

CHINA BODA TECHNICAL GROUP LIMITED
REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING
31 DECEMBER 2022

CHINA BODA TECHNICAL GROUP LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDING TO 31 DECEMBER 2022

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CHINA BODA TECHNICAL GROUP LIMITED

CORPORATE INFORMATION

Directors Name	Nationality	Remarks
Tianhai Chen	Chinese	Director
Yumin Zhu	Chinese	Director
Registered office	China Boda Technical Group Limited TAMCO Industrial Estate P.O. BOX 79119 Dar es Salaam, Tanzania	
Auditor	Nivex Assurance Certified Public Accountants (Tanzania) 369 Touré Drive Oysterbay Shopping Centre P.O. Box 877 Dar es Salaam, Tanzania	
Bankers	NMB Bank Plc P. O. Box Dar es Salaam, Tanzania	

CHINA BODA TECHNICAL GROUP LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present this report and the audited financial statements of China Boda Technical Group Limited ("the Company") for the period ending 31 December 2022, which disclose the state of affairs of the Company.

PRINCIPAL ACTIVITIES

The principal activities of the Company are hospital activities, health and social work, specialised construction, hard coal mining and support activities for crops production.

INCORPORATION

The company was incorporated on March 2018 with certificate of incorporation certificate number 136569.

These financial statements are for the period from January 2022 to 31 December 2022.

DIRECTORS' INTEREST AND SHAREHOLDING OF THE COMPANY

The shares of the Company are held as follows

Shareholders' name	Number of shares
Tianhai Chen	6,600
Yumin Zhu	3,400
	<u>10,000</u>

RESULTS FOR THE YEAR

The company has not yet started its income generating activities. The result for the year is as shown on page number 7 are just the costs relating to the establishment of the company.

DIVIDENDS

The directors do not recommend the payment of dividend in respect of the year 2022.

DIRECTORS

The current directors are as shown on page 1.

AUDITORS

The auditors Nivex Assurance, who were appointed during the year, have expressed their willingness to continue in office in accordance with section 170(2) of the Companies Act, 2002.

BY ORDER OF THE BOARD



Managing Director

Signed in Dar es Salaam on 19/03 2023

CHINA BODA TECHNICAL GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Tanzanian Companies Act, 2002 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for that year. It also requires the Directors to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company.

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act, 2002 and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Tanzanian Companies Act, 2002. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.



Managing Director

19/03/ 2023

DECLARATION OF HEAD OF FINANCE

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a Statement of Declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the Company concerned.

It is the duty of a professional accountant to assist the Board to discharge the responsibility of preparing financial statements of the company showing true and fair view position of the company in accordance with international accounting standards and statutory reporting requirements. Full legal responsibility for financial statements rests with the Board as under Directors' Responsibility statement on an earlier page.

I, CPA RECHO JOHN being the head of finance of China Boda Technical Group Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2022 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.

Recho John

Signed by:

19/03/..... 2023

Position: Head of Finance

NBAA Member No.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHINA BODA TECHNICAL GROUP LIMITED

Report on the financial statements

Opinion

We have audited the financial statements of China Boda Technical Group Limited (the "Company"), set out on pages 7 to 17, which comprise of the statement of financial position at 31 December 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period ending 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and of its financial performance and cash flows for the period ending 31 December 2022 in accordance with International Financial Reporting Standards ("IFRSs") and the requirements of Companies Act, 2002.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the National Board of Accountant and Auditors (NBAA) Code of Ethics, which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants, together with other ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information, including the Directors report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance for the financial statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the IFRSs; the requirements of the Companies Act, 2002; the National Board of Accountants and Auditors Technical Pronouncements; and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHINA BODA TECHNICAL GROUP LIMITED (CONTINUED)

In preparing the financial statements, the Directors are 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 Directors 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.

Auditors' 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 auditors' 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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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.
- 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies Act, 2002 we report to you, based on our audit, that:

- we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books of account; and
- the Company's statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit and loss account) is in agreement with the books of account.

Nivex Assurance

Certified Public Accountants (Tanzania)



Signed by CPA Baraka Daudi ACPA 3302
Dar es Salaam



19/03/ 2023

CHINA BODA TECHNICAL GROUP LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDING 31 DECEMBER 2022

	Note	2022 TZS	2021 TZS
Revenue		-	-
Operating expenses		<u>(33,954,006)</u>	<u>-</u>
Tax		-	-
Loss after tax		<u>(33,954,006)</u>	<u>-</u>

CHINA BODA TECHNICAL GROUP LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022 TZS	2021 TZS
ASSETS			
Non-Current			
Property plant and equipment	5	<u>1,119,107,386</u>	<u>1,119,107,386</u>
Current			
Cash and bank balances		-	8,067,412
VAT Recoverable	7	<u>212,670,499</u>	<u>212,670,499</u>
		<u>212,670,499</u>	<u>220,737,912</u>
Total assets		<u><u>1,331,777,885</u></u>	<u><u>1,339,845,298</u></u>
EQUITY AND LIABILITIES			
Equity			
Accumulated losses		(33,954,006)	-
Capital		<u>1,365,731,891</u>	<u>1,339,845,298</u>
		<u>1,331,777,885</u>	<u>1,339,845,298</u>
Current Liabilities		-	-
Total equity and liabilities		<u><u>1,331,777,885</u></u>	<u><u>1,339,845,298</u></u>

