

**Radisys Technologies (Shenzhen) Co. Ltd.**  
**Financial Statements**  
**for the year ended 31st December, 2020**

# Auditors' Report

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## To Radisys Technologies (Shenzhen) Co., Ltd:

### I. Audit opinion

We have audited the accompanying financial statements of Radisys Technologies (Shenzhen) Co., Ltd (hereinafter referred to as “Radisys Technologies”), which include the Statement of Assets and Liabilities as of December 31, 2020, as well as the Profit Statement, the Statement of Cash Flow, the Statement of Change in Owner’s Equity and the Notes to the Financial Statements for the year of 2020.

In our opinion, your financial statements give a true and fair view of the financial position of the Company as of December 31, 2020, and of its financial performance for the 2020 years then ended in accordance with the Accounting Standards for Business Enterprises.

### II. Basis of audit opinion

We carried out the audit according to the Chinese CPA audit standard. The “CPA’s responsibility for financial statement audits” section of the audit report further elaborates our responsibilities under these guidelines. In accordance with the Code of Professional ethics of Chinese CPA, we are independent of Radisys Technologies and perform other responsibilities of professional ethics. We believe that the audit evidence we have obtained is adequate and appropriate and provides the basis for the publication of the audit opinion.

### III. Management and Government’s Responsibility for the Financial Statements

The management of Radisys Technologies is responsible for the preparation and fair presentation of financial statements. This responsibility includes: (1) the preparation and fair presentation of financial statements as regulated in the business accounting principles; (2) the design, implementation and maintenance of the necessary internal control to enable them to be free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the sustainability of the technology company, disclosing matters relating to ongoing operations, and applying the continuing business assumptions unless the management plans to liquidate Radisys Technologies, terminate operations or have no other realistic options.

The management of Radisys Technologies is responsible for the supervision of financial reporting process.

### IV. CPA’s Responsibility for financial statement audits

Our goal is to obtain a reasonable assurance as to whether the financial statements are not present as a result of fraud or error, and to issue an audit report containing the audit opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that audits performed in accordance with audit standards can always be found in the presence of a critical misstatement. False reports may be caused by fraud or error, and it is generally considered that the misstatement is significant if a reasonable expectation of the misstatement is separate or aggregated, which may affect the economic decisions made by the users of the financial statements based on the financial statements.

In the process of performing audits in accordance with audit standards, we use professional judgment and maintain professional suspicion. At the same time, we are doing the following:

1. Identify and assess the risk of major misstatement of financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain adequate and appropriate audit evidence as a basis for the publication of audit opinions. Since fraud may involve collusion, forgery, intentional omission, misrepresentation or overriding internal control, it is not possible to find that the risk of a major misstatement due to fraud is higher than the risk of failing to detect a significant misstatement due to an error.
2. Understand internal controls related to audits to design appropriate audit procedures, but not to comment on the effectiveness of internal controls.

3. Evaluate the appropriateness of accounting policy selected by management and the rationality of accounting estimates and related disclosure made by management.
4. Draw conclusions on the appropriateness of management’s use of the sustainability assumptions. At the same time, based on the audit evidence obtained, it is possible to conclude that there is a significant uncertainty regarding the matter or circumstances in which Radisys Technologies ‘s ability to continue to operate has serious doubts. If we conclude that there is a significant uncertainty, the audit guidelines require us to draw the attention of the user in the audit report to the relevant disclosures in the financial statements; Our conclusions are based on information available at the date of the audit report. However, future events or circumstances may result in Rich technology companies not being able to operate sustainably.
5. Evaluate the overall presentation, structure and content (including disclosure) of the financial statements and evaluate whether the financial statements reflect the transactions and events fairly.

We communicate with the management on the scope of the audit, scheduling, and major audit findings, including the internal control deficiencies identified in our audits.

SHENZHEN VISION ALLIANCE  
CERTIFIED PUBLIC  
ACCOUNTANTS  
Shenzhen, China

Certified Public Accountant:

Certified Public Accountant:

05-02-2021

**Balance Sheet as at 31st December, 2020**

Prepared by : Radisys Technologies (Shenzhen) Co., Ltd.

Unit: RMB

ASSETS	Note	Line	Dec.31,2020	Dec.31,2019
<b>Current assets:</b>				
Currency fund	VI (A) 1	1	126,256.44	75,808.07
Financial assets measured at fair value through profit or loss		2		
Derivative financial assets		3		
Notes receivable		4		
Accounts receivable	VI (A) 2	5	69,634,299.95	72,812,888.22
Advance payment	VI (A) 3	6	20,472.62	35,672.05
Other receivable	VI (A) 4	7	3,307,895.67	3,206,997.67
Inventory		8		
Assets held for sale		9		
Non-current assets due within one year		10		
Other Current Assets		11		
<b>Total Current Assets</b>		12	<b>73,088,924.68</b>	<b>76,131,366.01</b>
<b>Non-current Assets:</b>				
Financial assets for sale		13		
Investment held-to-maturity		14		
Long-term accounts receivable		15		
Long-term equity investment		16		
Investment Property		17		
Fixed assets	VI (A) 5	18	222,663.16	298,650.73
Construction in progress		19		
Production of biological assets		20		
Oil and gas assets		21		
Intangible assets	VI (A) 6	22	0.07	6,822.28
Development expenditure		23		
Business goodwill		24		
Long-term unamortized expense		25		
Deferred tax assets		26		
Other non-current assets		27		
<b>Total non-current assets</b>		28	<b>222,663.23</b>	<b>305,473.01</b>
<b>Total Assets</b>		29	<b>73,311,587.91</b>	<b>76,436,839.02</b>

## Balance Sheet as at 31st December, 2020

Prepared by : Radisys Technologies (Shenzhen) Co., Ltd.

