

Radisys International Singapore Pte. Ltd.

**Financial Statements
for the year ended 31st December, 2021**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
RADISYS INTERNATIONAL SINGAPORE PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Radisys International Singapore Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 20.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Company for the year then ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of the Company for the year ended 31 December 2020, were audited by another firm of auditors which expressed an unmodified opinion on those financial statements in their report dated 26 February 2021.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
RADISYS INTERNATIONAL SINGAPORE PTE. LTD.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 SSAs, 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 management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
RADISYS INTERNATIONAL SINGAPORE PTE. LTD.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

28 March 2022

STATEMENT OF FINANCIAL POSITION
31 December 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		\$	\$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	6	41,177	45,899
Amount due from immediate holding company (trade)	5	255,895	259,706
Total current assets		<u>297,072</u>	<u>305,605</u>
Total assets		<u><u>297,072</u></u>	<u><u>305,605</u></u>
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Other payables and accruals	7	23,996	30,460
Amount due to immediate holding company (non-trade)	5	67,307	67,307
Amount due to related company (non-trade)	5	104,150	99,661
Income tax payable		32	287
Total current liabilities		<u>195,485</u>	<u>197,715</u>
Capital and reserve			
Share capital	8	1	1
Retained earnings		101,586	107,889
Total equity		<u>101,587</u>	<u>107,890</u>
Total liabilities and equity		<u><u>297,072</u></u>	<u><u>305,605</u></u>

ON BEHALF OF THE DIRECTORS

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Nilesh Mehta

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Robert Pippert

28 March 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		\$	\$
Revenue	9	15,785	195,112
Employee benefits expense	10	-	(129,315)
Travelling expenses		-	(10,464)
Foreign exchange loss		(4,488)	(4,003)
Other expenses		(15,034)	(45,578)
(Loss)/Profit before income tax		(3,737)	5,752
Income tax (expense)/credit	11	(2,566)	873
(Loss)/Profit for the year, representing total comprehensive income for the year		<u>(6,303)</u>	<u>6,625</u>

ON BEHALF OF THE DIRECTORS

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Nilesh Mehta

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Robert Pippert

28 March 2022

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2021

	Share capital	Retained earnings	Total
	\$	\$	\$
Balance at 1 January 2020	1	101,264	101,265
<i>Total comprehensive income for the year:</i>			
Profit for the year	-	6,625	6,625
Balance at 31 December 2020	1	107,889	107,890
<i>Total comprehensive income for the year:</i>			
Loss for the year	-	(6,303)	(6,303)
Balance at 31 December 2021	1	101,586	101,587

ON BEHALF OF THE DIRECTORS

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Nilesh Mehta

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Robert Pippert

28 March 2022

STATEMENT OF CASH FLOWS
Year ended 31 December 2021

	2021	2020
	\$	\$
Operating activities		
(Loss)/Profit before income tax, representing operating cash flows before movements in working capital	(3,737)	5,752
Changes in working capital:		
Trade receivable due from immediate holding company	3,811	79,888
Other receivables and prepayment	-	9,654
Other payables and accruals	(6,464)	(118,481)
Cash used in operations	(6,390)	(23,187)
Income tax paid	(2,821)	(2,749)
Net cash used in operating activities	(9,211)	(25,936)
Financing activity		
Advance from related company, representing net cash from financing activity	4,489	24,210
Net decrease in cash and cash equivalents	(4,722)	(1,726)
Cash and equivalents at beginning of year	45,899	47,625
Cash and cash equivalents at end of year (Note 6)	41,177	45,899

ON BEHALF OF THE DIRECTORS

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Nilesh Mehta

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Robert Pippert

28 March 2022

RADISYS INTERNATIONAL SINGAPORE PTE. LTD.**Notes on Financial Statements for the year ended 31st December 2021****1 GENERAL**

The Company (Registration No. 201542257R) is incorporated and domiciled in Singapore with its registered office at 38 Beach Road #29-11 South Beach Tower, Singapore 189767. The financial statements are expressed in Singapore dollars, which is the functional currency of the Company.