The financial statements on pages 7 to 17 were approved and authorised for issue by the board of directors on 19/03/ 2023 and were signed on its behalf by:



Managing Director

CHINA BODA TECHNICAL GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share Capital TZS	Retained Earnings TZS	Total TZS
At 01 January 2019	1,237,896,144	-	1,237,896,144
Additional capital for the year	70,422,706	-	70,422,706
Profit for the year	-	-	-
At 31 December 2019	<u>1,308,318,850</u>	-	<u>1,308,318,850</u>
At 01 January 2020	1,308,318,850	-	1,308,318,850
Share capital	22,875,657	-	22,875,657
Profit for the year	-	-	-
At 31 December 2020	<u>1,331,194,507</u>	-	<u>1,331,194,507</u>
At 01 January 2021	1,331,194,507	-	1,331,194,507
Share capital	8,650,791	-	8,650,791
Profit for the year	-	-	-
At 31 December 2021	<u>1,339,845,298</u>	-	<u>1,339,845,298</u>
At 01 January 2022	1,339,845,298	-	1,339,845,298
Share capital	25,886,593	-	25,886,593
Loss for the year	-	(33,954,006)	(33,954,006)
At 31 December 2022	<u>1,365,731,891</u>	<u>(33,954,006)</u>	<u>1,331,777,885</u>

CHINA BODA TECHNICAL GROUP LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022-

	Note	2022 TZS	2022 TZS
Cash flow from operating activities			
Loss before income tax		(33,954,006)	-
Adjustments for:			
Depreciation		-	-
Net cash flows before working capital changes		-	-
Changes in working capital:			
Receivables		-	(257,444)
Cash flows from operations		-	-
Income tax paid		-	-
Net cash inflow from operating activities		<u>-</u>	<u>(257,444)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	5	<u>-</u>	<u>(16,460,759)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of share		<u>25,886,593</u>	<u>8,650,791</u>
Movement in cash and cash equivalents		<u>25,886,593</u>	<u>(8,324,856)</u>
Cash and cash equivalents at 01 January		<u>8,067,412</u>	<u>16,134,825</u>
Cash and cash equivalents at 31 December		<u>-</u>	<u>8,067,412</u>
Represented by:			
Cash and bank balance		<u>-</u>	<u>8,067,412</u>

CHINA BODA TECHNICAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. REPORTING ENTITY

CHINA BODA TECHNICAL GROUP Limited is a limited company incorporated in Tanzania. The address of its registered office is disclosed in the corporate information page. The principal activity of the Company is described in the Directors' report.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. These pronouncements had no significant impact on the financial statements of the Company. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New and amended standards and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are not expected to have a significant impact on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards, (IFRS).

For the Companies Act 2002 reporting purposes, in these financial statements the balance sheet is equivalent to the statement of financial position and the profit and loss account is included in the statement of profit or loss and other comprehensive income.

Basis of preparation

The financial statements have been prepared under the historical cost basis of accounting as modified by revaluation of certain financial instruments which are accounted for at fair value on the assumption that the Company will continue trading as a going concern in the foreseeable future.

The principal accounting policies adopted in the preparation of these financial statements remain unchanged from the previous year and are set out below:

Revenue recognition

Revenue represents the invoiced value of services, exclusive of Value Added Tax (VAT) and trade discounts where applicable and is recognised when services have been given.

Interest income

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other income is recognized when earned.

CHINA BODA TECHNICAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

The tax expense represents the sum of tax currently payable and deferred tax.

Current taxation is computed for on the basis of the results shown in the financial statements adjusted in accordance with its applicable tax legislation.

Deferred tax is provided, using the liability method, for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised while deferred tax liabilities are recognised for all taxable temporary differences.

Foreign currency translation

Transactions during the year which are denominated in foreign currencies are translated into Tanzanian Shillings at the rates ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period, which are denominated in foreign currencies, are translated into Tanzanian Shillings at rates ruling at that date. Exchange differences resulting from the translations are dealt with in the profit or loss in the year that they arise.

Inventories

Inventories are stated at the lower of cost and net realisable value. In general, cost is determined on the first in first out basis and includes direct costs incurred in bringing stocks to their existing location and condition. Net realisable value is the estimated price at which inventories can be sold in the normal course of business after allowing for the cost of realisation.

Provision is made where necessary for obsolete, slow moving and defective inventories.

Property, plant and equipment

Property, plant and equipment are stated at historic cost less accumulated depreciation and any accumulated impairment.