Unit: RMB

LIABILITIES AND OWNER'S EQUITY	Note	Line	Dec.31,2020	Dec.31,2019
<b>Current liabilities:</b>				
Short-term borrowing		30		
Financial liabilities measured at fair value through profit or loss		31		
Derivative financial liabilities		32		
Notes payable		33		
Account payable	VI (A) 7	34	37,401,041.57	42,359,951.80
Advance receivable		35		
Salaries & welfare payable	VI (A) 8	36	888,853.16	579,677.82
Tax and fee payable	VI (A) 9	37	41,896.64	25,259.49
Other payable	VI (A) 10	38	313,439.34	303,005.94
Liabilities held for sale		39		
Non-current liabilities due within one year		40		
Other current liabilities		41		
<b>Total Current Liabilities</b>		42	<b>38,645,230.71</b>	<b>43,267,895.05</b>
<b>Non-current Liabilities:</b>				
Long-term borrowing		43		
Bond payable		44		
Of which : Preferred stock		45		
Perpetual bond		46		
Long-term payable	VI (A) 11	47	40,329,036.67	41,059,722.67
The projected liabilities		48		
Deferred revenue		49		
Deferred income tax liabilities		50		
Other non-current liabilities		51		
<b>Total non-current liabilities</b>		52	<b>40,329,036.67</b>	<b>41,059,722.67</b>
<b>Total Liabilities</b>		53	<b>78,974,267.38</b>	<b>84,327,617.72</b>
<b>Owner's equity:</b>				
Paid-up capital	VI (A) 12	54	41,283,841.68	41,283,841.68
Other equity instruments		55		
where : Preferred stock		56		
Perpetual bond		57		
Capital reserve	VI (A) 13	58	8,281,970.29	3,686,573.29
Less:Stock Unit		59		
Other comprehensive income		60		
Special reserve		61		
Surplus reserve		62		
Undistributed profits	VI (A) 14	63	-55,228,491.44	-52,861,193.67
<b>Total Owner's Equity</b>		64	<b>-5,662,679.47</b>	<b>-7,890,778.70</b>
<b>Equities</b>		65	<b>73,311,587.91</b>	<b>76,436,839.02</b>

The notes to the Financial Statements attached is parts of the Financial Statements.

Robert Pippert  
RepresentativeEmma Yu  
Manager of Accountancy

Date: March 4, 2021

Date: March 4, 2021

## Income Statement for Year 2020

Prepared by : Radisys Technologies (Shenzhen) Co., Ltd.

Unit: RMB

Items	Note	Line	Amount of 2020	Amount of 2019
<b>I.Operating income</b>	VI (B) 1	1	7,503,603.92	5,019,118.57
Less:Operating cost	VI (B) 1	2	6,134,591.82	3,133,796.19
Taxation and Levies on main operations	VI (B) 2	3	11,066.19	1,927.37
Selling and distribution expense		4		
General and administration expenses	VI (B) 3	5	878,122.13	1,556,968.83
Research and development expenses		6		
Finance expenses	VI (B) 4	7	2,850,812.21	1,710,842.40
Of which:Interest expenses		8	2,033,914.59	1,933,927.04
Interest income		9	556.36	752.68
Add: Other incomes		10		
Investment income (loss to "-")		11		
Of which: on the joint venture and joint venture investment income		12		
Changes in fair value gains (loss to "-")		13		
Asset impairment losses (loss to "-")		14		
Assets disposal income (loss to "-")		15		
<b>II.Operating profit (loss to "-")</b>		16	-2,370,988.43	-1,384,416.22
Add:Non-operating income	VI (B) 5	17	3,690.66	
Less:Non-operating expense		18		
<b>III.Total profit (loss to "-")</b>		19	-2,367,297.77	-1,384,416.22
Less:Income taxes and fee		20		
<b>IV.Net profit/loss(loss to "-")</b>		21	-2,367,297.77	-1,384,416.22
(I) Continuous operation net profit(loss to "-")		22	-2,367,297.77	-1,384,416.22
(II) Termination of operating net profit(loss to "-")		23		
<b>V.After-tax Net amount of other comprehensive income</b>		24		
(I) Other comprehensive income which not reclassified into profit and loss		25		
1.Changes in net liabilities or net assets of Re-metering set benefit plan		26		
2. Other comprehensive income which not reclassified into profit and loss accounted in equity method		27		
(II) Other comprehensive income reclassified into profit and loss		28		
1.Other comprehensive income which reclassified into profit and loss accounted in equity method		29		
2.Changes in fair value gains and losses of Financial assets available for sale		30		
3.Investment held-to-maturity which reclassified into of Financial assets available for sale		31		
4.Effective part of the cash flow hedging gains and losses		32		
5.Conversion difference of foreign currency financial statements		33		
<b>VI、 Total comprehensive income (loss to "-")</b>		34	-2,367,297.77	-1,384,416.22
<b>VII.Earning per stock</b>		35		
(I) Base earning per stock		36		
(II) Diluted earnings per share		37		

The notes to the Financial Statements attached is parts of the Financial Statements.

Robert Pippert  
RepresentativeEmma Yu  
Manager of Accountancy

Date: March 4, 2021

Date: March 4, 2021

## Statement of Owner's Equity for 2020

Prepared by : Radisys Technologies (Shenzhen) Co., Ltd.

Unit: RMB

Items	Line	Amount of 2020											
		Paid-up Capital (capital stock)	other equity instruments			Capital Reserve	Less: shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total Owner's Equity	
			Preferred stock	Perpetual bond	Others								
<b>1. Ending balance of last year</b>	1	41,283,841.68				3,686,573.29						-52,861,193.67	-7,890,778.70
Add: adjustment for accounting policy	2												
Adjustment for mistake	3												
Other adjustment	4												
<b>2. Beginning balance of this year</b>	5	41,283,841.68				3,686,573.29						-52,861,193.67	-7,890,778.70
<b>3. Amount change this year (decrease to "-")</b>	6					4,595,397.00						-2,367,297.77	2,228,099.23
(1) Total comprehensive income	7											-2,367,297.77	-2,367,297.77
(2) Capital from owners or Capital less	8					4,595,397.00							4,595,397.00
Capital from owners	9												
Capital from other equity instruments holders	10												
Paid for share booking to owner's equity	11												
Others	12					4,595,397.00							4,595,397.00
(3) Undistributed profit	13												
Transfer to revenue reserve	14												
Distributed to shareholders	15												
Others	16												
(4) Internal transfer	17												
Transfer capital reserve to capital	18												
Transfer revenue reserve to capital	19												
Transfer revenue reserve to Loss	20												
Others	21												
<b>4. Balance of this year</b>	22	41,283,841.68				8,281,970.29						-55,228,491.44	-5,662,679.47

The notes to the Financial Statements attached is parts of the Financial Statements.

Robert Pippert  
RepresentativeEmma Yu  
Manager of Accountancy

Date: March 4, 2021

Date: March 4, 2021

## Statement of Owner's Equity for 2019

Prepared by : Radisys Technologies (Shenzhen) Co., Ltd.

