustment gain or loss for previous year					
2. Balance at 1 January 2021	93,156.92			-15,000.00	-15,000.00
3. Increase/(decrease) during the period			46,578.46	1,956,879.73	2,003,458.19
(1) Total comprehensive income				2,003,458.19	2,003,458.19
(2) Owners invest and reduce Capital					
(3) Profit distribution					
(4) Transfer to surplus reserve			46,578.46	-46,578.46	
4. Balance at 31 December 2021	<u>93,156.92</u>		<u>46,578.46</u>	<u>1,941,879.73</u>	<u>2,081,615.11</u>

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

The financial statements were signed by the following persons:

Legal Representative: _____ Chief Accountant: _____ Head of Accounting Department: _____

Paytm Technology (Beijing) Co., Ltd.
Notes to the Financial Statements
For the year ended 31 December 2022

(Expressed in Renminbi Yuan unless otherwise stated)
[English Translation for Reference Only]

I. GENERAL INFORMATION OF THE COMPANY

Paytm Technology (Beijing) Co., Ltd. is a wholly foreign-owned enterprise. The Company obtained a business license with the Uniform Social Credit number of 91110105MA01WE713H. The registered capital is USD 14,400. The registered address of the Company is Room 1901-1903, 19th floor, No.20 Jiuxianqiao Road, Chao Yang District, Beijing, China. Its legal representative is Yan Zhang.

The respective percentage of investment by the investor is as follow:

Shareholder	Ratio
Paytm First Games Private Limited	100%

The Company's principal activities include technology development, technology consultation, technology service and technology transfer; Software development; Design, production, agency, advertising; Enterprise management consulting; Economic and trade consultation; Enterprise planning; Computer system services; Sales of computers, software and ancillary equipment

The financial statements and accompanying notes are approved by the Company on 19th April, 2023.

II. PREPARATION BASIS OF FINANCIAL STATEMENTS

The Company's financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises, Accounting Application Guides, Interpretations, and other related regulations issued by the Ministry of Finance of the People's Republic of China ("PRC").

The Company's financial statements have been prepared on an on-going basis.

The Company's accounts have been prepared on an accrual basis using the historical cost as the basis of measurement, except for certain financial assets. If the assets are impaired, impairment provisions are made in accordance with the Accounting Standards for Business Enterprises.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements have been prepared in accordance with the requirements of Account Standards for Business Enterprises, which truly and completely reflect the Company's financial position as at 31 December 2022, and its financial performance and its cash flows for the year then ended.

2. Accounting period

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

3. Functional currency

The Company's functional and presentation currency is Renminbi.

4. Cash and cash equivalents

Cash refers to cash on hand and deposits held at call with banks that can be used for payments at any time. Cash equivalents represent the Company's short time highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

5. Foreign currency transactions

Paytm Technology (Beijing) Co., Ltd.
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Foreign currency transactions are recognised at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising from the differences between the spot exchange rates prevailing at the reporting date and those on initial recognition or at the previous reporting date are recognised in profit or loss for the period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in profit or loss in the period in which they arise.

6. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument to another enterprise.

a. Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognise a financial asset when one of the following conditions is met:

- (1) The contractual rights to the cash flows from the financial asset expire;
- (2) The financial asset has been transferred and is in accordance with the following conditions for derecognition.

The Company derecognises a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Company (an existing debtor) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

All regular-way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

b. Classification and measurement of financial assets

Upon initial recognition, financial assets are classified, according to the business model for managing financial assets and the characteristics of the contractual cash flows of financial assets, into the following three categories: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVTOCI) and financial assets measured at fair value through profit or loss (FVTPL).

Financial assets measured at amortised cost

The company classifies the financial assets that simultaneously meet the following conditions and are not designated to be measured at fair value and whose changes are included in the current profit and loss as financial assets measured at amortised cost:

- (1) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets are measured at amortised cost using the effective interest method. The gains or losses arising from financial assets measured at

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amortised cost and not part of any hedging relationship shall be included in the current profit and loss when they are derecognised, amortised or impaired according to the effective interest method.

Financial assets measured at fair value through other comprehensive income

The Company classifies the financial assets that simultaneously meet the following conditions and are not designated to be measured at fair value and whose changes are included in the current profit and loss into financial assets measured at fair value and whose changes are included in other comprehensive income:

- (1) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.
- (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets are subsequently measured at fair value. The interest, impairment gains or losses and foreign exchange gains and losses calculated by the effective interest method are recognised in current profit and loss, and other gains or losses are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in the current profit and loss.

Financial assets measured at fair value through profit or loss

Except for the above financial assets measured at amortised cost and measured at fair value through other comprehensive income, the company classifies all other financial assets as financial assets measured at fair value through profit and loss.

At initial recognition, in order to eliminate or significantly reduce accounting mismatches, the company irrevocably designates some financial assets that should have been measured at amortised cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

Upon initial recognition, the Company uses fair value for subsequent measurement of such financial assets, and the gains or losses resulting from changes in fair value, as well as dividends and interest income related to these financial assets, are included in the current profit and loss, unless the financial assets are part of the hedging relationship.

c. Classification and measurement of financial liabilities

On initial recognition, financial liabilities can be classified as: financial liabilities measured at fair value through profit or loss ("FVTPL" financial liabilities) and financial liabilities measured at amortised cost. For financial liabilities not classified as FVTPL financial liabilities, relevant transaction costs are included in the initially recognised amount.

Financial liabilities measured at fair value through profit and loss

Financial liabilities measured at fair value through profit or loss consist of financial liabilities held for trading (including derivative instruments classified as financial liabilities) and financial liabilities designated as measured at fair value through current profit or loss at initial recognition. The Company uses fair value for subsequent measurement of such financial liabilities. Any gains or losses arising from changes in fair value and dividends and interest expenses related to the financial liabilities are included in current profit and loss.