The principal activities of the Company are the provision of sales and marketing services for the holding company.

The financial statements of the Company for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 28 March 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such as basis, except for share-based payment transaction that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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; and
- Level 3 inputs are unobservable inputs for the asset or liability.

RADISYS INTERNATIONAL SINGAPORE PTE. LTD.**Notes on Financial Statements for the year ended 31st December 2021**

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2021. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, there are FRSs, INT FRSs and amendments to FRS that are relevant to the Company that were issued but not yet effective. The management anticipates that the adoption of these FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption.

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 instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Financial assetsClassification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- 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.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

RADISYS INTERNATIONAL SINGAPORE PTE. LTD.**Notes on Financial Statements for the year ended 31st December 2021**Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (“ECL”) on trade and other receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

RADISYS INTERNATIONAL SINGAPORE PTE. LTD.**Notes on Financial Statements for the year ended 31st December 2021**Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instrumentsClassification as debt or equity

Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

RADISYS INTERNATIONAL SINGAPORE PTE. LTD.**Notes on Financial Statements for the year ended 31st December 2021**Financial liabilities

Financial liabilities are recognised when and only when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognised when the obligations under the liability is discharge, cancelled or expired.

Other payables, accruals and amount due to immediate holding company and related company

Other payable, accruals and amount due to holding and related company are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

REVENUE RECOGNITION - The Company recognises revenue from the provision of administrative, sales and support services to immediate holding company. Revenue is measured based on the consideration specified in a contract with related party which is computed based on its operating costs incurred plus a fix margin. The Company recognises revenue as a performance obligation satisfied over time.

RETIREMENT BENEFIT COSTS - Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans and are charged as an expense as they fall due.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax for the financial year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the balance sheet method, providing for all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

RADISYS INTERNATIONAL SINGAPORE PTE. LTD.**Notes on Financial Statements for the year ended 31st December 2021**

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency) which is the Singapore dollars.

Transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. All exchange differences are recognised in profit or loss.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash at banks balances that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

(i) *Critical judgements in applying the Company's accounting policies*

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

(ii) *Key sources of estimation uncertainty*

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

RADISYS INTERNATIONAL SINGAPORE PTE. LTD.**Notes on Financial Statements for the year ended 31st December 2021****4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT***(a) Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	2021	2020
	\$	\$
Financial assets		
Cash and cash equivalents	41,177	45,899
Amount due to immediate holding company	255,895	259,706
Total financial assets at amortised costs	<u>297,072</u>	<u>305,605</u>
Financial liabilities		
Other payables and accruals	23,996	30,460
Amount due to immediate holding company	67,307	67,307
Amount due to related company	104,150	99,661
Total financial liabilities at amortised costs	<u>195,453</u>	<u>197,428</u>

(b) Financial risk management policies and objectives

The Company's major financial instruments include cash and cash equivalents, amount due from immediate holding company, other payables and amount due to immediate holding company. The risks associated with these financial instruments include market risk (primarily being foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) Foreign currency risk

Foreign currency risk refers to the risk that arises from the movements in the foreign currency exchange rate against Singapore dollar that will affect the Company's financial results and its cash flows.

The Company's exposure to foreign currency risk is with the amount due to the immediate holding company (Note 5). Management considers that such is low as the Company is able to recharge any foreign exchange loss back to its immediate holding company. Accordingly, no sensitivity analysis is prepared.

(ii) Interest rate risk

The Company has minimal exposure to interest rate risk as it does not have significant interest bearing financial assets and liabilities at the end of the reporting period. As such, no sensitivity analysis is prepared.

RADISYS INTERNATIONAL SINGAPORE PTE. LTD.**Notes on Financial Statements for the year ended 31st December 2021****(iii) Credit risk**

The Company has minimal exposure to credit risk as it provides services to its immediate holding, which management considers to be creditworthy. Cash is placed with a regulated bank.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by matching the payment and receipt cycle. The Company's operations are financed mainly through cash generated from operations.

