

RELIANCE JIO INFOCOMM PTE LTD

FINANCIAL STATEMENTS

For the year ended 31st December, 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
RELIANCE JIO INFOCOMM PTE LTD**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Reliance Jio Infocomm Pte Ltd (the "Company"), which comprise the statement of financial position as at December 31, 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 31.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (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 December 31, 2021 and of the financial performance, changes in equity and cash flows of the Company for the year 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 *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.

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

Management is responsible for the other information. The other information comprises the Director's 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 RELIANCE JIO INFOCOMM PTE LTD

Responsibilities of Management and Director 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 director's 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:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
RELIANCE JIO INFOCOMM PTE LTD**

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

We communicate with the director 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.

ANG PEI CHENG
Partner
Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

April 14, 2022

RELIANCE JIO INFOCOMM PTE LTD
STATEMENT OF FINANCIAL POSITION
Year ended December 31, 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		US\$	US\$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	6	24,310,608	40,953,645
Trade and other receivables	7	21,203,339	17,563,152
Prepayments		2,360,686	1,589,069
Total current assets		<u>47,874,633</u>	<u>60,105,866</u>
Non-current assets			
Plant and equipment	8	182,656,029	95,154,134
Intangible assets	9	46,332,420	42,989,065
Right-of-use-asset	10	29,855	65,680
Prepayments		9,537,810	6,253,081
Total non-current assets		<u>238,556,114</u>	<u>144,461,960</u>
Total assets		<u>286,430,747</u>	<u>204,567,826</u>
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Contract liabilities	11	8,286,370	7,001,661
Trade and other payables	12	62,930,898	9,892,529
Lease liability	13	32,356	37,048
Total current liabilities		<u>71,249,624</u>	<u>16,931,238</u>
Non-current liabilities			
Contract liabilities	11	60,287,787	46,990,153
Lease liability	13	-	31,455
Deferred tax liabilities	14	3,687,626	1,113,992
Total non-current liabilities		<u>63,975,413</u>	<u>48,135,600</u>
Capital and reserve			
Share capital	15	129,400,000	129,400,000
Retained earnings		21,805,710	10,100,988
Net equity		<u>151,205,710</u>	<u>139,500,988</u>
Total liabilities and equity		<u>286,430,747</u>	<u>204,567,826</u>

See accompanying notes to financial statements.

RELIANCE JIO INFOCOMM PTE LTD
STATEMENT OF PROFIT OF LOSS AND OTHER COMPREHENSIVE INCOME
Year ended December 31, 2021

	<u>Note</u>	<u>2021</u> US\$	<u>2020</u> US\$
Revenue from operations	16	90,694,777	71,072,974
Other operating income	17	57,674	602,723
Purchases and related cost		(3,373,667)	(400,000)
Depreciation and amortisation		(9,817,027)	(9,448,647)
Employee benefits expense		(268,111)	(282,312)
Finance cost		(1,039)	(1,862)
Bandwidth charges		(15,555,880)	(11,877,968)
Repair and maintenance expenses		(5,943,195)	(6,175,651)
Voice charges		(39,120,330)	(33,793,666)
Other operating expenses	18	<u>(2,394,846)</u>	<u>(2,097,970)</u>
Profit before income tax	19	14,278,356	7,597,621
Income tax expense	20	<u>(2,573,634)</u>	<u>(1,076,450)</u>
Profit for the year, representing total comprehensive income for the year		<u>11,704,722</u>	<u>6,521,171</u>

See accompanying notes to financial statements.

**RELIANCE JIO INFOCOMM PTE LTD
STATEMENT OF CHANGES IN EQUITY
Year ended December 31, 2021**

	Share capital	Retained earnings	Net equity
	US\$	US\$	US\$
At January 1, 2020	129,400,000	3,579,817	132,979,817
Profit for the year, representing total comprehensive income for the year	-	6,521,171	6,521,171
At December 31, 2020	129,400,000	10,100,988	139,500,988
Profit for the year, representing total comprehensive income for the year	-	11,704,722	11,704,722
At December 31, 2021	129,400,000	21,805,710	151,205,710

See accompanying notes to financial statements.