Financial liabilities measured at amortised cost

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Other financial liabilities are subsequently measured at amortised cost using the effective interest method, and the gains or losses arising from derecognition, or amortisation are recognised in profit or loss for the year.

Distinction between financial liabilities and equity instruments

The term "financial liabilities" refers to the liabilities of an enterprise, which meet any of the following conditions:

- (1) The contractual obligations to deliver cash or other financial assets to any other party.
- (2) The contractual obligations to exchange financial assets or financial liabilities with another entity under potentially unfavorable conditions (for the issuer of the instrument).
- (3) A contract that will or may be settled in the entity's own equity instruments and is a non-derivative that comprises an obligation for the entity to deliver a variable number of its own equity instruments.
- (4) A contract that will or may be settled in the entity's own equity instruments and is a derivative that will or may be settled other than by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

If the company cannot unconditionally avoid performing a contractual obligation by delivering cash or other financial assets, the contractual obligation meets the definition of financial liabilities.

If a financial instrument needs or can be settled with the company's own equity instrument, it is necessary to consider whether the company's own equity instrument used to settle the instrument is used as a substitute for cash or other financial assets, or to enable the holder of the instrument to enjoy the residual equity in the assets after deducting all liabilities from the issuer. If the former, the instrument is the financial liability of the company; if it is the latter, the instrument is the equity instrument of the company.

d. Fair value of financial instruments

Determination of fair value of financial assets and financial liabilities is included in Note III-7.

e. Impairment of financial assets

The Company accounts for impairment and recognise a loss allowance for expected credit losses for the following items:

- (1) Financial assets measured at amortised cost;
- (2) Receivables and debt instruments measured at fair value through other comprehensive income;
- (3) Contract assets as defined in the Accounting Standards for Business Enterprises No. 14 – Revenue;
- (4) Lease receivables;
- (5) Financial guarantee contract (except for financial instruments measured at fair value through profit and loss, and those arising from the transfer of financial assets that does

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not satisfy the derecognition criteria or from the continuous involvement in the transferred financial assets).

Measurement of expected credit losses

Expected credit loss refers to the weighted average of credit losses with the respective risks of a default occurring as the weights. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate, i.e., the present value of all cash shortfalls.

The Company calculates the probabilistic weighted amount of the present value of the difference between the cash flows receivable under the Contract and the cash flows expected to be received and recognises the expected credit loss, taking into account reasonable and evidential information concerning past events, current conditions and future economic conditions, and weighting the risk of default.

The Company measures the expected credit losses of financial instruments at different stages. If credit risk of the financial instrument does not increase significantly since initial recognition, which is the first stage, the Company recognises loss allowance based on 12-month expected credit loss of the financial instrument. If the credit risk of the above financial instruments has increased significantly since initial recognition, but not a credit-impaired financial instruments, which is the second stage, the Company measures loss allowance based on the amount of expected credit loss of its full lifetime. If the financial instruments are impaired upon initial recognition, which is the third phase, the Company measures loss allowance based on the amount of its full lifetime.

For financial instruments with low credit risk at the balance sheet date, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition and therefore measures the loss allowance for that financial instrument at an amount in the future 12-month expected credit losses.

The term "expected credit loss over the entire expected life of a financial instrument" refers to the expected credit loss resulting from all possible events of default during the entire expected life of a financial instrument. The expected credit loss within the next 12 months refers to the expected credit loss caused by the default event of the financial instrument that may occur within 12 months after the date of the balance sheet (or the expected duration of the financial instrument if the expected duration of the financial instrument is less than 12 months) and is part of the expected credit loss over the entire maturity period.

When measuring expected credit losses, the Company shall take into account the longest contract period (including the option to renew the contract) for which the enterprise is exposed to credit risk.

The interest income is calculated by carrying amount before deduction of provision for impairment losses and real interest rate for financial instruments in stage I and stage II and those with low credit risk. And the interest is calculated by the gross carrying amount, net of any impairment losses and real interest rate for financial instruments in stage III.

For notes receivable, account receivable and contract asset, the Company measures loss allowance of which based on the amount of expected credit loss of its full lifetime regardless of whether a significant financing component may exist.

Other receivables

The Company designs a combination of other receivables in accordance with the credit risk characteristics and calculates the expected credit loss based on the combination. The basis for determining the combination is as follows:

- Other Receivables Portfolio 1: Deposits and securities

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- Other Receivables Portfolio 2: Advances paid for others
- Other receivables portfolio 3: Other receivables

For other receivables divided into portfolios, the Company calculates the expected credit loss by default risk exposure and the expected credit loss rate over the next 12 months or the entire duration.

Debt investment and other debt investment

For debt investment and other debt investment, the Company calculates the expected credit loss by exposure to default risk and the expected credit loss rate over the next 12 months or the full lifetime according to the nature of the investment, the type of counterparties and the classification of risk exposures.

An assessment of a significant increase in credit risk

By comparing the default risk of financial instruments on the balance sheet date with the default risk on the initial recognition date, the Company observes the changes in credit risk of relevant financial instruments over the entire duration to evaluate whether the credit risk of the financial instruments has increased significantly since initial recognition.

The Company acquires reasonable and well-grounded information including forward-looking information without unnecessary additional cost and effort in determining whether credit risk has increased significantly since the initial recognition. The information mentioned includes:

- The debtor fails to pay the principal and interest as due under the contract;
- A material deterioration, if any, of the external or internal credit rating of the financial instrument that has occurred or is expected;
- A serious deterioration of the debtor's business results occurred or is expected;
- A change in the existing or anticipated technological, market, economic or legal environment which will have a material adverse effect on the debtor's ability to repay the Company.

The Company evaluate whether the credit risk has increased significantly on the basis of an individual financial instrument or a combination of financial instruments according to the nature of the financial instrument. When assessing credit risk based on a combination of financial instruments, the Company classify financial instruments according to common credit risk characteristics, such as overdue information and credit rating.

