

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2016 AND 2015, DECEMBER 31, 2015 AND 2014

(Unit : USD)

	<u>As of September 30, 2016</u>	<u>As of December 31, 2015</u>	<u>As of December 31, 2015</u>
ASSETS			
Current Assets:			
Cash and cash equivalent	10,472,300	11,808,998	23,682,612
Short-term financial instruments	8,103,922	10,675,066	1,233,600
Financial asset at fair value through profit or loss	2,466,851	-	23,131,291
Trade receivables, net	94,255,367	92,279,025	73,294,206
Other receivables	2,253,081	239,475	1,098,899
Other current assets	13,643,790	7,606,604	6,199,762
Income tax receivable	4,249,398	4,802,097	15,691,615
Inventories	100,430,461	96,929,499	64,549,980
TOTAL CURRENT ASSETS	235,875,170	224,340,764	208,881,965
Non-Current Assets:			
Long-term trade receivables, net	182,682,841	146,473,102	103,968,594
Available-for-sale financial asset	10,244,948	10,244,948	10,023,545
Investment in associates	41,120,330	40,934,653	14,006,002
Other receivables	5,507,992	5,664,030	7,052,625
Other non-current assets	10,096,573	6,485,230	3,497,812
PP&E	73,914,793	72,829,655	62,260,746
Investment in properties	1,015,253	1,065,107	1,131,578
Intangible assets	8,549,741	4,106,500	5,368,707
TOTAL NON-CURRENT ASSETS	333,132,471	287,803,225	207,309,609
TOTAL ASSETS	569,007,641	512,143,989	416,191,574
LIABILITIES AND EQUITY			
Current Liabilities:			
Trade payables	56,257,654	39,673,803	22,605,870
Short-term borrowings	149,756,033	80,473,966	45,719,901
Derivative liabilities	4,337,576	407,206	1,380,806
Provisions	961,503	974,540	764,125
Other financial liabilities	2,189,262	4,341,088	4,589,875
Other liabilities	1,851,724	7,168,077	2,249,672
Tax liabilities	-	438,173	18,028
TOTAL CURRENT LIABILITIES	215,353,752	133,476,853	77,328,277
Non-current liabilities:			
Long-term borrowings	-	41,787,044	45,733,514
Derivative liabilities	-	6,400,673	2,254,684
Provisions	1,795,132	1,711,644	1,038,720
TOTAL NON-CURRENT LIABILITIES	1,795,132	49,899,361	49,026,918
TOTAL LIABILITIES	217,148,884	183,376,214	126,355,195
EQUITY			
Equity attributable to owners of the parent	352,490,508	329,142,125	289,596,753
Paid-in capital	11,967,377	11,967,377	11,967,377
Other issued capital	137,189,088	136,833,843	136,996,688
Accumulated other comprehensive income	117,128	(1,240,859)	617,099
Retained earnings	203,216,915	181,581,764	140,015,589
Non-controlling interests	(631,751)	(374,350)	239,626
TOTAL EQUITY	351,858,757	328,767,775	289,836,379
TOTAL LIABILITIES AND EQUITY	569,007,641	512,143,989	416,191,574

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015, DECEMBER 31, 2015 AND 2014

(Unit : USD)

	FY2016	FY2015	FY2015	FY2014
	Year ended September 30	Year ended September 30	Year ended December 31	Year ended December 31
SALES (REVENUE)	252,823,370	304,640,376	392,886,712	360,752,916
COGS	(202,301,841)	(243,485,457)	(312,416,625)	(284,270,720)
GROSS PROFIT	50,521,529	61,154,919	80,470,087	76,482,196
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(36,459,176)	(32,841,914)	(50,833,487)	(42,159,596)
Other income	26,435,450	2,097,325	17,015,949	3,730,096
Other expenses	(1,587,527)	(830,154)	(4,530,845)	(504,656)
OPERATING PROFIT	38,910,276	29,580,176	42,121,704	37,548,040
Financial income	3,571,496	15,025,579	13,598,432	13,598,641
Financial expenses	(15,204,265)	(9,722,354)	(9,678,869)	(9,905,184)
Profit or loss of investments in associates	(1,131,356)	(1,616,534)	(3,359,097)	(1,141,168)
PROFIT BEFORE INCOME TAX EXPENSE	26,146,151	33,266,867	42,682,170	40,100,329
Income tax expense	(714,648)	(483,478)	(1,258,307)	(226,348)
NET INCOME	25,431,503	32,783,389	41,423,863	39,873,981
OTHER COMPRENSIVE INCOME	1,357,987	(702,116)	(1,857,958)	617,099
TOTAL COMPREHENSIVE INCOME	26,789,490	32,081,273	39,565,905	40,491,080
NET INCOME ATTRIBUTABLE TO:				
Owners of the parent	25,688,904	33,204,532	42,038,839	40,160,838
Non-controlling interests	(257,401)	(421,143)	(614,976)	(286,857)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	27,046,891	32,504,837	40,180,881	40,777,937
Non-controlling interests	(257,401)	(423,564)	(614,976)	(286,857)
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT				
Basic and diluted earnings per share	0.54	0.70	0.89	0.84

