

**Radisys Systems Equipment  
Trading (Shanghai) Co. Ltd  
Financial Statements  
for the year ended 31st December, 2020**

## REPORT OF THE AUDITORS

**To the board of directors of Radisys Systems Equipment Trading (Shanghai) Co., Ltd.**

### **Audit opinion**

We have audited the financial statements of **Radisys Systems Equipment Trading (Shanghai) Co., Ltd.** (hereinafter referred to as "the company"), which comprise the balance sheet as of 31 December 2020, the income statement, the cash flow statement and the statement of changes in equity for the year then ended and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

### **Form the basis of audit opinion**

We have carried out the audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs "). The section of the audit report " Responsibility of certified public accountants for the audit of financial statements " further expounds our responsibilities under these standards. According to China code of professional ethics for certified public accountants, we are independent of the company and perform other responsibilities in the field of professional ethics in accordance with the China Code of Ethics for Certified Public Accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for the publication of the audit opinion.

### **Other information**

The company's management is responsible for the other information. The other information comprises all the information included in 2020 annual report of the company, other than the financial statements and our auditor's report thereon.

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.

### **Responsibility of management for the financial statements**

The management of the company (hereinafter referred to as the "management") is responsible for the preparation of financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises (and, to achieve fair reflection, and designing, implementing, and maintaining internal control, so that the financial statements are free from material misstatements due to fraud or error.

When preparing financial statements, management is responsible for

evaluating the company's ability to continue as a going concern, disclosing matters related to going concern (if applicable), and applying the going concern assumption unless management plans to liquidate the company, cease operation or has no other realistic alternative but to do so.

### **Responsibility of certified public accountants for the audit of financial statements**

Our objectives are to get a 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 audit report containing audit opinions. Reasonable assurance is a high-level assurance, but it does not a guarantee that an audit carried out in accordance with the CSAs will always detect a material misstatement when it exists.

Misstatement can be caused by fraud or error and can be 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.

In the process of implementing audit according to CSAs , we exercised professional judgment and maintained professional skepticism. And, we also carry out the following work:

(1) Identify and evaluate the risks of material misstatement of the financial statements, whether due to fraud or error, design and implement audit procedures responsive to those risks, and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Because fraud may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

(2) Obtain an understanding of the internal control related to audit to

design appropriate audit procedures, but the purpose is not to express opinions on the effectiveness of internal control.

(3) Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) 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 there is a material uncertainty, we are required to draw users' attention to relevant disclosures in the financial statements of the audit report. If such disclosures are inadequate, to modify audit opinion. Our conclusions are based on the information available as of the date of the audit report. However, future matters or circumstances may lead to the company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content (including disclosure) of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance about the planned audit scope, timing and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Appendices:**

1. A copy of the Company 's Balance Sheet as of 31 December 2020
2. A copy of the Company's Income Statement for the year ended 31 December 2020.
3. A copy of the Company's Cash Flow Statement for the year ended 31 December2020.
4. A copy of the Company's Statement of Changes in Equity for the year ended 31December 2020.
5. A copy of the Company's Notes of the Financial Statements for the year 2020.
6. A copy of the Company's taxable income reconciliation for the year 2020.