Unit: RMB

Items	Line	Amount of 2019										
		Paid-up Capital (capital stock)	other equity instruments			Capital Reserve	Less: shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total Owner's Equity
			Preferred stock	Perpetual bond	Others							
<b>1.Ending balance of last year</b>	1	41,283,841.68				3,686,573.29					-51,476,777.45	-6,506,362.48
Add:adjustment for accounting policy	2											
Adjustment for mistake	3											
Other adjustment	4											
<b>2.Beginning balance of this year</b>	5	41,283,841.68				3,686,573.29					-51,476,777.45	-6,506,362.48
<b>3.Amount change this year (decrease to "-")</b>	6										-1,384,416.22	-1,384,416.22
(1)Total comprehensive income	7										-1,384,416.22	-1,384,416.22
(2)Capital from owners or Capital less	8											
Capital from owners	9											
Capital from other equity instruments holders	10											
Paid for share booking to owner's equit	11											
Others	12											
(3) Undistributed profit	13											
Trnasfer to revenue reserve	14											
Distributed to shareholds	15											
Others	16											
(4) Internal transfer	17											
Transfer capital reserve to capital	18											
Transfer revenue reserve to capital	19											
Transfer revenue reserve to Loss	20											
Others	21											
<b>4. Balance of this year</b>	22	41,283,841.68				3,686,573.29					-52,861,193.67	-7,890,778.70

The notes to the Financial Statements attached is parts of the Financial Statements.

Robert Pippert  
RepresentativeEmma Yu  
Manager of Accountancy

Date: March 4, 2021

Date: March 4, 2021



## Cash Flow Statement for year 2020

Prepared by : Radisys Technologies (Shenzhen) Co., Ltd.

Unit: RMB

Items	Note	Line	Amount of 2020	Amount of 2019
<b>1. Cash Flows From Operating Activities</b>				
Cash received form sales of goods or rendering of services		1	7,227,962.40	4,323,973.32
Refund of taxes and fee		2	3,912.10	
Other cash received relating to operating activities		3	2,470.36	806.38
Sub-total of cash inflows		4	7,234,344.86	4,324,779.70
Cash paid for goods and services		5	288,151.75	116,829.88
Cash paid to and on behalf of employees		6	5,933,891.66	3,603,675.27
Taxes paid		7	71,864.44	1,568.10
Other cash paid relating to operating activities		8	740,713.71	924,615.38
Sub-total of cash outflows		9	7,034,621.56	4,646,688.63
Net cash flows operating activities		10	199,723.30	-321,908.93
<b>2. Cash Flows from investing activities</b>				
Cash received from return of investment		11	-	
Cash received from investing profits		12	-	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		13	-	
Net cash received from disposal of the subsidiary and other business unit		14		
Other cash received relating to investing activities		15	-	
Sub-total of cash inflows		16	-	-
Cash paid to acquire fixed assets, intangible assets and other long-term assets		17	103,137.40	6,797.90
Cash paid to investments		18	-	
Cash paid to gain the subsidiary and other business unit		19		
Other cash paid relating to investing activities		20	-	
Sub-total of cash outflows		21	103,137.40	6,797.90
Net cash flows from investing activities		22	-103,137.40	-6,797.90
<b>3. Cash Flows from financing activities</b>				
Cash received from issuing		23		
Cash received from borrowings		24		
Other cash received relating to financing activities		25	-	
Sub-total of cash inflows		26	-	-
Cash payments of amounts borrowed		27	-	
Cash payments of distribution of dividends or profits or interest expenses		28	-	
Other cash payments relating to financing activities		29	-	
Sub-total of cash outflows		30	-	-
Net cash flows from financing activities		31	-	-
<b>4. Effect of foreign exchange rate changes on cash</b>		32	-46,137.53	534.14
<b>5. Net increase in cash and cash equivalents</b>		33	50,448.37	-328,172.69
Add: Beginning balance of cash and cash equivalents		34	75,808.07	403,980.76
<b>6. Ending balance of cash and cash equivalents</b>		35	126,256.44	75,808.07

The notes to the Financial Statements attached is parts of the Financial Statements.

Robert Pippert  
RepresentativeEmma Yu  
Manager of Accountancy

Date: March 4, 2021

Date: March 4, 2021

**Radisys Technologies (Shenzhen) Co., Ltd.**

**Notes to the Financial Statements**

**FOR YEAR 2020**

**I. Company Profile**

Radisys Technologies (Shenzhen) Co., Ltd. (Original name was Continuous Computing China Technologies (Shenzhen) Co., Ltd. (“the Company”) invested by Radisys Cayman Limited (Original name was “Continuous Computing Cayman Ltd.”) which was registered in Cayman Island, was incorporated in Shenzhen, Guangdong Province of The People’s Republic of China (“the PRC”). The Company obtained an approval certificated (SHANGWAIZI YUESHENWAIZIZHENG [2005] No.5028) from the People’s Government of Shenzhen on June 20, 2005 and obtained the business license (QIDUYUESHENZONG No. 315761) which issued by Administration of Industry and Commerce of the PRC on August 23, 2005. The approved operation period is from July 4, 2005 to July 4, 2035. The original registered capital was USD 3, 000, 000. 00.

On December 7, 2006, the Company increased its registered capital by USD 700, 000. 00. On August 3, 2012, a further increased in registered capital by USD1, 750, 000.00. As the result of the increase, the Company’s registered capital is USD5, 450, 000.00, and the paid-in capital is USD5, 450, 000.00.

On March 9, 2012, the Company set up Shanghai Branch and obtained the Pudong Branch business license No. of 310115500114925, issued by Pudong New Area Branch Bureau of Shanghai Municipal Administration for Industry and Commerce.

On June 28, 2012, the Company changed its name to Radisys Technologies (Shenzhen) Co., Ltd. The principal activities of the Company consist of researching, developing, designing and producing communication system (including broadband access communication system, IP data communication system, high-end routers, network switch machine which is over Gigabit equipment for switch mobile communication system and other relevant supporting decides), telecom terminal equipment, telecom equipment and relevant spare parts, developing relevant software products, providing related consultation and base services exclusive of restrictive items regulated by the government, wholesale business of communication system, telecom devices and related parts, software products and relevant goods and technologies, import and export business.

## For Year 2020

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On March 22, 2016, the Company replaced the business license with license No, of 914403007755503909.

On September 17, 2018, the Company cancelled its Shanghai Branch.

The controlling party of the Company is Radisys Corporation which was registered in USA. Reliance Industries Limited which was registered in India is the ultimate controlling party of all Radisys parent and subsidiary companies.