RELIANCE JIO INFOCOMM PTE LTD
STATEMENT OF CASH FLOWS
Year ended December 31, 2021

	2021	2020
	US\$	US\$
Operating activities		
Profit before income tax	14,278,356	7,597,621
Adjustments for:		
Depreciation and amortisation	9,817,026	9,448,647
Interest income	(57,674)	(602,723)
Interest expense	1,039	1,862
Operating cash flows before working capital changes	24,038,747	16,445,407
Trade and other receivables	(3,552,401)	992,164
Inventories	3,373,667	400,000
Prepayments	(4,056,346)	(1,758,276)
Trade and other payables	53,038,369	3,056,840
Contract liabilities	14,582,343	12,479,030
Cash generated from operations	87,424,379	31,615,165
Interest paid	(1,039)	(1,862)
Net cash from operating activities	87,424,340	31,613,303
Investing activities		
Purchase of plant and equipment	(96,490,552)	(38,074,690)
Payment for intangible assets	(7,597,352)	(3,869,180)
Repayment from related company	-	45,000,000
Interest received	57,674	599,431
Net cash (used in) from investing activities	(104,030,230)	3,655,561
Financing activity		
Repayment of lease liability (Note 13), representing net cash used in financing activity	(36,147)	(33,254)
Net (decrease) increase in cash and cash equivalents	(16,643,037)	35,235,610
Cash and cash equivalents at the beginning of the year	40,953,645	5,718,035
Cash and cash equivalents at the end of the year	24,310,608	40,953,645

See accompanying notes to financial statements.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

1 GENERAL

The Company (Registration No. 201303361N) is incorporated in the Republic of Singapore with its principal place of business and registered office at 250 North Bridge Road, #16-02A, Raffles City Tower, Singapore 179101.

The principal activities of the Company is to establish international connectivity and provision of services related to international and domestic Bandwidth, IP Transit, IP Peering, Internet Exchange, Voice and Data Roaming and Dark Fibre. The Company was granted a Licence on July 8, 2013 to provide Facilities - Based Operations ("FBO") by the Info-Communications Development Authority of Singapore (now known as Info-communications Media Development Authority of Singapore).

The financial statements of the Company for the financial year ended December 31, 2021 was authorised for issue by the Director on April 11, 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 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 these financial statements is determined on such a basis, except for 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.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 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 FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after January 1, 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, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Company were issued but not effective:

Effective for annual periods beginning on or after April 1, 2021

- Amendment to FRS 116: *Covid-19-Related Rent Concessions beyond 30 June 2021*

Effective for annual periods beginning on or after January 1, 2022

- Amendments to FRS 16: *Property, Plant and Equipment - Proceeds before Intended Use*
- Annual Improvements to FRSs 2018 - 2020

Effective for annual periods beginning on or after January 1, 2023

- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*
- Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Management anticipates that the adoption of the new or revised FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements in the period of their initial adoption.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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 assets

Classification of financial asset

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.

**RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021**

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 assets 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. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost 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.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables. 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 using a provision matrix 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 financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if, 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.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

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.

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 in the case of trade receivables, when the amounts are over 365 days past due and it is established that debts are likely to be irrecoverable or that it is uneconomic to pursue further the debt, whichever occurs sooner. 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 it transfers the financial asset and substantially all the risks and rewards of

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

ownership of the asset to another party. 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 instruments

Classification as debt or equity

Financial liabilities 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.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables when the effect of discounting is immaterial.

Derecognition of financial liabilities

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

LEASES

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in the statement of profit or loss.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in-first-out basis. Cost comprises cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

PLANT AND EQUIPMENT - Plant and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses. Plant and equipment in the course of construction for production, supply and administrative purpose is carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing cost capitalised in accordance with Company's accounting policy. Depreciation commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following basis:

Plant and machinery - 5 to 15 years

Construction work-in-progress is reclassified to the respective categories of plant and equipment upon completion of project. Depreciation only begin when the relevant assets are available for use.

The estimated useful lives, residual values and depreciation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

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

Fully depreciated assets still in use are retained in the financial statements.