Shanghai Kingwood Certified Public Accountants Co, Ltd

Shanghai,China

Jan.18,2021

## BALANCE SHEET

		31 December 2020			
Item	Ending Balance	Beginning Balance	Item	Ending Balance	Unit: CNY Beginning Balance
<b>Current Assets :</b>	—	—	<b>Current Liabilities :</b>	—	—
Monetary fund	9,161.28	121,974.81	Short-term loan		
Δ Trading financial assets			Δ Trading financial liabilities		
# Short-term investments			# Warrant payable		
Notes receivable			Notes payable		
Accounts receivable	11,777,867.06	12,789,422.61	Accounts payable		
Advances to suppliers	3,580.00	3,580.00	Advances receipt		
Dividends receivable			Wages payable		362,718.03
Interests receivable			Including: Accrued payroll		362,718.03
Other receivable	7,260.00	7,260.00	Allowance payable		
Inventories			Including: Staff and workers' bonus and welfare fund		
Including: Raw materials			Tax and fee payable		
Finished goods(commodities in stock)			Including: Taxes payable		
Long-term investments maturing within one year			Interests payable		
Other current assets			Dividends payable		
<b>Total Current Assets</b>	<b>11,797,868.34</b>	<b>12,922,237.42</b>	Other payable		10,538.06
<b>Non-Current Assets :</b>	—	—	Long-term liabilities due within one yea		
Δ Financial assets available for sale			Other current liabilities		
Δ Held-to-maturity investment			<b>Total Current Liabilities</b>	-	373,256.09
# Long-term debt investments			<b>Long-term Liabilities:</b>		
Δ Long-term receivables			Long-term borrowings		
Long-term equity investments			Debentures payable		
# Right of equity Separation and Circulation			Long-term payables		
Δ Investment real estate			Special accounts payable		
Fixed assets--cost			Accrued liabilities		
Less: accumulated depreciation			Δ Deferred income tax credits		
Fixed assets--net value			# Deferred tax credit		
Less: Provision for impairment of fixed assets	-		Other long-term liabilities		
Fixed assets--written-down value			Including: Specially approved reserving fund		
Constructions in progress			<b>Total Long-term Liabilities</b>	-	-
Goods and materials for construction			<b>TOTAL LIABILITIES</b>	-	373,256.09
Disposal of fixed assets			<b>Owner's Equity(or Shareholders Equity):</b>		
Δ Productive living assets			Paid-in Capital	3,476,298.00	3,476,298.00
Δ Oil and gas assets			National capital		
Intangible assets			Collective capital		
Including: Land occupancy rights			Legal person's capital		
Δ R&D expenses			Including: State-owned legal person's capital		
Δ Goodwill			Collective legal person's capital		
#* Consolidated price difference			Chinese investment		
Long-term deferred expenses			Foreign investment	3,476,298.00	3,476,298.00
Δ Deferred income tax charges			Less: Investments returned		
# Deferred taxes debit			Net Value of Subscribed Capital	3,476,298.00	3,476,298.00
Other long-term assets			Capital Surplus		
Including: Specially approved reserving materials			Less: Treasury stock		
<b>Total Non-Current Assets</b>	-	-	Surplus Reserve	1,738,149.00	1,738,149.00
			Including: Statutory surplus reserve		
			Other surplus reserve		
			Reserve fund	1,738,149.00	1,738,149.00
			Enterprise expansion fund		
			Return investment by investment		
			Δ General risk preparation		
			* # Unrecognized losses on investment		
			Undistributed profits	6,583,421.34	7,334,534.33
			Including: Cash dividends		
			* Differences on foreign currency translation		
			Total owner's equity belongs to parent company	11,797,868.34	12,548,981.33
			*Minority interests		
			<b>TOTAL OWNERS' EQUITY</b>	<b>11,797,868.34</b>	<b>12,548,981.33</b>
			# Less: Loss of assets		
<b>TOTAL ASSETS</b>	<b>11,797,868.34</b>	<b>12,922,237.42</b>	<b>TOTAL OWNERS' EQUITY(Value after deducting loss of assets)</b>	<b>11,797,868.34</b>	<b>12,548,981.33</b>
			<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>11,797,868.34</b>	<b>12,922,237.42</b>