The Company believes the credit risk has increased significantly if there is a delinquency in payments for over 90 days.

A financial asset whose credit has been impaired

On the balance sheet date, the Company evaluates whether credit impairment has been occurred in financial assets measured at amortised cost and debt investment measured at fair value through other comprehensive income. When the Company expected occurrence of one or more events which may cause adverse impact on future cash flows of a financial asset, the financial asset will become a credit-impaired financial asset. Objective evidence that a financial asset is impaired includes the following observable events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;

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- The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties.

Presentation of expected credit loss provisions

The Company reassess the expected credit loss at each balance sheet date to evaluate changes in credit risk of relevant financial instruments since initial recognition. Increase or reversal of credit loss allowance is included in current profit or loss as loss or gain on impairment. For the financial assets measured at amortised cost, credit loss allowance offsets the carrying amount of financial assets. For the debt investment measured at fair value through other comprehensive income, the Company recognises credit loss allowance in other comprehensive income, which does not decrease the carrying amount of such financial assets in the balance sheet.

Written-off

The Company shall directly write down the carrying amount of a financial asset when the Company has no longer reasonably expect that the contractual cash flows of financial assets can be collected in aggregate or in part, which constitutes derecognition of relevant financial assets. It usually occurs when debtors do not have assets or sources of income that generate sufficient cash flow to repay the amount to be written down. However, the financial assets written off may still be subject to enforcement activities under the Company's recovery procedures.

If a financial asset that has been written down is recovered later, it shall be carried back as an impairment loss and recorded in the profit and loss of the current period.

f. Transfer of financial assets

Transfer of financial assets refers to the transfer or delivery of a financial assets to another party other than the issuer of financial assets ("Transferee").

The Company derecognises a financial asset if the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee. While the Company doesn't derecognise a financial asset if the Company retains substantially all the risks and rewards of ownership of the financial asset.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, the accounting treatment is shown as follows: if it doesn't retain control of the financial asset, the Company will derecognise the financial asset and recognise assets and liabilities; if it retains control of the financial asset, the Company will recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability.

g. Offset of financial assets and financial liabilities

Where the Company has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset, and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

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7. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the related assets or liabilities at fair value assuming the assets or liabilities are exchanged in an orderly transaction in the principal market or, in the absence of a principal market, in the most advantageous market for the assets or liabilities. The principal market (or the most advantageous market) is a trading market the Company can enter at the measurement date. The Company measures the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For financial assets or financial liabilities in active markets, the Company uses the quoted prices in active markets as their fair value. Otherwise, the Company uses valuation technique to determine their fair value.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and if the observable inputs aren't available or impractical, using unobservable inputs.

Assets and liabilities measured or disclosed at fair value in the financial statements are determined which level of fair value according to the significant lowest level input to the entire measurement: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 inputs are unobservable inputs for the asset or liability.

At the balance sheet date, the Company revalues assets and liabilities continuing to be measured at fair value in the financial statements to determine whether to convert among the levels of fair value measurement.

8. Fixed assets

a. Recognition of fixed assets

Fixed assets are tangible assets held by the Company for use in production of goods, supply of services, rental or for administrative purposes, and are expected to be used for more than one year.

A fixed asset shall be recognised only when it is probable that economic benefits associated with the asset will flow into the enterprise and the cost of the asset can be measured reliably.

A fixed asset shall be initially measured at actual cost.

b. Depreciation methods

The Company uses the straight-line method for depreciation. Fixed assets begin to be depreciated when they reach the working condition for their intended use, and stop being depreciated when derecognised or classified as held for sale non-current assets. Without considering impairment provision, the Company's annual depreciation rates are shown as follows according to the category, expected useful lives, and estimated net residual values rates.

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Category	Useful life	Residual Rate	Annual rate of depreciation
Office furniture	5 years	0%	20%
Electronic equipment	5 years	0%	20%

Among these, fixed assets which have been impaired should deduct the cumulative amount of impairment provision to determine the depreciation rate.

- c. Refer to Note III-10 for the impairment testing and the impairment provision of fixed assets.
- d. Recognition and measurement of fixed assets held under finance leases

The leased fixed assets are recognised as a finance lease if they meet the following one or more criteria:

- (1) The lease transfers ownership of the leased asset to the Company by the end of the lease term;
- (2) The Company has the option to purchase the leased asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised;
- (3) The lease term is for the major part of the useful life of the leased asset even if the title is not transferred;
- (4) At the inception of the lease, the present value of the minimum lease payments amounts to substantially all of the fair value of the leased asset;
- (5) The leased assets are of such a specialised nature that only the Company can use them without major modifications.

For fixed assets held under finance leases, the Company recognises asset at the lower of the fair value of the leased asset at the commencement of the lease term and the present value of the minimum lease payments. At the commencement of the lease term, the Company records the minimum lease payment as the long-term liability and the difference is recorded as unrecognised financial expenses. Any initial direct costs, such as handling, legal fees, travelling expenses and stamp duty, that can be identified as attributable to the process of negotiating and securing the leasing agreement for a finance lease are added to the amount recognised as an asset. The unrecognised finance charges are amortised using the effective interest method during the lease term.

The leased asset under the finance lease is depreciated according to the consistent accounting policies as those applied to the fixed asset which are owned by the Company. The leased asset is depreciated over its useful life if there is reasonable certainty that the Company is to obtain ownership of the asset by the end of the lease term. The leased asset is depreciated over the shorter of the lease term and its useful life if there is no reasonable certainty that the lessee is to obtain ownership of the asset by the end of the lease term.

- e. The Company reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at the end of each financial year.

If expectations differ from previous estimates when reviewed, the useful life should be revised accordingly. If expectations differ from previous estimates, the Company adjusts the estimated net residual value.