### **II. Preparation Basis of Financial Statements**

As of December 31, 2020, the company had a cumulative loss of RMB 55,228,491.44. Total liabilities exceed total assets by RMB 5,662,679.47. As Radisys Corporation, the controlling party of the Company, agrees not to collect the amount owed by the Company in the foreseeable future and to provide all necessary financial support to the Company when the amount owed in the foreseeable future is due for repayment in order to maintain the continuing operation of the Company, so the company is based on the continuing operations and actual transactions and matters for confirmation and measurement in accordance with the Accounting Standards for Enterprises - Basic Standards and provisions of other specific accounting standards, and prepares the financial statements on this basis.

### **III. Follow the Statement of Accounting Standards for Enterprises**

The financial statements of the company comply with the requirements of the Accounting Standards for Enterprises, and truly and completely reflect the company's financial position, operating results and cash flows and other relevant information.

### **IV. Significant Accounting Policies and Accounting Estimates**

#### **1) Accounting period**

Accounting period starts from January 1 until December 31 in solar calendar.

#### **2) Recording currency**

RMB is taken as the recording currency.

#### **3) Accounting measurement attributes**

## For Year 2020

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Financial statement items focus on historical cost measurement and the fair value measurement and its changes are included in financial assets and financial liabilities, available-for-sale financial assets, derivative financial instruments and biological assets of the current period losses and profits; investment property uses the cost model for measurement and only if there is conclusive evidence that the fair value measurement of investment property can continue to be obtained in a reliable way, it is possible to use the fair value model for measurement; for inventory and fixed assets with deferred payment beyond the normal credit terms at the time of procurement, use the present value of purchase price for measurement; for inventory suffering an impairment loss, use the net realizable value for measurement, and other impaired assets take recoverable amount (which is higher, fair value or present value) for measurement; overage assets take replacement cost for measurement.

Measurement attributes of the current financial statements have not changed.

#### **4) Definition of cash equivalents**

Cash equivalents refer to the investment held by enterprise characteristic of being short-term (usually due within three months from the date of purchase), highly liquid, readily convertible to known amounts of cash and insignificant risk of changes in value.

#### **5) Accounting treatment to foreign currency transactions**

Foreign currency transactions incurred by the Company are translated to functional currency using the exchange rate at the end of last month (usually refers to middle rate of foreign exchange rate on the day quoted by the People's Bank of China). However, the Company's foreign exchange conversion shall be translated into the amount of the functional currency at the spot exchange rate when transaction occurs.

Monetary items denominated in foreign currencies are translated using the spot rate at the balance sheet date, and the arising translation differences are included in current profit or loss. In addition: the exchange differences arising from the special foreign currency borrowings related to the acquisition and construction of assets eligible for capitalization shall be treated in accordance with the principle of capitalization of borrowing costs; and the exchange differences arising from the changes in the book balance of foreign currency monetary items available for sale other than amortized cost shall be included in other comprehensive income.

## For Year 2020

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The foreign currency non monetary items measured at historical cost shall still be measured at the amount of recording currency converted at the intermediate exchange rate published by the people's Bank of China at the end of last month on the transaction date. Foreign currency non monetary items measured at fair value shall be translated at the spot exchange rate on the date of determination of fair value. The difference between the converted amount of recording currency and the original amount of recording currency shall be treated as changes in fair value (including changes in exchange rate), included in current profit and loss or recognized as other comprehensive income and included in capital reserve.

### 6) Accounts receivable and bad debt provision

#### A. Criteria of recognizing bad debt

The Company checks the book value of the receivables on the balance sheet date, and accrues the provision for impairment if there is objective evidence that the receivables are impaired: ① the debtor has serious financial difficulties; ② the debtor violates the terms of the contract (such as default or overdue payment of interest or principal); ③ the debtor is likely to go bankrupt or carry out other financial restructuring; ④ Other objective basis indicating the impairment of receivables.

#### B. Method of provision for bad debts

At the end of the period, The Company individual receivables (including accounts receivable, notes receivable, advance payments, other receivables, long-term receivables, etc.) shall be tested for impairment separately. If there is objective evidence that it has been impaired, the impairment loss shall be recognized and the provision for bad debts shall be withdrawn according to the difference between the present value of its future cash flow and its book value.

#### C. Reversal of bad debt provision

If there is objective evidence that the value of the receivables has been recovered and is objectively related to the events occurring after the loss is recognized, the originally recognized impairment loss shall be reversed and included in the current profit and loss. However, the book value after the reversal does not exceed the amortized cost of the receivables on the reversal date under the assumption that no provision for impairment is made.

### 7) Recognition and measurement of inventory

#### A. Classification of inventories

## For Year 2020

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Inventory mainly includes raw material, work-in-process, finished goods,

### B. Inventory valuation methods

The inventory is valued at the actual cost when it is obtained, and the inventory cost includes the purchase cost, processing cost and other costs. The first-in-first-out method shall be used for pricing when receiving and dispatching.

### C. Recognition of net realizable value and provision of inventory falling price reserves

The net realizable value refers to the amount of the estimated selling price of the inventory minus the estimated cost to be incurred, the estimated selling expenses and related taxes at the time of completion in daily activities. When determining the net realizable value of the inventory, it shall be based on the conclusive evidence obtained, taking into account the purpose of holding the inventory and the impact of events after the balance sheet date.

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. When the net realizable value is lower than the cost, the inventory falling price reserves shall be withdrawn. Inventory falling price reserves shall be withdrawn according to the difference between the cost of a single inventory item and its net realizable value.

After the provision of inventory falling price reserves, if the influencing factors of inventory impairment have disappeared, resulting in the net realizable value of inventory higher than its book value, it shall be reversed within the amount of the original provision for inventory falling price reserves, and the reversed amount shall be included in the current profit and loss.

D. The Company adopts perpetual inventory system for determining the value of inventory and the cost of goods sold.

E. One-off amortization method is used for low-value consumables and package.

## 8) Recognition and measurement of fixed assets

A. Fixed asset refers to tangible assets held for product manufacturing, rendering of service, renting or operation management with service life over one accounting year.

B. Fixed asset is initially measured at costs and depreciated using straight line method over the estimated service life. Estimated service life, residual value and annual depreciation rate of different fixed assets are as follows:

Category	Depreciation period (Year)	Percentage of residual value (%)	Annual depreciation rate (%)
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**For Year 2020**

Office equipment	5	0.00	20
Communication equipment	5	0.00	20
Production equipment	5	0.00	20
R & D equipment	5	0.00	20

The estimated net residual value refers to the amount obtained by the company from the disposal of the fixed assets after deducting the estimated disposal expenses, assuming that the expected service life of the fixed assets has been completed and is in the expected state at the end of the service life.

C. If the economic benefits related to the fixed assets are likely to flow in and the cost can be reliably measured, the subsequent expenditure related to the fixed assets shall be included in the cost of the fixed assets and the book value of the replaced part shall be derecognized. Other subsequent expenditures shall be included in the current profit and loss when incurred.