Robert Pippert  
RepresentativeEmma Yu  
Manager of Accountancy

Date: February 2, 2021

Date: February 2, 2021

## Income Statement

Item	2020		Item	Unit: CNY	
	Current year	Previous year		Current year	Previous year
I. Gross operating income	-	3,288,517.93	other income	4,837.86	
Including: operating income	-	3,288,517.93	Add: P&L on the changes in fair value(loss displayed with "-")		
Including: Revenue from primary business		3,288,517.93	Investment income		
Income from other operations			Including: Investment income towards joint-owned enterprises and joint ventures enterprise		
II. Gross operating Cost	755,950.85	2,945,232.03	III. Operating profits	-751,112.99	343,285.90
Including: Cost of businesses	-	527,071.43	Add: Non-operating income		433,999.41
Including: Cost of primary businesses		527,071.43	Including: Gains on disposal of fixed assets		
cost of other operations			Non-monetary asset exchange profit(Non-monetary trading profit)		
Sales taxes	363.87	915.78	Subsidy from government		
Operating expenses		2,221,792.97	Profit on arrangement		
General and administrative expenses	103,110.00	291,290.80	Less: (1)Non-operating expenses		2,361,625.01
Including: R&D expenses			Including: Losses on disposal of fixed assets		19,305.63
Finance expenses	652,476.98	-95,838.95	Non-monetary asset exchange loss(non-monetary trading loss)		
Including: Interest expense			Loss on arrangement		
Interest income	-231.86	-1,087.92	IV. Total profits	-751,112.99	-1,584,339.70
Profit & Loss on exchange (profit displayed with "-")	648,921.64	-98,871.92	Less: Income tax		
Δ Asset impairment loss			Add: *# Unrecognized losses on investment		
			V. Net profits	-751,112.99	-1,584,339.70

Robert Pippert  
Representative

Date: February 2, 2021

Emma Yu  
Manager of Accountancy

Date: February 2, 2021



## Variation Statement of Owner's Equity

Item	2020							Current year		Minority interest	TOTAL OWNERS' EQUITY
	Owner's equity belongs to parent company							TOTAL	TOTAL OWNERS' EQUITY		
	Paid-in Capital	Capital reserves	Less: treasury stock	Surplus reserves	Reserve General risk	Undistributed profits	Other				
<b>I. Opening balance</b>	<b>3,476,298.00</b>			<b>1,738,149.00</b>		<b>7,334,534.33</b>		<b>12,548,981.33</b>		<b>12,548,981.33</b>	
Add: Change of accounting policy								-		-	
Correction of previous mistakes								-		-	
<b>II. Beginning balance of current year</b>	<b>3,476,298.00</b>			<b>1,738,149.00</b>		<b>7,334,534.33</b>		<b>12,548,981.33</b>		<b>12,548,981.33</b>	
III. Variable amount occurred in current year(decreased amount displayed with "-")								-751,112.99		-751,112.99	
A. Net profit								-751,112.99		-751,112.99	
B. P&L directly posting in owner's equity											
1.Variable net amount on fair value of financial assets available to sale											
2.Influence by change of other owner's equity of invested company with equity method											
3.Influence of taxation caused by owner's equity related items											
4.others											
Sum of III-A and III-B								-751,112.99		-751,112.99	
C. Owner's invested and withdrawing capital											
1.Owner invested capital											
2.Posting amount to owner's equity paid by stock											
3.other											
D. Distribution of profits											
1.Accrued surplus reserves											
2.Distribution to owners/shareholders											
Including: Profit(state-owned share dividend and share interest)submitted by state-owned enterprise											
Common share dividend											
Common share dividend re-investment											
3.Others											
E. Internal transaction of owner's equity											
1.Capital surplus transferred to subscribed capital (or capital stock)											
2.Surplus reserve transferred to subscribed capital (or capital stock)											
3.Remedying loss with surplus reserve											
4.Others											
<b>IV. Ending balance</b>	<b>3,476,298.00</b>			<b>1,738,149.00</b>		<b>6,583,421.34</b>		<b>11,797,868.34</b>		<b>11,797,868.34</b>	