- f. Overhaul costs

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The overhaul costs occurred in regular inspection of fixed assets are recognised in the cost of fixed assets if there is undoubted evidence to confirm that this part meets the recognition criteria of fixed assets, otherwise, the overhaul costs are recognised in profit or loss for the current period. Fixed assets are depreciated at the intervals of the regular overhaul.

9. Impairment of assets

The impairment of fixed assets and intangible assets (excluding inventory, deferred income tax assets and financial assets) are determined as follows:

At the balance sheet date, the Company determines whether there may be evidence of impairment, if there is any, the Company will estimate the recoverable amount for impairment, and then test for impairment.

The recoverable amount of an asset is determined by the higher amount of fair value deducting disposal costs and net present value of future cash flows expected from the assets. The Company estimates the recoverable amount based on individual asset; for individual asset which is difficult to estimate the recoverable amount, the recoverable amount of the asset group is determined based on the asset group involving the asset. The identification of the asset group is based on whether the cash flows generated from the asset group is independent of the major cash inflows from other assets or asset groups.

When the asset or asset group's recoverable amount is lower than its carrying amount, the Company reduces its carrying amount to its recoverable amount, with the reduced amount being included in profit or loss, and recognises provision for impairment of assets.

Such impairment loss will not be reversed in subsequent periods.

10. Employee benefits

a. Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for services rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. The benefits the Company provided to employees' spouse, children, dependents, families of deceased employees, or other beneficiaries also belong to employee benefits.

According to liquidity, employee benefits are presented as "payroll and employee benefits payable" and "long-term payroll and employee benefits payable" on the balance sheet.

b. Short-term employee benefits

During the accounting period in which the employees provide services, the Company shall recognise employee wages or salaries incurred, bonus, social security contributions such as premiums or contributions on medical insurance, work injury insurance, maternity insurance and housing funds as liabilities through profit or loss for the current period or the cost of related assets for the financial year in which the employees render the related services. If the liability is not expected to be settled within twelve months after the end of the annual reporting period in which the employees render the related services and have significant financial effects, it shall be measured at the discounted value.

c. Post-employment benefits

Post-employment benefits include defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which an enterprise pays fixed contributions into a separate fund and will have no obligation to pay further contributions.

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Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans include primary endowment insurance, unemployment insurance and etc.

The Company shall recognise, in the accounting period in which an employee has rendered service, the contribution payable to a defined contribution plan as a liability, with a corresponding charge to the profit or loss in the period or the cost of related assets.

d. Termination benefits

When the Company terminates the employment relationship with employees before the end of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision shall be recognised for the compensation arising from termination of employment relationship with employees, with a corresponding charge to the profit or loss for the current year, at the earlier of when (a) The Company cannot unilaterally withdraw from the termination plan or the redundancy offer, or (b) The Company recognises costs or expenses relating to termination benefits payment in respect of restructuring.

e. Other long-term employee benefits

When other long-term employee benefits provided by the Company to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits shall be accounted for in accordance with the above requirements relating to defined contribution plan, but the movement of net liabilities or assets in the investee's re-measurement defined benefit plan in the cost of relevant employee benefits shall be recognised in profit or loss for the current period or the costs of related assets.

11. Revenue

a. General principles

The Company shall recognise revenue when the Company satisfies a performance obligation in the Contract, namely, when the customer obtains control over relevant goods or services.

If the contract includes two or more performance obligations, at contract inception, the Company allocates the transaction price to a single performance obligation according to the relative proportion of the stand-alone selling prices of the goods or services promised by a single performance obligation.

The Company satisfies the relevant performance obligation if one of the following conditions is met; or otherwise, the performance obligation is satisfied at a point in time:

- (1) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- (2) The customer is able to control goods in the progress during the Company's performance;
- (3) The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations performed over time, the revenue is recognised by measuring the progress towards complete satisfaction of that performance obligation. Where the progress cannot be determined reasonably, the revenue is recognised based on the amount of cost that is expected to be compensated based on the cost already incurred, until the progress of performance is reasonably determined.

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For performance obligations performed at a point in time, the revenue is recognised when the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of the goods or services, the Company shall consider the following indicators:

- (1) The Company has a present right to payment for the asset, i.e., the customer has a present obligation to pay for the asset.
- (2) The Company has transferred the legal right to the asset to the customer, i.e., the customer has legal title to the asset.
- (3) The Company has transferred physical possession of the asset to the customer, i.e., the customer has physically possessed the asset.
- (4) The Company has transferred the significant risks and rewards of ownership of the asset to the customer, i.e., the customer has the significant risks and rewards of ownership of the asset.
- (5) The customer has accepted the goods or services.
- (6) Other indicators that indicate the customer has obtained control of the asset.

Contract asset refers to the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time. The impairment assessment of contract asset is based on the expected credit losses (refer to Note III-6, e). The Company's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables. Contract liabilities refer to the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer.

Contract assets and contract liabilities under the same contract are presented at the net amount. The debit balance shall be presented under the item of "Contract Assets" or "Other Non-current Assets" according to its liquidity; the credit balance shall be shown under the item "Contract Liabilities" or "Other Non-current Liabilities" according to its liquidity.

12. Contract Cost

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfill a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract that it would not have incurred if the contract had not been obtained (i.e., an incremental sales commission). The Company recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfill a contract with a customer are not within the scope of inventories or other accounting standards, the Company recognises an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria:

- (1) The costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labor, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer, and other costs that are incurred only because the Company entered into the contract;
- (2) The costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future;
- (3) The costs are expected to be recovered.

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Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfill a contract (the "assets related to contract costs") are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period.

The Company recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- (1) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates; less
- (2) the costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Costs to fulfill a contract recognised as an asset shall be presented under "Inventories" if the amortisation period of the asset is no more than one year or one normal operating cycle at the time of initial recognition, while those costs shall be presented under "Other Non-current Assets" if the amortisation period exceeds one year or one normal operating cycle at the time of initial recognition.