INTANGIBLE ASSETS - Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

IMPAIRMENT OF NON-FINANCIAL ASSETS - At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

REVENUE RECOGNITION - The Company recognises revenue from establishing international connectivity and providing services related to international and domestic Bandwidth, IP Transit, IP Peering, Internet Exchange, Voice and Data Roaming and Dark Fibre. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer. The Company has concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to the customer.

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

Rendering of services

Revenue from a contract to provide voice services and sale of ownership rights in submarine cable capacity is recognised at point in time and revenue from contracts to provide data services (including IP transit, sale of bandwidth on lease / IRU and Operation and Maintenance of network infrastructure) is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration (net of any discounts, rebates, credits, price incentives or similar terms) is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 30-60 days from the delivery of services.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax laws and rates that have been enacted or substantively enacted by the reporting date.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle from carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

FOREIGN CURRENCY TRANSLATION - The financial statements of the Company are presented in United States dollars, the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences are recognised in profit or loss in the period in which they arise.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash on hand, bank balances and demand deposits 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 judgement are not expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The 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, are discussed below.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

Impairment of plant and equipment and intangible assets

The Company assesses annually whether plant and equipment and intangible assets have any indication of impairment in accordance with the accounting policy. If an indication of impairment is identified, the carrying amounts of the plant and equipment and intangible assets are determined on the basis of the net recoverable amounts. The net recoverable amount is determined based on higher of fair value less cost to sell and value-in-use. The carrying amount of plant and equipment and intangible assets are disclosed in Notes 8 and 9 to the financial statements.

Calculation of loss allowance

When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of the Company's trade and other receivables are disclosed in Note 7.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

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

	<u>2021</u>	<u>2020</u>
	US\$	US\$
Financial assets		
Financial assets at amortised cost	<u>45,513,947</u>	<u>58,516,797</u>
Financial liabilities		
Financial liabilities at amortised cost	62,930,898	9,961,032
Lease Liabilities	<u>32,356</u>	<u>68,003</u>

a) Credit risk management

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting a loss to the Company.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

The Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Cash is held with a reputable financial institution.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

b) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company has minimal interest rate risk as the cash and cash equivalents and loans to related company are placed on a short-term basis and the Company does not have any financial liabilities which are subject to variable interest payments at any time during the financial period, except for the lease liability as disclosed in Note 13 to the financial statements.

c) Foreign exchange risk management

Foreign exchange risk is the risk that the values of a financial instrument will fluctuate due to changes in foreign exchange rates. Those exposures are managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

At the end of reporting period, the carrying amount of monetary assets and monetary liabilities denominated in currency other than the Company's functional currency is as follow:

	<u>Assets</u>		<u>Liabilities</u>	
	2021	2020	2021	2020
	US\$	US\$	US\$	US\$
Singapore Dollar	39,553	97,503	1,481	23,180

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's profit or loss and equity arising from the effects of reasonably possible changes to foreign exchange rates at the end of the reporting period.

d) Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company will ensure that sufficient liquidity is available to meet all of its commitments by raising loans or arranging other facilities as and when required. The management expects to remain liquid through positive operating cash flows in the next 12 months.

e) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, loan to related party, other receivables, other payables, other accruals and lease liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments or bears interest rates at market interest rates.

f) Capital management policies and objectives

The Company's objectives while managing capital are to safeguard its ability to continue as a going concern. The Company is not a debt geared Company and the equity is attributable to the parents of the Company. The capital management process is determined and managed at the ultimate holding Company level. The Company's overall strategy remains unchanged from the previous financial year.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of Reliance Jio Infocomm Limited, incorporated in India. The ultimate holding Company is Reliance Industries Limited, also incorporated in India. Related companies in these financial statements refer to members of the ultimate 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.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

Intercompany balances are unsecured, interest-free and repayable on due dates as per the credit terms listed in the invoices. The average credit terms are 30 to 45 days (2020 : 30 to 45 days).

All significant transactions with holding company and related companies:

	2021	2020
	US\$	US\$
<u>Immediate holding company</u>		
Sale of goods and services	28,550,905	23,312,345
Transfer of fixed assets	87,786	254,216
Voice charges	(27,283,729)	(27,437,453)
Bandwidth cost	(6,095,667)	(3,261,094)
<u>Related companies</u>		
IP transit charges	(8,231,176)	(6,664,655)
Professional services received	(286,568)	(286,568)
Interest income	-	318,864
Sale of goods and services	2,766,982	450,045

Compensation of key management personnel

There are no key management personnel apart from the Company's director. Director's remuneration is disclosed in Note 19 to the financial statements, which comprises of only short-term benefits.