Robert Pippert  
RepresentativeEmma Yu  
Manager of Accountancy

Date: February 2, 2021

Date: February 2, 2021

## Variation Statement of Owner's Equity

Item	2019							Last year		Unit: CNY
	Owner's equity belongs to parent company							Minority interest	TOTAL OWNERS' EQUITY	
	Paid-in Capital	Capital reserves	Less: treasury stock	Surplus reserves	Reserve General risk	Undistributed profits	Other			
<b>I. Opening balance</b>	<b>3,476,298.00</b>			<b>1,738,149.00</b>		<b>8,918,874.03</b>		<b>14,133,321.03</b>		<b>14,133,321.03</b>
Add: Change of accounting policy										
Correction of previous mistakes										
<b>II. Beginning balance of current year</b>	<b>3,476,298.00</b>			<b>1,738,149.00</b>		<b>8,918,874.03</b>		<b>14,133,321.03</b>		<b>14,133,321.03</b>
III. Variable amount occurred in current year(decreased amount displayed with "-")										
A. Net profit										
B. P&L directly posting in owner's equity										
1.Variable net amount on fair value of financial assets available to sale										
2.Influence by change of other owner's equity of invested company with equity method										
3.Influence of taxation caused by owner's equity related items										
4.others										
Sum of III-A and III-B										
C. Owner's invested and withdrawing capital										
1.Owner invested capital										
2.Posting amount to owner's equity paid by stock										
3.other										
D. Distribution of profits										
1.Accrued surplus reserves										
2.Distribution to owners/shareholders										
Including: Profit(state-owned share dividend and share interest)submitted by state-owned enterprise										
Common share dividend										
Common share dividend re-investment										
3.Others										
E. Internal transaction of owner's equity										
1.Capital surplus transferred to subscribed capital (or capital stock)										
2.Surplus reserve transferred to subscribed capital (or capital stock)										
3.Remedying loss with surplus reserve										
4.Others										
<b>IV. Ending balance</b>	<b>3,476,298.00</b>			<b>1,738,149.00</b>		<b>7,334,534.33</b>		<b>12,548,981.33</b>		<b>12,548,981.33</b>

Robert Pippert  
RepresentativeEmma Yu  
Manager of Accountancy

Date: February 2, 2021

Date: February 2, 2021

## STATEMENT OF CASH FLOWS

2020

Unit: CNY

Item	Current year	Previous year	Item	Current year	Previous year
I. Cash Flows from Operating Activities:	—	—	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Cash received from sales of goods or rendering of services		2,796,752.97	Cash paid relating to other investing activities	-	
Refunds of Taxes	4,837.86		Sub-total of cash outflows	-	-
Other cash received relating to operating activities	231.86	1,087.92	Net cash flows from investing activities	-	-
Sub-total of cash inflows	5,069.72	2,797,840.89	III. Cash Flows from Financing Activities:	—	
Cash paid for goods and services		325,155.29	Cash received from investments by others		
Cash paid to and on behalf of employees		2,365,145.01	Including: Cash received from Minority shareholder by subsidiary	-	
Payments of all types of taxes	579.47	1,001.70	Cash received from borrowings		
Cash paid relating to other operating activities	117,219.66	244,439.43	Cash received relating to other financing activities	-	
Sub-total of cash outflows	117,799.13	2,935,741.43	Sub-total of cash inflows	-	
Net cash flows from operating activities	-112,729.41	-137,900.54	Cash repayments of amounts borrowed	-	
II. Cash Flows from Investing Activities :			Cash paid for distribution of dividends or profits and for interest expenses		
Cash received from return of investments			Including: Share dividend and profit of minority paid by subsidiaries	-	
Cash received from return on investments			Cash paid relating to other financing activities	-	
Net cash received from the sale of subsidiary and other companies			Sub-total of cash outflows		
Net cash received from the sale of fixed assets, intangible assets and other long-term asset			Net cash flows from financing activities	-	
Cash received relating to other investing activities			IV. Effect of Foreign Exchange Rate Changes on Cash	-84.12	-26,653.38
Sub-total of cash inflows	-	-	V. Net Increase in Cash and Cash Equivalents	-112,813.53	-164,553.92
Cash paid to acquire fixed assets ,intangible assets and other long-term assets			VI. Cash and Cash equivalents at the beginning of the period	121,974.81	286,528.73
Cash paid to acquire investments			VII. Cash and Cash equivalents at the end of the period	9,161.28	121,974.81