The difference of the disposal income from the sale, transfer, scrap or damage of fixed assets after deducting its book value and relevant taxes shall be included in the current profit and loss.

The company reviews the service life, estimated net residual value and depreciation method of fixed assets at least at the end of the year. If there is any change, it will be treated as accounting estimate change.

**9) Recognition and measurement of intangible assets****Recognition and Calculation of Intangible Asset**

The term “intangible asset” refers to the identifiable non-monetary assets without physical shape, possessed or controlled by enterprises.

The intangible assets are initially measured by its cost. Expenses related to intangible assets, if the economic benefits related to intangible assets are likely to flow into the enterprise and the cost of intangible assets can be measured reliably, shall be recorded as cost of intangible assets. The expenses other than this shall be booked in the profit or loss when they occur.

When an intangible asset with a definite useful life is available for use, its original cost is amortized over its estimated useful life using the straight-line method.

Intangible assets shall be amortized by the following methods

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Category	Amortization period (Year)	Annual amortization rate (%)
Software	5	20

For an intangible asset with a definite useful life, the Company shall review the useful life and amortization method at the end of the period and makes adjustment when necessary.

For intangible assets with uncertain service life and those that have not reached the serviceable condition, impairment test shall be conducted on the balance sheet date.

As for the intangible assets with limited service life, if there are signs of impairment on the balance sheet date, the recoverable amount is estimated. If the recoverable amount is lower than the book value, the book value of the intangible assets shall be written down to the recoverable amount, and the written down amount shall be recognized as the impairment loss of the intangible assets and included in the current profit and loss, and the corresponding impairment provision of the intangible assets shall be accrued at the same time.

Once the loss of impairment of intangible assets has been confirmed, it will not be reversed in the future accounting period.

**10) Lease confirmation and measurement**

Financial lease is a lease that essentially transfers all risks and rewards related to the ownership of assets. Its ownership may or may not be transferred eventually. Leases other than financial leases are operating leases.

**Operating Lease****A. The Company as Lessee under Operating Lease**

Lease payments under an operating lease are recognized by a lessee on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss for the current period. The contingent rents shall be recorded in the profit or loss of the period in which they arise.

**B. The Company as Leaser under Operating Lease**

Lease income from operating leases shall be recognized by the leaser in profit or loss on a straight-line basis over the lease term. Initial direct cost of significance in amount shall be capitalized when incurred. If another basis is more systematic and rational, that basis may be used. Contingent rents are credited to profit or loss in the period in which they arise.



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### 11) Revenue recognition principles

#### A. Sales of commodity

Commodity sales revenue shall be recognized when meeting simultaneously the following conditions: (1) the company has transferred major risks and rewards of the ownership of the goods to the buyer; (2) the company retains neither the management rights associated with ownership nor implement effective control over the goods sold; (3) the amount of revenue can be measured reliably; (4) the economic benefits are likely to flow to the enterprise; (5) the cost has occurred or will occur can be measured reliably.

#### B. Rendering of services

If the results of the service transaction provided on the balance sheet date can be estimated reliably (while the amount of revenue can be reliably measured, the economic benefits may flow into the company, the progress in the completion of the transaction can be measured reliably, the transaction has occurred and will occur can be reliably measured), percentage of completion method is used to confirm the provision of labor income, and proportion of labor provided in the total amount of labor to determine the progress made in the completion of the service transaction.

If the results of the service transaction provided on the balance sheet date can not be estimated reliably, then they shall be respectively handled according to the following circumstances:

If the costs incurred are expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount; if the costs incurred are not expected to be compensated, the labor costs incurred shall be included in the current profit or loss, and service revenue is not recognized.

#### C. Transfer of the right to use assets

The transfer of the right to use assets confirms the income when the relevant economic interests are likely to flow into the enterprise and the amount of income can be reliably measured.

The determination of the amount of income from the right to use the transferred assets:

- 1) The amount of interest income shall be calculated and determined according to the time when other people use the money funds of the enterprise and the actual interest rate.
- 2) The amount of royalty income shall be calculated and determined according to the time

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and method of royalty stipulated in the relevant contracts or agreements.

**12) Recognition and measurement of enterprise income tax**

**A.** Based on the difference between the assets, the carrying value of the liabilities and their tax bases (for items not recognized as assets and liabilities that can be determined with its tax base in accordance with tax laws, use the difference between the tax base and its carrying amount), deferred income tax assets and deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

**B.** The company shall recognize the deferred income tax liabilities arising from a deductible temporary difference to the extent of the amount of the taxable income which it is most likely to obtain, and which can be deducted from the deductible temporary difference. On the balance sheet date, where there is any exact evidence showing that it is likely to acquire sufficient amount of taxable income tax in a future period to offset against the deductible temporary difference, the deferred income tax assets unrecognized in prior periods shall be recognized.

**C.** The carrying amount of deferred income tax assets shall be reexamined on balance sheet day. If it is unlikely to obtain enough taxable income taxes to offset the benefit of the deferred income tax assets, the carrying amount of the deferred income tax assets shall be written down. When it is probable to obtain enough taxable income taxes, such write-down amount shall be subsequently reversed.

**V. Tax**

The main categories and tax rates applicable to the Company are set out below:

Types of tax	Specific tax rate
Value added tax (note 1、 2 )	The output tax is calculated at the rate of 13% of the taxable income for goods sold, and 6% for service provided. VAT is paid after the output tax offset with input tax allowed at current period. Tax exemption for technical advisory services.
City maintenance and construction tax	7% of the turnover taxes actually paid.
Educational surcharge	3% of actual turnover tax paid
Local educational surcharge	2% of actual turnover tax paid

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Types of tax	Specific tax rate
Corporate income tax	25% of taxable income

Note 1: According to the Circular of the State Administration of Taxation on the Issue of Measures for the Administration of Tax Rebate (Exemption) for Export Goods (Trial Implementation) issued by the State Tax Issuance Document No. 51 [2005], the policies of VAT exemption, offset and refund shall apply to our export products.

Note 2: According to the announcement of Shenguo Tax South Reserve [2016] 0709 and the State Administration of Taxation on the Re-issuance of the "Measures for the Administration of Transboundary Taxable Service VAT Exemption from Business Tax to VAT (Trial Implementation)" (the announcement of the State Administration of Taxation No. 49 of 2014), the technical advisory services provided by the company to overseas units are exempted from VAT, and the VAT input tax of the preferential items is accounted for separately. On February 19, 2020, it obtained a tax-exempt filing form for cross-border taxable activities at Shenzhen Nanshan district Tax Authority.