6 CASH AND CASH EQUIVALENTS

	2021	2020
	US\$	US\$
Cash at bank	647,979	804,368
Fixed deposits	23,662,629	40,149,277
	<u>24,310,608</u>	<u>40,953,645</u>

The interest rate of fixed deposits range from 0.07% to 0.32% (average being 0.19%) (2020 : 0.12% to 0.75%) and for tenures of 3 months (2020 : 3 months).

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

7 TRADE AND OTHER RECEIVABLES

	2021	2020
	US\$	US\$
Outside parties	12,000,027	12,109,832
Trade receivables due from immediate holding company	8,737,185	5,400,021
Trade receivables due from other related companies	456,866	44,038
Rent deposit	9,261	9,261
	<u>21,203,339</u>	<u>17,563,152</u>

The average credit period on trade receivables is 30 to 60 days (2020 : 30 to 60 days). No interest is charged on overdue receivables.

Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by 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.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The management concluded that the expected credit loss allowance is immaterial after applying lifetime ECL as the debtors are of good creditability. Thus, no allowance provision for the amounts was recognised.

The table below is an aging analysis of trade receivables as at the reporting date:

	2021	2020
	US\$	US\$
Not past due and not impaired	7,847,070	9,516,042
Past due and not impaired:		
<30 days	3,988,786	6,602,419
31 to 60 days	1,811,090	1,084,714
61 to 90 days	1,143,467	194,096
>90 days	6,412,926	156,620
	<u>21,203,339</u>	<u>17,553,891</u>

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

8 PLANT AND EQUIPMENT

	Plant and machinery	Construction work-in- progress	Total
	US\$	US\$	US\$
Cost:			
At January 1, 2020	75,255,187	1,266,659	76,521,846
Additions	-	38,074,690	38,074,690
Transfer to plant and machinery	1,284,829	(1,284,829)	-
Transfer to inventories ⁽¹⁾	-	(400,000)	(400,000)
Transfer to immediate holding company	-	(254,216)	(254,216)
At December 31, 2020	76,540,016	37,402,304	113,942,320
Additions	-	96,490,552	96,490,552
Transfer to plant and machinery	4,282,217	(4,282,217)	-
Transfer to inventories ⁽¹⁾	-	(3,373,667)	(3,373,667)
Transfer to immediate holding company	-	(87,786)	(87,786)
At December 31, 2021	<u>80,822,233</u>	<u>126,149,186</u>	<u>206,971,419</u>
Accumulated depreciation:			
At January 1, 2020	13,503,745	-	13,503,745
Depreciation for the year	5,284,441	-	5,284,441
At December 31, 2020	18,788,186	-	18,788,186
Depreciation for the year	5,527,204	-	5,527,204
At December 31, 2021	<u>24,315,390</u>	<u>-</u>	<u>24,315,390</u>
Carrying amount:			
At December 31, 2021	<u>56,506,843</u>	<u>126,149,186</u>	<u>182,656,029</u>
At December 31, 2020	<u>57,751,830</u>	<u>37,402,304</u>	<u>95,154,134</u>

The Company has participated in consortium arrangements with various telecommunication companies for joint laying of cable systems and development of network infrastructure necessary for providing telecommunication services in Singapore. The amounts paid by the Company as part of the consortium arrangements are included under "Construction work-in-progress".