Robert Pippert  
RepresentativeEmma Yu  
Manager of Accountancy

Date: February 2, 2021

Date: February 2, 2021

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**NOTES TO THE FINANCIAL STATEMENTS 2020****(Currency is RMB, unless elsewhere specified)****A. Brief introduction of the company**

Radisys Systems Equipment Trading (Shanghai) Co., Ltd. (“the company”) is a wholly foreign-owned enterprise established by Radisys Convedia (Ireland) Limited on Oct 10, 2003. Renewal business license reference number is 913100007550092229. The new registered address is Room B08 3# Building No151, Keyuan Road, China(Shanghai) Free Trade Area, Shanghai. The registered capital is USD 420,000.00. The legal representative is ROBERT CHARLES PIPPERT.

Business scope: Wholesaling, import & export, commission agency (excluding auctioning) and repair of embedded and fully integrated systems for computer, data processing and network-intensive applications, including hardware such as board-level embedded computers, blade servers, rackmount servers, motherboards, network interfaces and packet processing engines, advanced mezzanine cards, small form factor computing, I/O cards and adapters, middleware, software and test devices used in the manufacturing of the above mentioned products; research and development of products similar to those mentioned above; transfer of self-owned technology; provision of related technical support, technical consulting and after-sales services; other related ancillary services. (Business activities which need the approval of the relevant departments shall not be carried out without authority.)

**B. Major accounting policies and accounting estimates****1. Accounting Standards and accounting systems**

The Company in the preparation of the financial statements confirms to the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises.

**2. Accounting year**

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

**3. Recording currency and currency conversion**

Recording currency is RMB basis.

**4. Recording principle and valuation basis**

Obligation principle is adopted, historical cost.

**5. Foreign Currency Translation**

Transactions denominated in foreign currencies are translated into RMB at the average exchange rates stipulated by the People's Bank of China on the day. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the exchange rates stipulated by the People's Bank of China at the balance sheet date. Exchange differences arose from these translations are taken to the profit and loss account.

**6. Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**7. Accounts receivable bad debt losses recognized standards**

Because of bankrupt or death of debtor, accounts receivable that still cannot be unredeemable even though discharging with his bankrupt assets and bequest.

Accounts receivable, overdue more than three years, is obvious that cannot be unredeemed and is approved by the Board confirming as bad debts.

Allowance method is used for loss on bad debit. The provision for bad debt losses is estimated by management based on individual accounts receivable which show signs of uncollectibility and an ageing analysis. Provision for other receivables is determined based on their specific nature and management's estimate of their collectability.

#### 8、 Fixed asset valuation and depreciation methods

Fixed assets are assets with comparatively high unit values held by the Company for use in the supply of services and for administrative purposes. They are expected to be used for more than one year

Fixed assets were initially recorded at historical cost

Fixed assets are depreciated using the straight-line method over their estimated useful lives.

Items	Estimated useful life (year)	Residual Rate	Annual Depreciation Rate
Machinery	5year	10%	18%
Electronic Equipment	5year	10%	18%
Improvements of fixed-assets	Useful life		

#### 9、 Amortization and valuation method of intangible assets

Intangible assets are carried in the balance sheet at cost. The cost of the intangible assets is amortized on a straight-

#### 10、 Long-term deferred expenses

Amortization of improvement of rented fixed-assets, is based on the shorter period between leasing period and workable period of rented fixed-assets

#### 11、 Revenue recognition principle

##### Revenue for providing labor services

The labor that is finished in the same fiscal year confirms revenue when it is finished; If the labor begins and finishes in different fiscal year, in the circumstances of provision of services transaction results to be reliable estimated, at the balance sheet date, according to the percentage, corresponding labor revenues are confirmed.