Costs to obtain a contract recognised as an asset shall be presented under "Other Current Assets" if the amortisation period of the asset is no more than one year or one normal operating cycle at the time of initial recognition, while those costs shall be presented under "Other Non-current Assets" if the amortisation period exceeds one year or one normal operating cycle at the time of initial recognition.

13. Deferred tax assets and deferred tax liabilities

Tax expense comprises current tax expense and deferred tax expense. Current tax and deferred tax are included in profit or loss for the current period as tax expense, except for deferred tax related to transactions or events that are directly recognised in shareholders' equity, and deferred tax arising from a business combination, which is adjusted against the carrying amount of goodwill.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base are recognised as deferred tax using the balance sheet liability method.

All the taxable temporary differences are recognised as deferred tax liabilities except for those incurred in the following transactions:

- (1) The initial recognition of goodwill, and the initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- (2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognises a deferred tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except for those incurred in the following transactions:

- (1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs;
- (2) The deductible temporary differences associated with investments in subsidiaries, associates

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and joint ventures, the corresponding deferred tax asset is recognised when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future, it is probable that taxable profits will be available in the future, against which the temporary difference can be utilised.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their tax effect is reflected.

At the balance sheet date, the Company reviews the carrying amount of a deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilised, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

14. Leases

a. Identification of leases

For contracts entered into on the date of initial application, the Company assesses whether the customer in the contract has the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

b. As a lessee

At the commencement date of a lease, the Company recognises all leases on the balance sheet as "Right-of-Use Assets" and corresponding "Lease Liabilities", except for the short-term leases and leases of low-value asset that are subject to simplified treatment.

For the accounting policy of the right-of-use assets, see Note III-16.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. Lease payments include fixed lease payments and in-substance fixed payments less any lease incentives receivable; variable lease payments that depend on an index or ratio; the exercise price of a purchase option if the lessee is reasonably certain to exercise the options; payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate; the amount expected to be payable by the lessee under residual value guarantees. After the commencement date of the lease term, the Company calculates the interest expense of the lease liabilities for each period of the lease term based on a fixed periodic interest rate and includes it in profit and loss. The variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss.

Short term lease

Short-term leases are leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

Lease payments on short-term leases are recognised in profit or loss or the cost of underlying assets on a straight-line basis over the lease term.

Low value asset leasing

A lease of low-value asset refers to a single lease asset, when new, is less than RMB 40,000.00.

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Lease payments on leases of low-value assets are recognised in profit or loss or the cost of underlying assets on a straight-line basis over the lease term.

The Company chooses to adopt the simplified treatment method according to the specific situation of each lease.

c. As a lessor

A lease that has substantially transferred almost all the risks and rewards related to the ownership of the leased asset is a financial lease. Leases other than finance leases are operating leases.

Finance lease

The Company recognises assets under a finance lease as a receivable at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivables that are not received at the commencement date, discounted using the interest rate implicit in the lease. The Company calculates and recognises interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments obtained by the Company not included in the measurement of net investment in the lease are recognised in the period when incurred.

The Company applies Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments and the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets for the derecognition and impairment of finance lease receivables.

Operating lease

During each period of the lease term, the Company uses the straight-line method to recognise the lease payments from operating leases as rental income. The initial direct costs incurred by the Company in relation to the operating leases are capitalised at the time of the acquisition and are recognised in profit or loss. Variable lease payments obtained in connection with the operating lease and not included in the lease receivables are recognised in the period when incurred.

15. Right-of-use assets

a. Conditions for the confirmation of the right-of-use assets

Right-of-use assets refer to the Company's right to use the underlying leased assets during the lease term.

The right-of-use assets is initially measured at cost at the commencement date of the lease. This cost includes: the initial measurement amount of the lease liabilities; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred by the Company; an estimate of costs to be incurred by the Company in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Company, as a lessee, recognises and measures the cost of demolition and restoration in accordance with the Accounting Standards for Business Enterprises No. 13 – Contingencies. After the commencement date of the lease, the carrying amount of right-of-use assets shall be adjusted when lease liability is remeasured.

b. Depreciation method of the right-of-use assets

The Company makes depreciation for the right-of-use assets in accordance with the straight-line method. Right-of-use assets in which the Company is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from

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commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated over the shorter of its estimated useful life and the lease term.

- c. For the method of testing the impairment of the right-of-use asset and the method of determining impairment provision, please refer to Note III-10 for details.

16. Critical accounting judgments and estimates

The Company gives continuous assessment of the reasonable expectations of future events and the critical accounting estimates and key assumptions based on its historical experience and other factors.

17. Changes in significant accounting policies and accounting estimates

- a. Changes in accounting policies

There is no change in accounting policies during the financial year.

- b. Changes in accounting estimates

There is no change in accounting estimate during the financial year.

- c. Corrections of accounting errors in prior periods

There is no change in accounting errors in prior periods during the financial year.

IV. TAXATION

The principal kinds of taxes and related tax rates:

Tax	Tax Basis	Tax Rates
Value added tax	Taxable revenue	6%
Urban maintenance and construction tax	VAT payable amount	7%
Education surcharge	VAT payable amount	3%
Local education surcharge	VAT payable amount	2%
Corporate Income tax	Taxable income	25%

V. NOTES TO THE FINANCIAL STATEMENTS

1. Cash and cash equivalents

Item	As at 31/12/2022			As at 31/12/2021		
	Foreign currency amount	Exchange rate	RMB amount	Foreign currency amount	Exchange rate	RMB amount
Cash on hand:						
RMB			--			--
Bank balances:						

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RMB	--	--	4,651,318.00	--	--	4,563,948.71
USD	0.14	6.9646	0.98	10.14	6.3757	64.65
Total			4,651,318.98			4,564,013.36

Note: At the end of the reporting period, the Company does not have any pledged, frozen or restricted cash or bank balance.