- ⁽¹⁾ The Company identified certain items of plant and machinery for transfer to inventories. During the respective financial years, all inventories transferred from plant and machinery during the respective reporting periods have been sold as at the end of the respective reporting periods.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

9 INTANGIBLE ASSETS

	Rights-to-use Capacity	Intangible assets under Development	Total
	US\$	US\$	US\$
Cost:			
At January 1, 2020	58,757,652	-	58,757,652
Additions	-	3,869,180	3,869,180
Transfer to rights-to-use capacity	450,000	(450,000)	-
At December 31, 2020	59,207,652	3,419,180	62,626,832
Additions	-	7,597,352	7,597,352
Transfer to rights-to-use capacity	3,038,030	(3,038,030)	-
At December 31, 2021	62,245,682	7,978,502	70,224,184
Accumulated amortisation:			
At January 1, 2020	15,509,387	-	15,509,387
Charge for the year	4,128,380	-	4,128,380
At December 31, 2020	19,637,767	-	19,637,767
Charge for the year	4,253,997	-	4,253,997
At December 31, 2021	23,891,764	-	23,891,764
Carrying amount:			
At December 31, 2021	38,353,918	7,978,502	46,332,420
At December 31, 2020	39,569,885	3,419,180	42,989,065

The "Rights-to-use capacity" has a useful life of 15 years from the date of agreement and is amortised over the balance useful life from the commencement of usage.

The amortisation expense has been included in the line item "depreciation and amortisation expense" in profit or loss.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

10 RIGHT OF USE ASSET

The Company leases office space with a lease term of 3 years.

	<u>Office</u>
	US\$
Cost:	
At December 31, 2020 and December 31, 2021	<u>107,477</u>
Accumulated depreciation:	
At January 1, 2020	5,971
Charge for the year	<u>35,826</u>
At December 31, 2020	41,797
Charge for the year	<u>35,825</u>
At December 31, 2021	<u>77,622</u>
Carrying amount:	
At December 31, 2021	<u>29,855</u>
At December 31, 2020	<u>65,680</u>

11 CONTRACT LIABILITIES

The revenue are billed upfront as part of the initial sales transaction whereas revenue is recognised over the period when services are provided to the customers. A contract liability is recognised for revenue relating to the services at the time of the initial sales transaction and is released over the service period.

There was a net increase of US\$ 14,582,343 (2020 : US\$12,479,030) in the contract liability balances during the reporting period. The amount of revenue recognised in the current reporting period which relates to brought-forward contract liabilities is US\$ 6,954,894 (2020 : US\$5,629,931).

12 TRADE AND OTHER PAYABLES

	<u>2021</u>	<u>2020</u>
	US\$	US\$
Advances from customers	46,634,652	-
Outside parties	12,291,127	5,295,667
Amount due to immediate holding company (Note 5)	2,073,756	3,293,618
Amount due to related companies (Note 5)	1,913,589	1,286,600
Accruals	<u>17,774</u>	<u>16,644</u>
	<u>62,930,898</u>	<u>9,892,529</u>

The credit period on purchases of goods range from 30 to 45 days (2020 : 30 to 45 days). No interest is charged on overdue balances.

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

13 LEASE LIABILITY

	2021	2020
	US\$	US\$
Maturity analysis:		
Within 1 year	33,145	38,381
2 to 5 years	-	33,145
	<u>33,145</u>	<u>71,526</u>
Less: Unearned interest	(789)	(3,023)
	<u>32,356</u>	<u>68,503</u>
Analysed as:		
Current	32,356	37,048
Non-current	-	31,455
	<u>32,356</u>	<u>68,503</u>

The Company does not face a significant liquidity risk with regard to its lease liabilities.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statements of cash flows as cash flows from financing activities.

	January 1, 2021	Financing cash flows	December 31, 2021
	US\$	US\$	US\$
<u>2021</u>			
Lease liability	<u>68,503</u>	<u>(36,147)</u>	<u>32,356</u>
	January 1, 2020	New lease liabilities	December 31, 2020
	US\$	US\$	US\$
<u>2020</u>			
Lease liability	<u>107,477</u>	<u>-</u>	<u>(33,254)</u>
			<u>68,503</u>

**RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021**

14 DEFERRED TAX LIABILITES

The following are the deferred tax liabilities recognised by the Company, and the movements thereon, during the financial year:

	Accelerated tax depreciation	Unabsorbed capital allowances	Unutilised tax losses	Total
	US\$	US\$	US\$	US\$
At January 1, 2020	(512,304)	434,983	39,779	(37,542)
Credit to profit or loss for the period	(609,630)	(427,232)	(39,588)	(1,076,450)
At December 31, 2020	(1,121,934)	7,751	191	(1,113,992)
Credit to profit or loss for the period	(2,484,509)	(88,002)	(1,123)	(2,573,634)
At December 31, 2021	(3,606,443)	(80,251)	(932)	(3,687,626)