Depreciation is calculated on the straight-line basis to write off the cost of each asset to its residual value over its expected useful life. The depreciation rates applied are as follows:

Assets Description	Depreciation rate
Computers	33%

For property, plant and equipment purchased or disposed of during the year, depreciation is provided on a pro-rata basis.

Property, plant and equipment are periodically reviewed for impairment. If the carrying value of an asset is estimated to be greater than its recoverable amount, it is written down to its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

CHINA BODA TECHNICAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Costs incurred on computer software are initially accounted for at cost as intangible assets and subsequently at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised in the profit or loss on straight line over the estimated useful lives not exceeding a period of four years.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Employees' entitlements to annual leave are recognised when they accrue to employees. Provision is made for the estimated liability in respect of annual leave accrued at the end of the reporting period.

Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the year-end. Bad debts are written off when all reasonable steps to recover them have failed.

Trade payables

Trade payables are stated at their nominal value.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges including premiums payable on settlement or redemption, are accounted for on an accrual basis.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the Company as the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are amortised on the straight-line basis over the term of the relevant lease.

CHINA BODA TECHNICAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, in banks, net of outstanding bank overdrafts and duly reconciled to the related items in the statement of financial position.

Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF UNCERTAINTIES

In the application of the accounting policies, management has made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are regularly reviewed and revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas of critical judgements and key sources of estimation uncertainty are as set out below.

Property, plant and equipment

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

Impairment provision

Management carries out a regular review of the status of trade receivables, inventories and other financial assets to determine whether there is any indication that these assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, which is then dealt with in the profit or loss. In determining whether an impairment loss should be recognized in the profit or loss, management checks whether there is objective evidence that the assets are impaired and that the fair values have declined. Management estimates of the required provisions are based on critical evaluation of the economic circumstances involved, historical experience and other factors that are considered to be relevant.

Taxes

The Company is subjected to a number of taxes and levies by various government and quasi-government regulations bodies. As a rule of thumb, the Company recognises liabilities for the anticipated tax/levies payable with utmost care and diligence. However, significant judgement is usually required in the interpretation and applicability of those taxes/levies. Should it come to the attention of managements in one way or other, that the initially recorded liability was erroneous, such differences will impact on the income and liabilities in the period in which such differences are determined.

CHINA BODA TECHNICAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

	WORK IN PROGRESS TZS	MOTOR VEHICLE TZS	TOTAL TZS
At 01 January 2019	941,313,078	15,677,966	956,991,045
Additions during the year	<u>122,915,602</u>	<u>-</u>	<u>122,915,602</u>
At 31 December 2019	<u>1,064,228,680</u>	<u>15,677,966</u>	<u>1,079,906,647</u>
At 31 December 2020	1,064,228,680	15,677,966	1,079,906,647
Additions during the year	<u>22,739,980</u>	<u>-</u>	<u>22,739,980</u>
At 31 December 2020	1,086,968,660	<u>15,677,966</u>	<u>1,102,646,627</u>
At 01 January 2021	1,086,968,660	15,677,966	1,102,646,627
Additions during the year	<u>16,460,759</u>	<u>-</u>	<u>16,460,759</u>
At 31 December 2021	<u>1,103,429,419</u>	<u>15,677,966</u>	<u>1,119,107,386</u>
At 01 January 2022	1,103,429,419	15,677,966	1,119,107,386
Additions during the year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2022	<u>1,103,429,419</u>	<u>15,677,966</u>	<u>1,119,107,386</u>

Work in progress is made up of the construction of the lead battery factory going on.

6. VALUE ADDED TAX RECOVERABLE

The company is on construction phase of a battery manufacturing plant. Value Added Tax recoverable represents amounts paid by the company to the suppliers of goods and services to date.

7. SHARE CAPITAL

Authorised and issued share capital is TZS 1,320,000,000 divided into 100,000 shares of TZS 10,000 each. the paid-up share capital as at 31 December 2022 was TZS 1,365,731,891 (2021: was TZS 1,339,845,298).

8. RELATED PARTY TRANSACTIONS

China Boda Technical Group Limited, incorporated in The United Republic of Tanzania, during the year the company did not have transactions with related parties.

CHINA BODA TECHNICAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of issued share capital and retained earnings.

The Company reviews the capital structure regularly. As at 31 December 2022 the company was purely financed by equity and directors' contribution.

10. CONTINGENT LIABILITIES

As per management review at year end, the company had no contingent liabilities.

11. CAPITAL COMMITMENTS

As at 31 December 2022, the company had no capital commitments.

12. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

At the date of signing the financial statements, the directors are not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in these financial statements, which significantly affected the financial position of the Company and results of its operations.

14. FAIR VALUES

The directors consider that there is no material difference between the fair value and carrying value of the Company's financial assets and liabilities where fair value details have not been presented.

15. INCORPORATION

The Company is incorporated in the United Republic of Tanzania under the Companies Act, 2002. The registered office is as disclosed in page 1 under the corporate information page.

16. CURRENCY

The financial statements are presented in Tanzanian Shillings (TZS), which is also the functional currency.