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015, DECEMBER 31, 2015 AND 2014

(Unit : USD)

	FY2016	FY2015	FY2015	FY2014
	Year ended September 30	Year ended September 30	Year ended December 31	Year ended December 31
CASH FLOWS FROM OPERATING ACTIVITIES:	(8,210,707)	(33,213,668)	(15,895,478)	(67,981,219)
Net income	25,431,503	32,783,390	41,423,863	39,873,981
Adjustments to reconcile profit to net cash provided by (used in) operating activities:				
Bad debt expense	173,367	670,455	1,195,494	113,492
Depreciation	5,296,139	4,016,963	5,685,449	3,852,943
Depreciation in investment property	49,853	49,853	66,471	66,471
Amortization of intangible assets	714,594	530,179	708,897	286,476
Impairment of intangible assets	-	-	923,956	-
Gain on the evaluation of derivative instrument	(2,063,097)	-	-	-
Loss on the evaluation of derivative instrument	-	4,153,981	3,515,833	3,635,490
Loss on the transaction of derivative instrument	-	-	37,235	-
Gain on the transaction of derivative instrument	(28,567)	-	-	-
Loss on the repayment on bond	44,695	-	68,165	-
Increase of provisions for product warranties	(1,651,345)	441,064	2,433,738	532,661
Increase(decrease) of provisions for return products	5,373	(456,379)	(118,855)	124,752
Income tax expense	714,648	483,478	1,258,307	226,348
Interest expenses	7,454,335	4,167,868	5,453,933	5,466,347
Loss on foreign exchange translation	86,369,059	564,554	2,371,554	209,930
Severance benefits	568	57,676	85,716	99,970
Welfare expenses	-	-	-	-
Sales promotional expenses	607,801	-	286,210	733,759
Compensation expenses associated with stock option	355,245	542,586	638,205	467,139
Profit or loss of investments in associates	1,131,356	1,616,534	3,359,097	1,141,168
Dividend income	(549,242)	(453,088)	(453,088)	-
Interest income	(21,098,695)	(2,435,454)	(14,426,336)	(2,747,497)
Financial assets at fair value through profit or loss	-	-	-	(9,238,543)
Gain on disposal of Financial assets at fair value through profit o	-	(9,368,985)	(9,203,926)	-
Rental income	(65,400)	-	(79,200)	(54,122)
Loss on disposal of property, plant and equipment	7,594	-	-	-
Gain on disposal of property, plant and equipment	(585,432)	(28,807)	(61,687)	(43,868)
Gain on foreign exchange translation	(81,297,515)	(4,245,601)	(4,077,814)	(4,182,502)
	(4,414,666)	306,877	(332,646)	690,414
Movements in working capital:				
Decrease (increase) in trade and other receivables	(17,089,121)	(92,633,423)	(46,873,308)	(107,910,439)
Decrease (increase) in other current assets	(5,683,523)	(4,299,537)	2,404,720	10,845,376
Increase in other non-current assets	(2,318,218)	4,564,469	(7,035,014)	1,062,080
Decrease (increase) in inventories	(5,219,669)	3,450,035	(19,385,936)	(50,839)
Increase in trade payables and other financial liabilities	12,478,839	20,577,186	16,684,697	6,066,113
Increase (decrease) in other current liabilities	(5,240,020)	3,424,603	5,048,956	1,042,008
Increase (decrease) in provisions	(2,962)	(59,103)	(1,239,461)	(1,128,356)
Increase (decrease) in derivative instrument	-	-	-	-
	(23,074,674)	(64,975,770)	(50,395,346)	(90,074,057)
Interest received	1,417,885	3,140,529	1,423,362	3,762,846
Interest paid	(7,519,721)	(4,863,795)	(7,281,530)	(7,130,592)
Dividend received	549,242	453,088	453,088	-
Income tax paid	(600,276)	(57,987)	(1,186,269)	(15,103,811)
CASH FLOWS FROM INVESTING ACTIVITIES:	(10,699,703)	(10,756,144)	(22,285,667)	(42,052,360)
Increase in short-term financial instruments	(375,000)	(4,749,376)	(10,899,376)	(1,233,600)
Decrease in short-term financial instruments	3,050,000	894,832	1,435,037	25,253,986
Acquisition of financial asset at fair value through profit or loss	(2,466,851)	-	-	(13,892,748)
Increase in short-term loans	(4,903,634)	(3,052,012)	(50,405)	-
Decrease in short-term loans	2,979,539	3,000,000	-	-
Increase in long-term loans	-	-	-	-
Acquisition of available-for-sale financial asset	-	-	-	(9,963,162)
Acquisition of investment in associates	-	-	-	(14,514,467)
Acquisition of property, plant and equipment	(8,120,339)	(5,274,088)	(12,563,693)	(24,919,433)
Disposal of property, plant and equipment	3,968,635	300,895	163,445	109,248
Acquisition of investment in properties	-	-	-	-
Acquisition of intangible assets	(4,916,823)	(1,876,395)	(370,675)	(2,892,184)
Decrease in leasehold deposits	84,770	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:	18,660,927	38,907,027	26,464,733	43,572,748
Proceeds from (Repayment of) short-term borrowings	23,093,319	28,871,076	27,868,126	21,757,341
Proceeds from long-term borrowings	-	18,909,052	250,000	52,638,499
Repayment of long-term borrowings	-	(7,763,161)	-	(21,736,631)
Decrease in derivative instrument	(378,639)	(343,444)	(380,679)	-
Decrease in derivative liability	-	-	-	-
Payment of dividends	(4,053,753)	(472,664)	(472,664)	(513,522)
Capital increase by offering	-	1,000	1,000	-
Sales of treasury stock	-	-	-	70,914
Acquisition of treasury stock	-	(294,832)	(801,050)	(8,643,853)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,087,215)	(85,939)	(157,202)	(131,835)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,336,698)	(5,148,724)	(11,873,614)	(66,592,666)
CASH AND CASH EQUIVALENTS, AT THE BEGINNING OF THE YEAR	11,808,998	23,682,612	23,682,612	90,275,278
CASH AND CASH EQUIVALENTS, AT THE END OF THE PERIOD	10,472,300	18,533,888	11,808,998	23,682,612