2. Prepayment

The ageing analysis is as below:

Ageing	As at 31/12/2022			As at 31/12/2021		
	Amount	%	Provision for bad and doubtful debts	Amount	%	Provision for bad and doubtful debts
Within 1 year	288,576.91	100.00	--	576,472.12	100.00	--
Total	288,576.91	100.00	--	576,472.12	100.00	--

Note: The Company assessed bad debt provision for accounts receivable and determined that the above balance is less likely to incur bad debt losses.

3. Other receivables

Item	As at 31/12/2022	As at 31/12/2021
Other receivables	2,378,764.00	2,376,864.00
Total	2,378,764.00	2,376,864.00

The ageing analysis is as below:

Ageing	As at 31/12/2022			As at 31/12/2021		
	Amount	%	Provision for bad and doubtful debts	Amount	%	Provision for bad and doubtful debts
Within 1 year	1,900.00	0.08	--	2,376,864.00	100.00	--
1-2 years	2,376,864.00	99.92	--	--	--	--
Total	2,378,764.00	100.00	--	2,376,864.00	100.00	--

Note: The Company assessed bad debt provision for other receivables and determined that the above balance is less likely to incur bad debt losses.

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Year-end balances of other receivables:

Customer	Amount	%	Provision for bad and doubtful debts
Beijing Linlian Zhiye Company Limited	2,376,864.00	99.92	Rent deposit
Meng Zijun	1,900.00	0.08	Employee advances
Total	2,378,764.00	100.00	--

4. Other Current Assets

Item	As at 31/12/2022	As at 31/12/2021
Corporate income tax refund	1,391,235.10	204,441.53
Prepaid withholding tax		620,274.74
Total	1,391,235.10	824,716.27

5. Fixed assets

Item	As at 31/12/2022	As at 31/12/2021
Fixed assets	1,056,091.95	1,529,376.37
Total	1,056,091.95	1,529,376.37

Details of fixed assets:

Item	Electronic equipment	Office furniture	Total
I. Total book value			
1. Balance as at 31/12/2021	1,714,481.36	--	1,714,481.36
2. Increases	203,978.30	13,749.00	217,727.30
(1) Purchase	203,978.30	13,749.00	217,727.30
3. Decreases	--	--	--
4. Balance as at 31/12/2022	1,918,459.66	13,749.00	1,932,208.66
II. Accumulated depreciation			
1. Balance as at 31/12/2021	185,104.99	--	185,104.99
2. Increases	688,949.46	2,062.26	691,011.72
Provision	688,949.46	2,062.26	691,011.72
3. Decreases	--	--	--
4. Balance as at 31/12/2022	874,054.45	2,062.26	876,116.71
III. Carrying amount			
1. Carrying amount as at 31/12/2022	1,044,405.21	11,686.74	1,056,091.95
2. Carrying amount as at 31/12/2021	1,529,376.37	--	1,529,376.37

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6. Right-of-use assets

Item	Houses	Total
I. Total book value		
1. Balance as at 31/12/2021	9,312,104.27	9,312,104.27
2. Increases		
Rent	--	--
3. Decreases	--	--
4. Balance as at 31/12/2022	9,312,104.27	9,312,104.27
II. Accumulated depreciation		
1. Balance as at 31/12/2021	2,148,947.16	2,148,947.16
2. Increases	4,297,894.32	4,297,894.32
Provision	4,297,894.32	4,297,894.32
3. Decreases	--	--
4. Balance as at 31/12/2022	6,446,841.48	6,446,841.48
III. Carrying amount		
1. Carrying amount as at 31/12/2022	2,865,262.79	2,865,262.79
2. Carrying amount as at 31/12/2021	7,163,157.11	7,163,157.11

7. Deferred tax assets

Item	As at 31/12/2022	As at 31/12/2021
Foreign tax credit		3,468,221.55
Total		3,468,221.55

8. Other non-current assets

Item	As at 31/12/2022	As at 31/12/2021
The amount of income tax paid on foreign income that can be credited in subsequent years	11,453,801.82	
Less: reserve for impairment	3,315,438.96	
Carrying amount	8,138,362.86	

9. Accounts payable

The ageing analysis of accounts payable is as below:

Ageing	As at 31/12/2022		As at 31/12/2021	
	Amount	%	Amount	%

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 (Expressed in Renminbi Yuan unless otherwise stated)
 [English Translation for Reference Only]

Within 1 year	310,003.96	100.00
Total	310,003.96	100.00

10. Receipts in advance

The ageing analysis of accounts payable is as below:

Ageing	As at 31/12/2022		As at 31/12/2021	
	Amount	%	Amount	%
Within 1 year			6,202,747.47	100.00
Total			6,202,747.47	100.00

11. Contractual liabilities

Contractual liabilities are disclosed by age

Ageing	As at 31/12/2022		As at 31/12/2021	
	Amount	%	Amount	%
Within 1 year	8,040,872.49	100		
Total	8,040,872.49	100		

Contract liabilities year-end balances

Customer	As at 31/12/2022	Item
Paytm First Games Private Limited	8,040,872.49	advance payment of service income
Total	8,040,872.49	--

12. Payroll and employee benefits payable

Item	As at 31/12/2021	Increase	Decrease	As at 31/12/2022
Short-term employee benefits	2,793,784.96	56,423,127.01	54,390,536.96	4,826,375.01
Post-employment benefits - defined contribution plans	764,546.38	5,187,566.75	5,553,778.99	398,334.14
Termination benefits		4,713,669.75	4,267,280.12	446,389.63
Total	3,558,331.34	66,324,363.51	64,211,596.07	5,671,098.78

(1) Short-term benefits

Item	As at 31/12/2021	Increase	Decrease	As at 31/12/2022
------	------------------	----------	----------	------------------

Paytm Technology (Beijing) Co., Ltd.
Notes to the Financial Statements
For the year ended 31 December 2022
 (Expressed in Renminbi Yuan unless otherwise stated)
 [English Translation for Reference Only]