#### 12、 Accounting methods for income tax

Income tax is recognized when payable under the tax payable method.

#### 13、 Related parties

Parties are related parties when one is under control of the other directly or indirectly in financial and operational decision making; or two or more parties are under the same control of one party.

### C、 Taxation Items

Main taxation items applicable to the company include :

- 1、 Value-added Tax Statutory Value-added tax rate is 6%. Revenues generated from off-shore services with exception of VAT was approved by Shanghai tax authority on July 13, 2016 . So the revenues are VAT-free.
- 2、 Company Income Tax Income tax rate is 25%.

## D、 Notes to items on financial statements

## 1、 Monetary fund

	<b>Dec.31, 2020</b>	<b>Dec.31, 2019</b>
Cash on hand		
Cash in bank	9,161.28	121,974.81
Total	<u>9,161.28</u>	<u>121,974.81</u>

## 2、 Accounts receivable

	<b>Dec.31, 2020</b>	<b>Dec.31, 2019</b>
Accounts receivable	11,777,867.06	12,789,422.61
Bad debt provision	-	-
Net value	<u>11,777,867.06</u>	<u>12,789,422.61</u>

Aging summary:

	<b>Dec.31, 2020</b>			<b>Dec.31, 2019</b>		
	Amount	Portion	Bad debt provision	Amount	Portion	Bad debt provision
Less than 1	11,777,867.06	100%	-	12,789,422.61	100%	-
Total	<u>11,777,867.06</u>	<u>100%</u>	<u>-</u>	<u>12,789,422.61</u>	<u>100%</u>	<u>-</u>

Affiliated Enterprises and debtor with big amount under accounts receivable

Name of the customer	Contents	Amount	Notes
Radisys Corporation		9,380,940.80	

## 3、 Other Accounts Receivable

	<b>Dec.31, 2020</b>	<b>Dec.31, 2019</b>
Other Accounts Receivable	7,260.00	7,260.00
Provision for bad debit	-	-
Net value	<u>7,260.00</u>	<u>7,260.00</u>

## 4、 Prepaid accounts

Aging summary :

	<b>Dec.31, 2020</b>		<b>Dec.31, 2019</b>	
	Amount	Portion	Amount	Portion
Within 1 year	3,580.00	100%	3,580.00	100%
Total	<u>3,580.00</u>	<u>100%</u>	<u>3,580.00</u>	<u>100%</u>

## 5、 Accrued Payroll

	<b>Dec.31, 2020</b>	<b>Dec.31, 2019</b>
Accrued Payroll	-	362,718.03
Welfare payable		
Total	<u>-</u>	<u>362,718.03</u>

## 6、 Other payable

	<b>Dec.31, 2020</b>	<b>Dec.31, 2019</b>
Total	<u>-</u>	<u>10,538.06</u>

## 7、 Paid-in Capital

	<b>Dec.31, 2020</b>		<b>Dec.31, 2019</b>	
	USD	RMB	USD	RMB
Radisys Convedia (Ireland) Limited	420,000.00	3,476,298.00	420,000.00	3,476,298.00
Total	<u>420,000.00</u>	<u>3,476,298.00</u>	<u>420,000.00</u>	<u>3,476,298.00</u>

Ernst & Young Hua Ming Certified Public Accountants have verified the above capital contribution, and issued related capital verification report.