15 SHARE CAPITAL

	Number of ordinary shares	US\$
Issued and fully paid:		
Balance at January 1, 2019, December 31, 2019, December 31, 2020 and December 31, 2021	129,400,000	129,400,000

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

16 REVENUE FROM OPERATIONS

A disaggregation of the Company's revenue are as follows:

	2021 US\$	2020 US\$
Types of goods and service		
Proxy Sale	3,373,667	400,000
Bandwidth Lease Charges	2,186,189	2,186,189
Bandwidth Services	22,128,785	13,799,268
Indefeasible Right of Usage ("IRU")	4,346,865	2,636,868
Network Operations Center & Network Administrator ("NOC & NA")	670,578	711,054
Voice Charges	40,645,826	35,005,152
Operational and Maintenance Service	3,783,620	3,036,516
Internet Access Ports Transit ("IP")	13,559,247	13,297,927
	<u>90,694,777</u>	<u>71,072,974</u>

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

	2021	2020
	US\$	US\$
Geographical Markets		
Asia & Middle East	67,962,630	60,197,415
Europe	12,386,232	5,116,827
USA	10,311,036	5,722,692
South East Africa	34,879	36,040
	<u>90,694,777</u>	<u>71,072,974</u>

Timing of revenue recognition

At a point in time	44,019,493	35,405,152
Over time	46,675,284	35,667,822
	<u>90,694,777</u>	<u>71,072,974</u>

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for services as at the end of the reporting period is US\$68,574,157 (2020 : US\$53,991,814). Management expects that US\$8,286,370 (2020 : US\$7,001,661) will be recognised as revenue during the next reporting period. The remaining amounts would be recognised in future financial periods when all performance obligations have been fulfilled.

17 OTHER OPERATING INCOME

	2021	2020
	US\$	US\$
Interest income	<u>57,674</u>	<u>602,723</u>

18 OTHER OPERATING EXPENSES

	2021	2020
	US\$	US\$
Colocation charges	1,392,678	1,403,860
License fees	463,322	286,680
Professional fees	44,521	39,996
Rent expense	309	-
Levies and fees	374,871	249,333
Others	119,145	118,101
	<u>2,394,846</u>	<u>2,097,970</u>

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

19 PROFIT BEFORE INCOME TAX

Profit before income tax includes the following charges:

	2021	2020
	US\$	US\$
Interest expense on lease	1,039	1,862
Director's remuneration	108,210	119,467
Costs of defined contribution plans included in employee benefits Expenses	20,318	19,622
Employee benefits expenses (including director's remuneration and employer's contributions to CPF)	268,111	282,312
Net foreign exchange losses	3,641	9,456

Amount recognised in profit or loss relating to leases

	2021	2020
	US\$	US\$
Depreciation expense on right-of-use assets	35,825	35,826
Interest expense on lease liabilities	1,039	1,862
Expense relating to short-term leases	309	-

20 INCOME TAX EXPENSE

	2021	2020
	US\$	US\$
Deferred tax expenses	2,573,634	1,076,450

The income tax expense varied from the amount of tax expense determined by applying the Singapore tax rate of 17% (2020 : 17%) to profit before income tax as a result of the following differences:

	2021	2020
	US\$	US\$
Profit before income tax	14,278,356	7,597,621
Income tax expense at statutory rate	2,427,321	1,291,596
Effect of utilisation of tax losses and tax offsets previously not recognised as deferred tax assets	(15,208)	(466,820)
Others	161,521	251,674
Total income tax expense	2,573,634	1,076,450

RELIANCE JIO INFOCOMM PTE LTD
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2021

21 CAPITAL COMMITMENTS

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	<u>2021</u>	<u>2020</u>
	US\$	US\$
Commitments for the acquisition of plant and equipment	<u>10,971,996</u>	<u>39,650</u>

Other capital commitment

The Company entered into a Joint Build Agreements (JBA) and a Supply Contract for the construction of two new interconnected Submarine cable systems. Total commitment by the Company towards the construction of these two cables up to the point when it is ready for service is approximately US\$250 million.