Item	As at 31/12/2021	Increase	Decrease	As at 31/12/2022
Salaries, bonus, and allowances	2,426,431.00	48,831,215.27	46,672,685.86	4,584,960.41
Social insurances	367,353.96	3,239,985.74	3,365,925.10	241,414.60
Including: 1. Medical insurance	361,237.72	3,173,955.60	3,298,607.10	236,586.22
2. Work injury insurance	6,116.24	66,030.14	67,318.00	4,828.38
Housing Fund	--	4,332,006.00	4,332,006.00	--
Funds for employee education	--	19,920.00	19,920.00	--
Total	2,793,784.96	56,423,127.01	54,390,536.96	4,826,375.01

(2) Defined contribution plan

Item	As at 31/12/2021	Increase	Decrease	As at 31/12/2022
Post-employment benefits	764,546.38	5,187,566.75	5,553,778.99	398,334.14
Including: 1. Basic pension insurance	733,963.92	5,037,779.60	5,385,480.16	386,263.36
2. Unemployment insurance	30,582.46	149,787.15	168,298.83	12,070.78
Total	764,546.38	5,187,566.75	5,553,778.99	398,334.14

(3) Termination benefits

Item	As at 31/12/2021	Increase	Decrease	As at 31/12/2022
Termination benefits	--	4,713,669.75	4,267,280.12	446,389.63
Total	--	4,713,669.75	4,267,280.12	446,389.63

13. Taxes payable

Item	As at 31/12/2022	As at 31/12/2021
Corporate income tax	304,366.19	155,459.58
Individual income tax	384,467.97	273,605.92
Stamp duty	3.46	228.29
Total	688,837.62	429,293.79

14. Other payables

Item	As at 31/12/2022	As at 31/12/2021
Other payables	1,140,246.32	689,358.41
Total	1,140,246.32	689,358.41

Paytm Technology (Beijing) Co., Ltd.
Notes to the Financial Statements
For the year ended 31 December 2022
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15. Lease liabilities

Item	As at 31/12/2022	As at 31/12/2021
House leasing	2,575,613.71	7,231,470.70
Less: lease liabilities due within one year	2,575,613.71	4,655,856.99
Total		2,575,613.71

Note: Accrued interest expense in lease liabilities is RMB 189,007.71 in 2022, and it is included in finance expenses- interest expenses.

16. Paid-in capital

Investor	As at 31/12/2021	Additions	Reduction	As at 31/12/2022
Paytm First Games Private Limited	93,156.92	--	--	93,156.92

17. Retained earnings

Item	As at 31/12/2022	As at 31/12/2021	Appropriation proportion
Before adjustment: Retained earnings as at beginning of year	1,941,879.73	-15,000.00	--
Adjustment (Increase+, decrease-)		--	--
After adjustment: opening retained earnings	1,941,879.73	-15,000.00	--
Add: Net profit during the year	571,328.56	2,003,458.19	--
Less: Statutory surplus reserve	--	46,578.46	10%
Retained earnings as at end of year	2,513,208.29	1,941,879.73	--

18. Operating revenue and cost of sales

Item	2022		2021	
	Revenue	Cost	Revenue	Cost
Principal operating activities	84,627,660.92	66,295,736.61	42,359,407.57	31,278,483.57
Total	84,627,660.92	66,295,736.61	42,359,407.57	31,278,483.57

Paytm Technology (Beijing) Co., Ltd.
Notes to the Financial Statements
For the year ended 31 December 2022
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19. Administrative expenses

Item	2022	2021
Salaries and Benefits	4,699,656.22	1,773,946.08
Financial consulting fee	1,213,309.88	3,112,803.73
Entertainment	9,508.00	3,511.50
Depreciation of fixed assets	691,011.72	185,104.99
Depreciation of right-of-use assets	4,297,894.32	2,148,947.16
Offices supplies	388,290.56	238,987.67
Office related costs	1,077,032.96	480,737.08
Travel expenses		6,405.82
Maintenance fee	77,073.40	2,219.03
Disable funds	201,162.85	195,067.01
Total	12,654,939.91	8,147,730.07

20. Financial expenses

Item	2022	2021
Interest income	13,469.67	-5,188.67
Gains/Loss on foreign exchange	372,690.20	1,436.05
Interests on lease liabilities	189,007.71	155,457.83
Bank charges	1,492.52	968.03
Total	549,720.76	152,673.24

21. Supplementary information for cash flows

(1) Supplementary information regarding the statement of cash flows

Supplementary information	For the year ended 31/12/2022	For the year ended 31/12/2021
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	571,328.56	2,003,458.19
Add: Impairment for assets	3,315,438.96	--
Depreciation of fixed assets and right-of-use assets	4,988,906.04	2,334,052.15
Amortisation of intangible assets	--	--
Amortisation of long-term prepaid expenses	--	--

Paytm Technology (Beijing) Co., Ltd.
Notes to the Financial Statements
For the year ended 31 December 2022
(Expressed in Renminbi Yuan unless otherwise stated)
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Supplementary information	For the year ended 31/12/2022	For the year ended 31/12/2021
Losses on disposal of fixed assets, intangible assets, and other long-term assets (Gain as in "-")	--	--
Loss on retirement of fixed assets (Gain as in "-")	--	--
Losses on changes in fair value (Gain as in "-")	--	--
Financial charges (Gain as in "-")	189,007.71	155,457.76
Investment losses (Gain as in "-")	--	--
Decrease in deferred tax assets (Increase as in "-")	3,468,221.55	-3,468,221.55
Increase in deferred tax liabilities (Decrease as in "-")	--	--
Decrease in inventories (Increase as in "-")	--	--
Decrease in operating receivables (Increase as in "-")	-3,595,962.58	-3,405,370.49
Increase in operating payables (Decrease as in "-")	3,978,637.38	11,174,734.97
Others	-8,138,362.86	
Net cash flows from operating activities	4,777,214.76	8,794,111.03
2. Significant investment or finance activities not involving cash:	--	--
Debts converted to capital	--	--
Convertible debts mature within one year	--	--
Fixed assets acquired under finance leases	--	--
3. Net increase / decrease in cash and cash equivalents:	--	--
Cash as at year end	4,651,318.98	4,564,013.36
Less: cash as at beginning of the year	4,564,013.36	--
Add: cash equivalents as at year end	--	--
Less: cash equivalents as at beginning of the year	--	--
Net increase in cash and cash equivalents	87,305.62	4,564,013.36