**VI. Notes to the Financial Statements** (if not particularly noted, the following amount unit is in RMB yuan)

**(A) Notes to main items of the balance sheet**

**1. Currency Fund**

<u>Items</u>	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	0.00	0.00
Bank balance	126,256.44	75,808.07
Other monetary fund	0.00	0.00
Total	<u>126,256.44</u>	<u>75,808.07</u>

**2. Accounts receivable**

(1) Age Analysis

Aging	Ending balance			Beginning balance		
	Book Balance	Bad-debt Reserve	Book Value	Book Balance	Bad-debt Reserve	Book Value
Within one year	4,049,374.13	0.00	4,049,374.13	5,900,600.69	0.00	5,900,600.69
1-2 years	5,900,600.69	0.00	5,900,600.69	22,254,781.24	0.00	22,254,781.24
2-3 years	20,031,655.84	0.00	20,031,655.84	42,672,209.49	0.00	42,672,209.49
Above 3 years	39,685,670.21	33,000.92	39,652,669.29	2,018,297.72	33,000.92	1,985,296.80
Total	<u>69,667,300.87</u>	<u>33,000.92</u>	<u>69,634,299.95</u>	<u>72,845,889.14</u>	<u>33,000.92</u>	<u>72,812,888.22</u>

(2) First 5 debts are as follows:

Name of the company	Book Balance	Bad-debt Reserve	Book Value
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Radisys Corporation	69,634,299.95	0.00	69,634,299.95
Shenzhen Ludisida Co., Ltd.	33,000.92	33,000.92	0.00

(3) At the end of the period there is no accounts receivable to the shareholders who hold more than 5% (including 5%) of voting share of the Company.

(4) At the end of the period, accounts receivable of related parties amounts to RMB 69,634,299.95, accounting of 100.00% of the balance of accounts receivable.

**3. Advance Payment**

## (1) Age Analysis

Aging	Ending balance			Beginning balance		
	Book Balance	Bad-debt Reserve	Book Value	Book Balance	Bad-debt Reserve	Book Value
Within one year	20,472.62	0.00	20,472.62	35,672.05	0.00	35,672.05
1-2 years	0.00	0.00	0.00	0.00	0.00	0.00
2-3 years	0.00	0.00	0.00	0.00	0.00	0.00
Above 3 years	0.00	0.00	0.00	0.00	0.00	0.00
Total	<u>20,472.62</u>	<u>0.00</u>	<u>20,472.62</u>	<u>35,672.05</u>	<u>0.00</u>	<u>35,672.05</u>

(2) At the end of the period there is no advance payment to the shareholders who hold more than 5% (including 5%) of voting share of the Company.

(3) At the end of the period there is no advance payment to related parties.

**4. Other Receivable**

## (1) Aging analysis

Aging	Ending balance			Beginning balance		
	Book balance	Bad debt reserves	Book value	Book balance	Bad debt reserves	Book value
Within one year	100,898.00	0.00	100,898.00	100,898.00	0.00	100,898.00
1-2 years	100,898.00	0.00	100,898.00	1,722,969.89	0.00	1,722,969.89
2-3 years	1,722,969.89	0.00	1,722,969.89	1,293,616.78	0.00	1,293,616.78
Above 3 years	1,383,129.78	0.00	1,383,129.78	89,513.00	0.00	89,513.00
Total	<u>3,307,895.67</u>	<u>0.00</u>	<u>3,307,895.67</u>	<u>3,206,997.67</u>	<u>0.00</u>	<u>3,206,997.67</u>

(2) First 5 debts are as follows:

Name of the company	Book balance	Bad debt reserves	Book value
Radisys Corporation	2,810,170.67	0.00	2,810,170.67
Radisys Singapore	491,065.00	0.00	491,065.00
Deposit (Miscellaneous)	6,660.00	0.00	6,660.00

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(3) At the end of the period there is no other receivable to the shareholders who hold more than 5% (including 5%) of voting share of the Company.

(4) At the end of the period, other receivable of related parties amounts to RMB 3,301,235.67, accounting of 99.80% of the balance of other receivable.

**5. Fixed Assets**

## (1) Detailed situation

## 1) Original Cost

Items	Beginning balance	Addition	Reduce	Ending balance
communication equipment	130,548.95	34,660.64	0.00	165,209.59
production equipment	768,016.01	68,476.76	0.00	836,492.77
R & D equipment	20,227.93	0.00	0.00	20,227.93
office equipment	2,198.90	0.00	0.00	2,198.90
Total	<u>920,991.79</u>	<u>103,137.40</u>	<u>0.00</u>	<u>1,024,129.19</u>

## 2) Depreciation

Items	Beginning balance	Addition	Reduce	Ending balance
communication equipment	93,463.92	24,429.56	0.00	117,893.48
production equipment	511,346.40	151,558.43	0.00	662,904.83
R & D equipment	17,530.74	2,697.18	0.00	20,227.92
office equipment	0.00	439.80	0.00	439.80
Total	<u>622,341.06</u>	<u>179,124.97</u>	<u>0.00</u>	<u>801,466.03</u>

## 3) Impairment loss

Final found no obvious signs of impairment of fixed assets, therefore, no provision for impairment loss.

## 4) Book Value

Items	Beginning balance	Ending balance
communication equipment	37,085.03	47,316.11
production equipment	256,669.61	173,587.94
R & D equipment	2,697.19	0.01
office equipment	2,198.90	1,759.10
Total	<u>298,650.73</u>	<u>222,663.16</u>

(2) Fixed assets leased without financial lease at the end of the period.

(3) Fixed assets leased without operating lease at the end of the period.

**For Year 2020****6. Intangible Assets**

## (1) Detailed situation

## 1) Original Cost

Items	Beginning balance	Addition	Reduce	Ending balance
Computer software	97,791.50	0.00	0.00	97,791.50
Total	<u>97,791.50</u>	<u>0.00</u>	<u>0.00</u>	<u>97,791.50</u>

## 2) Accumulated amortization

Items	Beginning balance	Addition	Reduce	Ending balance
Computer software	90,969.22	6,822.21	0.00	97,791.43
Total	<u>90,969.22</u>	<u>6,822.21</u>	<u>0.00</u>	<u>97,791.43</u>

## 3) Impairment loss

Final found no obvious signs of impairment of Intangible assets, therefore, no provision for impairment loss.