## 8、 Surplus reserves

	Beginning	Increased	Decreased	Ending
General reserve fund	1,738,149.00	-	-	1,738,149.00
Total	<u>1,738,149.00</u>	<u>-</u>	<u>-</u>	<u>1,738,149.00</u>

## 9、 Undistributed profit

	<b>Dec.31, 2020</b>	<b>Dec.31, 2019</b>
Beginning amount	7,334,534.33	8,918,874.03
Net profit of the year	(751,112.99)	(1,584,339.70)
Distributable profit	<u>6,583,421.34</u>	<u>7,334,534.33</u>
Less Appropriation of reserve fund	-	-
Ending amount	<u>6,583,421.34</u>	<u>7,334,534.33</u>

## 10、 Operation Income

	Year 2020	Year 2019
Operation Income	-	3,288,517.93
Total	<u>-</u>	<u>3,288,517.93</u>

## 11、 Operation Cost

	Year 2020	Year 2019
Operation Cost	-	527,071.43
Total	<u>-</u>	<u>527,071.43</u>

## 12、 Extra taxes

	Year 2020	Year 2019
Total	<u>363.87</u>	<u>915.78</u>

## 13、 Sales &amp; Marketing expenses

	Year 2020	Year 2019
Total	<u>-</u>	<u>2,221,792.97</u>

## 14、 General and administrative expenses

	Year 2020	Year 2019
Total	<u>103,110.00</u>	<u>291,290.80</u>

## 15、 Financial expenses

	Year 2020	Year 2019
Interest expenses		
Interest income	(231.86)	(1,087.92)
Foreign exchange loss/income	648,921.64	(98,871.92)
Others	3,787.20	4,120.89
Total	<u>652,476.98</u>	<u>(95,838.95)</u>

## 16、 Other Income

	Year 2020	Year 2019
Items		
IIT poundage refund	4,837.86	
Total	<u>4,837.86</u>	<u>-</u>



17、 Non-operation Income				
			<b>Year 2020</b>	<b>Year 2019</b>
Items				
waived payments			-	433,999.41
Total			-	433,999.41
18、 Non-operation expenses				
			<b>Year 2020</b>	<b>Year 2019</b>
Items				
Bad debt				2,342,319.38
Loss Of Fixed Assets				19,305.63
Fine				
Total			-	2,361,625.01
E ADJUSTING THE NET PROFITS TO THE OPERATING CASH FLOWS				
			<b>Year 2020</b>	<b>Year 2019</b>
Items				
Net profit of this year			(751,112.99)	(1,584,339.70)
Add Provision for impairment of assets			-	-
Depreciation of fixed assets				1,153.80
Amortization of intangible assets				
Amortization of long-term prepaid expenses				
Losses on disposal of fixed assets, intangible assets and other long-term assets (or deduct: gains)				19,305.63
Financial expenses			84.12	26,653.38
Loss arising from investments (or deduct: gains)				
Deferred tax credit (or deduct: debit)				
Decrease in inventories (or deduct: increase)				
Decrease in operating receivables (or deduct: increase)			1,011,555.55	4,669,581.83
Increase in operating payables (or deduct: decrease)			(373,256.09)	(3,270,255.48)
Others				-
Net cash flows from operating activities			(112,729.41)	(137,900.54)
F RELATED PARTIES AND RELATED PARTY TRANSATIONS				
1、 The following entities are related parties where a control relationship exists:				
Name of related parties	Place of Register	Main operation	Relationship	Type
Radisys Convedia (Ireland) Limited	Ireland		Investor	Foreign
2、 Related parties				
Related parties			Relationship	
Radisys Corporation				Joint control
Radisys Technologies (Shenzhen) Co., Ltd.				Under the same ultimate control
3、 Transactions between related parties				
(1) Accounts Receivable and Accounts Payable				
Items	Related parties		<b>Dec.31, 2020</b>	<b>Dec.31, 2019</b>
Accounts receivable	Radisys Technologies (Shenzhen) Co., Lt		2,396,926.98	2,759,645.01
	Radisys Corporation		9,380,940.08	10,029,777.60
			11,777,867.06	12,789,422.61

G Other Matters

No other matters required for disclosure.

H Subsequent events after the balance sheet date

No subsequent event after the balance sheet date to disclose.

**Robert Pippert**  
**Representative**

**Date: February 2, 2021**

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

**Date: February 2, 2021**