(2) Cash and cash equivalents

Items	As at 31/12/2022	As at 31/12/2021
1. Cash		
Include: Cash on hand	4,651,318.98	4,564,013.36
Cash in Bank	--	--
2. Cash and cash equivalents at the end of the period	4,651,318.98	4,564,013.36

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Information about the investor of the Company

Paytm Technology (Beijing) Co., Ltd.
Notes to the Financial Statements
For the year ended 31 December 2022
 (Expressed in Renminbi Yuan unless otherwise stated)
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Name	Registration place	Shareholding percentage %	Percentage of voting rights %
Paytm First Games Private Limited	India	100.00	100.00

2. Related party transactions
 (1) Purchases and sales of goods.

Related party	Related party transaction	Amount in 2022	Amount in 2021
Paytm First Games Private Limited	Provision of services	84,627,660.92	42,359,407.57

The price of the transaction with the above related parties were made based on the cost plus basis.

- (2) Receivables and payables with related party

Item	Related party	As at 31/12/2022	As at 31/12/2021
Advances from customers	Paytm First Games Private Limited		6,202,747.47
Contractual liabilities	Paytm First Games Private Limited	8,040,872.49	

VII. COMMITMENTS AND CONTINGENCIES

1. Important commitments

As at 31 December 2022, the company does not have any material commitments that should be disclosed.

2. Contingencies

As at 31 December 2022, the company does not have any material contingencies that should be disclosed.

VIII. SUBSEQUENT EVENTS

There are no events occurring after the balance sheet date that need to be disclosed up to the date of approval of these financial statements.

Paytm Technology (Beijing) Co., Ltd.





姓名 卫红霞
Full name
性别 女
Sex
出生日期 1980-2-15
Date of Birth
工作单位 北京世纪瑞泰会计师事务所有限公司
Working unit
身份证号码 160630198002150027
Identity card No.



年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.



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Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.



姓名：卫红霞
证书编号：110000520807

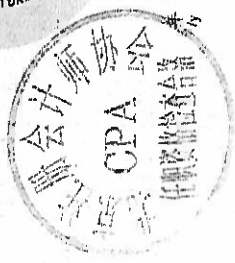


姓名：卫红霞
证书编号：110000520807



年度检验登
Annual Renewal Regis

姓名: 杜同刚
证书编号: 220100180237
This certificate is valid for **RENEWAL** of this renewal.



日 / 月 / 年



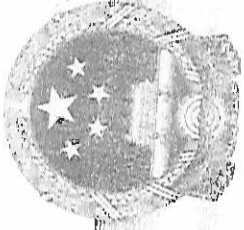
姓名: 杜同刚
Sex: 男
出生日期: 1960-08-15
工作单位: 中德成会计师事务所(北京)有限公司
身份证号码: 220104600815623



证书编号:
No. of Certificate: 220100180237

批准注册协会:
Authorized Institute of CPAs: 北京注册会计师协会

发证日期:
Date of Issuance: 一九九八年五月十日



营业执照

(副本) (1-1)

统一社会信用代码
911101056950469605



扫描市场主体身份码了解更多登记、备案、许可、监管信息、体验更多应用服务。

名称 中御成会计师事务所(北京)有限公司
类型 有限责任公司(自然人投资或控股)
法定代表人 朱德清

注册资本 500万元

成立日期 2009年09月01日

住所 北京市朝阳区小关北里甲2号楼5层A508

经营范围 审查企业会计报表、出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；税务咨询；管理咨询；依法自主选择经营项目，开展经营活动；依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事国家和本市产业政策禁止和限制类项目的经营活动。



登记机关

2023

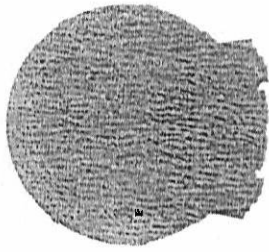
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年 02 月 16 日

国家企业信用信息公示系统网址:

<http://www.gsxt.gov.cn>

市场主体应当于每年1月1日至6月30日通过国家企业信用信息公示系统报送公示年度报告。

国家市场监督管理总局监制



证书序号: NO. 019523

说明

1. 《会计师事务所执业证书》是证明持有人经财政部门依法审批, 准予执行注册会计师法定业务的凭证。
2. 《会计师事务所执业证书》记载事项发生变动的, 应当向财政部门申请换发。
3. 《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
4. 会计师事务所终止, 应当向财政部门交回《会计师事务所执业证书》。

会计师事务所 执业证书

名称: 中御成会计师事务所(北京)有限公司

主任会计师: 周玉如

办公场所: 北京市朝阳区小关北里甲2号楼5层A508



组织形式: 有限责任

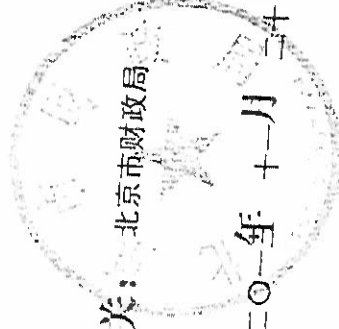
会计师事务所编号: 11010071

注册资本(出资额): 30万元

批准设立文号: 京财会许可[2009]0058号

批准设立日期: 2009-08-18

发证机关: 北京市财政局



二〇一一年十一月二十四日

中华人民共和国财政部制