## 4) Book Value

Items	Beginning balance	Ending balance
Computer software	6,822.28	0.07
Total	<u>6,822.28</u>	<u>0.07</u>

(2) No intangible assets are used for mortgage or guarantee at the end of the period.

**7. Accounts Payable**

Ending balance: 37,401,041.57

(1) At the end of the period there is no accounts payable to the shareholders who hold more than 5% (including 5%) of voting share of the Company.

(2) At the end of the period, accounts Payable of related parties amounts to RMB 37,401,041.57, accounting of 100.00% of the balance of accounts Payable.

**8. Salaries & welfare Payable**

## Details

Items	Beginning balance	Addition	Payments	Ending balance
Wages	0.00	4,761,788.92	4,761,788.92	0.00
Social insurance premiums and housing provident funds	130,263.34	525,372.45	525,372.43	130,263.36
Year-end bonus	210,855.91	268,308.84	204,715.81	274,448.94
Vacation wages	238,558.57	462,753.67	238,558.57	462,753.67
Welfare funds	0.00	97,451.92	97,451.92	0.00
Education allowance	0.00	7,288.46	7,288.46	0.00

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Sales Bonus	0.00	118,188.74	96,801.55	21,387.19
Total	<u>579,677.82</u>	<u>6,241,153.00</u>	<u>5,931,977.66</u>	<u>888,853.16</u>

**9. Tax and Fee Payable**

## Details

Items	Beginning balance	Addition	Reduce	Ending balance
VAT	-350.00	69,954.53	60,798.25	8,806.28
City maintenance and construction tax	0.00	4,255.86	4,255.86	0.00
Educational surcharge	0.00	1,823.96	1,823.96	0.00
Local educational surcharge	0.00	1,215.96	1,215.96	0.00
Personal income tax	25,609.49	290,882.48	283,401.61	33,090.36
Total	<u>25,259.49</u>	<u>368,132.79</u>	<u>351,495.64</u>	<u>41,896.64</u>

PS: Output tax is 77,543.80; Input tax is 25,671.56; Changeover VAT on purchase is 18,757.97; Tax deduction is 675.68.

**10. Other Payable**

## (1) Details

Items	Ending balance	Beginning balance
Shenzhen Jiaxin Decoration Design Engineering Co., Ltd.	285,000.00	285,000.00
Shenzhen Hefutong Technology Co., Ltd.	7,480.00	7,480.00
SZ LORDSTAR SUPPLY CHAIN MANAGEME	450.00	450.00
Accrued expenses	20,509.34	10,075.94
Total	<u>313,439.34</u>	<u>303,005.94</u>

(2) At the period end, there is no other payable of shareholders who hold more than five percent (including 5%) of voting right of the company.

(3) At the end of the period there is no other payable to related parties.

**11. Long-term Payable**

## (1) Details

Items	Ending balance	Beginning balance
Radisys Corporation	40,329,036.67	41,059,722.67
Total	<u>40,329,036.67</u>	<u>41,059,722.67</u>

(2) At the period end, there is no Long-term payable of shareholders who hold more than five percent (including 5%) of voting right of the company. The ending balance includes the borrowing principal and the interest payable to the related party. The

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Company signed borrowing agreement with the parent company. Radisys Corporation with annual compounded interest rate of 5% for 5 years, which principal and interest will be paid at maturity. On September 16 2010, the Company signed an extended agreement with Radisys Corporation with maturity date to September 30 2034, other terms and conditions remained unchanged.

- (3) At the end of the period, Long-term Payable of related parties amounts to RMB 40,329,036.67, accounting of 100.00% of the balance of Long-term Payable.

**12. Paid-up Capital****(1) Details**

Investor	Beginning balance	Percent (%)	Addition	Reduce	Ending balance	Percent (%)
Radisys Cayman Limited	41,283,841.68	100.00	0.00	0.00	41,283,841.68	100.00
Total	<u>41,283,841.68</u>	<u>100.00</u>	<u>0.00</u>	<u>0.00</u>	<u>41,283,841.68</u>	<u>100.00</u>

**(2) Actual receipt capital situation explanation**

The above paid-up capital has been verified by the capital verification report (BDYZ [2012] No. 127) issued by Shenzhen Bond Certified Public Accountants' Firm.

**13. Capital Reserve**

Investor	Beginning balance	Addition	Reduce	Ending balance
Other capital reserve	3,686,573.29	4,595,397.00	0.00	8,281,970.29
Total	<u>3,686,573.29</u>	<u>4,595,397.00</u>	<u>0.00</u>	<u>8,281,970.29</u>

**14. Undistributed Profit****Details**

Items	Current period	Prior period
Ending balance of prior period	-52,861,193.67	-51,476,777.45
Add: Undistributed profit adjustment of beginning balance	0.00	0.00
Including: Changes in accounting policies	0.00	0.00
Significant error correction of prior period	0.00	0.00
Beginning balance of current period after adjustment	-52,861,193.67	-51,476,777.45
Add: Net profit of current period	-2,367,297.77	-1,384,416.22
Other transfer-in	0.00	0.00
Less: Withdrawal legal surplus reserves	0.00	0.00
Withdrawal enterprise development fund	0.00	0.00
Transfer to capital redemption	0.00	0.00
Withdrawal discretionary surplus reserves contribution	0.00	0.00
Dividend payable	0.00	0.00
Profit converted into increased capital	0.00	0.00



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Ending balance of undistributed profits	<u>-55,228,491.44</u>	<u>-52,861,193.67</u>
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**(B) Notes to main items of the income statement****1. Operating Income / Operating Costs**

Details

## 1) Operating Income

Items	Current Amounts	Amounts of Last Year
Maintenance and technical support services	7,503,603.92	5,019,118.57
Research and development Services	0.00	0.00
Total	<u>7,503,603.92</u>	<u>5,019,118.57</u>

## 2) Operating Costs

Items	Current Amount	Amount of Last Year
Maintenance and technical support services	6,134,591.82	3,133,796.19
Research and development Services	0.00	0.00
Total	<u>6,134,591.82</u>	<u>3,133,796.19</u>

**2. Taxation and Levies on main operations**

Items	Current Amounts	Amounts of Last Year
City maintenance and construction tax	4,255.86	0.00
Educational surcharge	1,823.96	0.00
Local educational surcharge	1,215.96	0.00
Stamp tax	3,770.41	1,927.37
Total	<u>11,066.19</u>	<u>1,927.37</u>