All financial assets and liabilities in 2021 and 2020 are repayable on demand or due within 1 year from the end of the reporting period, and are non-interest bearing.

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, other payables and amount due to immediate holding company and related company approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(c) *Capital management policies and objectives*

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimisation of equity balance. The capital structure of the Company comprises only of equity and amount due from immediate holding company.

Management reviews the capital structure on an annual basis to balance its overall capital structure through the issue of new capital and distribution of dividend.

The Company is not subject to any externally imposed capital requirements for the year ended 31 December 2021 and 2020.

The Company's overall strategy remains unchanged from 2020.

RADISYS INTERNATIONAL SINGAPORE PTE. LTD.**Notes on Financial Statements for the year ended 31st December 2021****5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS**

The Company is a wholly-owned subsidiary of Radisys Corporation, incorporated in The United States of America. Reliance Industries Limited, a company incorporated in India, is the ultimate holding company. Related companies in these financial statements refer to members of the immediate holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

The intercompany transactions are as follows:

	2021	2020
	\$	\$
Service income from immediate holding company	15,785	195,112
Expenses paid on behalf by immediate holding company	19,596	-

Compensation of directors and key management personnel

The remuneration of directors, who are the only members of key management personnel during the current and prior year, are borne by the company. Key management personnel of the Company are the directors. A director received a fee of \$2,500 (2020 : \$2,500).

The amount due to immediate holding company and related company that are not denominated in the Company's functional currency are as follows:

	2021	2020
	\$	\$
Chinese Renminbi	104,150	99,661
United States dollar	67,307	67,307

6 CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash at bank	41,177	45,899

7 OTHER PAYABLES AND ACCRUALS

	2021	2020
	\$	\$
Accruals	23,996	30,460

RADISYS INTERNATIONAL SINGAPORE PTE. LTD.**Notes on Financial Statements for the year ended 31st December 2021****8 SHARE CAPITAL**

	2021	2020	2021	2020
	Number of ordinary shares		\$	
Issued and fully paid:				
At the beginning and end of the year	1	1	1	1

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

9 REVENUE

This represents revenue earned from the provision of administrative, sales and support services rendered over time to the immediate holding company.

10 EMPLOYEE BENEFITS EXPENSE

Employee benefits expenses were all short term benefits.

11 INCOME TAX EXPENSE/(CREDIT)

	2021	2020
	\$	
Current	32	287
Under/(Over) provision of income tax in prior year	2,534	(1,160)
	<u>2,566</u>	<u>(873)</u>

Domestic income tax is calculated at 17% (2020 : 17%) of the estimated assessable profit for the financial year. The total credit for the financial year can be reconciled to the accounting profit as follows:

	2021	2020
	\$	
(Loss)/Profit before income tax	<u>(3,737)</u>	<u>5,752</u>
Income tax (credit)/expense calculated at 17%	(635)	978
Non-deductible expense	763	169
Effect of partial tax exemption and corporate tax rebate	(96)	(860)
Under/(Over) provision of prior year income tax expense	2,534	(1,160)
Income tax expense/(credit) recognised in profit or loss	<u>2,566</u>	<u>(873)</u>

RADISYS INTERNATIONAL SINGAPORE PTE. LTD.**Notes on Financial Statements for the year ended 31st December 2021****12 RECLASSIFICATIONS AND COMPARATIVE FIGURES**

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been amended in the statement of financial position and the related notes to the financial statements. Comparative figures have been reclassified to confirm to the current year's presentation.

The items were reclassified as follows:

	Previously reported	After reclassification
	2020	2020
	\$	\$
Amount due to immediate holding company (non-trade)	166,968	67,307
Amount due to related company	-	99,661
	<u>166,968</u>	<u>166,968</u>

ON BEHALF OF THE DIRECTORS

.....
Nilesh Mehta

.....
Robert Pippert

28 March 2022