**3. General and administrative expenses**

Items	Current Amounts	Amounts of Last Year
Employee benefits	550,873.29	834,095.95
Depreciation and amortization expenses	24,247.75	34,820.52
Maintenance expense		0.00
Rental and property management fees	41,880.00	41,720.00
Office expenses	11,061.18	22,453.30
Travelling and transportation expenses	8,206.00	128,836.04
Entertainment expenses	0.00	1,511.00
Professional service fees	168,170.34	356,279.02
Other expense	73,683.57	137,253.00
Total	<u>878,122.13</u>	<u>1,556,968.83</u>

**For Year 2020****4. Finance Expense**

Items	Current Amounts	Amounts of Last Year
Interest expense	2,033,914.59	1,933,927.04
Less: Interest income	-556.36	-752.68
Net gains on exchange	813,089.09	-226,460.68
Commission expenses and others	4,364.89	4,128.72
Total	<u>2,850,812.21</u>	<u>1,710,842.40</u>

**5. Non-operating Income**

Items	Current Amounts	Amounts of Last Year
Return of individual income tax service charge	3,690.66	0.00
Total	<u>3,690.66</u>	<u>0.00</u>

**(C) Notes to main items of the cash flow statement****1. Supplemental Information of the cash flow statement**

Items	Amount of this year	Amount of last year
<b>1. Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Net Profit	-2,367,297.77	-1,384,416.22
Add: provision for assets decrease in value		0.00
Depreciation of fixed assets	179,124.97	179,365.77
Amortization of intangible assets	6,822.21	18,775.32
Amortization of long-term deferred charges	0.00	0.00
Losses on disposing of the fixed asset, intangible assets and other long-term assets (or deduct gains)	0.00	0.00
Losses on scrapping of fixed assets	0.00	0.00
Losses from fair value change (or deduct gains)	0.00	0.00
Financial expenses (or deduct gains)	-684,548.47	2,588,948.48
Losses arising from investments (or deduct gains)	0.00	0.00
Decrease in deferred tax asset (or deduct increase)	0.00	0.00
Increase in deferred tax liabilities (or deduct: Decrease)	0.00	0.00
Decrease in inventories (or deduct gains)	0.00	0.00
Decrease in operating receivables (or deduct increase)	3,092,889.70	-1,696,448.42
Increase in operating payables (or deduct decrease)	-27,267.34	-28,133.86
Others		0.00
<b>Net cash flows from operating activities</b>	<b>199,723.30</b>	<b>-321,908.93</b>
<b>2. Non-cash revenue and expenditure to investment and fund-raising activities</b>	<b>0.00</b>	<b>0.00</b>

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Debt to capital	0.00	0.00
Due within one year convertible bonds	0.00	0.00
Lease financing of fixed assets	0.00	0.00
<b>3. Increase in cash and cash equivalents:</b>	0.00	0.00
Cash at the ending of the period	126,256.44	75,808.07
Less: Cash at the beginning of the period	75,808.07	403,980.76
Add: Cash equivalents at the ending of the period	0.00	0.00
Less: Cash equivalents at the beginning of the period	0.00	0.00
Increase in cash and cash equivalents:	50,448.37	-328,172.69

**2. Cash and cash equivalents**

Items	Amount of this year	Amount of last year
<b>1、 cash</b>	126,256.44	75,808.07
of which: cash in hand	0.00	0.00
Bank balance which can be used to pay at any time	126,256.44	75,808.07
Other cash which can be used to pay at any time	0.00	0.00
<b>2、 cash equivalents</b>	0.00	0.00
of which: Due within three months convertible bonds	0.00	0.00
<b>3、 Ending balance of cash and cash equivalents</b>	126,256.44	75,808.07
of which: cash and cash equivalents restricted using to parent company and subsidiary in group	0.00	0.00

**VII.Related Party Relationships and Transactions****(A) Identification standard for related parties**

According to the Accounting Standard for Business Enterprises No. 36 – Disclosure of Related Parties, when a party controls, jointly controls or exercises significant influence over another party, or when two or more parties are under the control, joint control or significant influence of the same party, the related party relationships are constituted.

**(B) Related Party Relationships****1. Parent Company and Ultimate Controlling Parties**

Name of parent	Registration place	Nature of business	Registered capital (USD)	Controlling interest (%) by parent	Voting right (%) by parent
Radisys Cayman Limited	Cayman	Investment holding	0.00	100.00	100.00

The parent company is Radisys Corporation.

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## 2. Other Related Parties

Unit Names	Relations with the Company
Radisys Corporation	Controlling party
Radisys Singapore	Fellow subsidiary under the same control
Radisys Systems Equipment Trading (Shanghai) Co., Ltd.	Fellow subsidiary under the same control

**(C) Main business transactions between the Company and related parties**

## 1. Purchase

Related Parties	Content of business transactions	Current Amounts	Amounts of Last Year
Radisys Corporation	Purchasing raw materials	0.00	0.00
Radisys Corporation	Purchasing fixed assets	0.00	0.00

## 2. Sales

Related Parties	Content of business transactions	Current Amounts	Amounts of Last Year
Radisys Corporation	Sale of finished products	0.00	0.00
Radisys Corporation	Providing technical support services	7,581,286.28	5,019,118.57
Radisys Corporation	Providing R&D services	0.00	0.00
Radisys Corporation	Sale of used materials	0.00	0.00
Radisys Corporation	Sale of fixed assets	0.00	0.00

## 3. Amount of unsettled items of related parties

Items and affiliated party name	Ending balance		Beginning balance	
	Book balance	Bad debt reserves	Book balance	Bad debt reserves
①Accounts receivable				
Radisys Corporation	69,634,299.95	0.00	72,812,888.22	0.00
②Other receivables				
Radisys Corporation	2,810,170.67	0.00	2,810,170.67	0.00
Radisys Singapore	491,065.00	0.00	390,167.00	0.00
③Accounts payable				
Radisys Corporation	35,004,114.59	--	39,599,511.59	--
Radisys Systems Equipment Trading (Shanghai) Co., Ltd.	2,396,926.98	--	2,759,645.01	--
④Long-term payable				

**For Year 2020**

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Radisys Corporation	40,329,036.67		41,059,722.67	--
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**VIII. Contingency**

By the balance sheet date, the company has no significant matters to be disclosed.

**IX. Commitments**

By the balance sheet date, the company has no significant commitments to be disclosed.

**X. Non-Adjusting Events After Balance Sheet Date**

By the date when the financial statements are authorized for issue, the company has no disclosure of non-adjusting events after balance sheet date.

**Radisys Technologies (Shenzhen) Co., Ltd**  
**05-02-2021**

**Robert Pippert**  
**Representative**

**Date: March 4, 2021**

**Emma Yu**  
**Manager of Accountancy**

**Date: March 4, 2021**