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015, DECEMBER 31, 2015 AND 2014

[Unit : USD]

			EQUITY						
			Equity attributable to owners of the parent					Non-controlling interests	TOTAL EQUITY
			Shares Capital	Other issued Capital	Retained earnings	Other capital items	Controlling equity		
2014.01.01			11,290,000	145,102,488	101,045,650	-	257,438,138	526,483	257,964,621
Changes in Equity	Comprehensive incomes	Net income	-	-	40,160,838	-	40,160,838	(286,857)	39,873,981
		Gains on valuation of AFS financial assets	-	-	-	60,383	60,383	-	60,383
		Changes due to associate's equity changes	-	-	-	632,703	632,703	-	632,703
		Exchange differences on translating foreign operations	-	-	-	(75,987)	(75,987)	-	(75,987)
		Total comprehensive income	-	-	40,160,838	617,099	40,777,937	(286,857)	40,491,080
	Payment of Dividend	677,377	-	(677,377)	-	-	-	-	
	Dividend expenses	-	-	-	-	(513,522)	-	(513,522)	
	Acquisition of treasury stock	-	(8,643,854)	-	-	(8,643,854)	-	(8,643,854)	
	Disposal of treasury stock	-	70,914	-	-	70,914	-	70,914	
	Stock options	-	467,139	-	-	467,139	-	467,139	
	Acquisition of subsidiaries stock	-	-	-	-	-	-	-	
2014.12.31			11,967,377	136,996,688	140,015,589	617,099	289,596,753	239,626	289,836,379
2015.01.01			11,967,377	136,996,688	140,015,589	617,099	289,596,753	239,626	289,836,379
Changes in Equity	Comprehensive incomes	Net income	-	-	42,038,839	-	42,038,839	(614,976)	41,423,863
		Gains on valuation of AFS financial assets	-	-	-	221,403	221,403	-	221,403
		Changes due to associate's equity changes	-	-	-	(2,047,469)	(2,047,469)	-	(2,047,469)
		Exchange differences on translating foreign operations	-	-	-	(31,892)	(31,892)	-	(31,892)
		Total comprehensive income	-	-	42,038,839	(1,857,958)	40,180,881	(614,976)	39,565,905
	Payment of Dividend	-	-	-	-	-	-	-	
	Dividend expenses	-	-	(472,664)	-	(472,664)	-	(472,664)	
	Acquisition of treasury stock	-	(801,050)	-	-	(801,050)	-	(801,050)	
	Disposal of treasury stock	-	-	-	-	-	-	-	
	Stock options	-	638,205	-	-	638,205	-	638,205	
	Acquisition of subsidiaries stock	-	-	-	-	-	1,000	1,000	
2015.12.31			11,967,377	136,833,843	181,581,764	1,240,859	329,142,125	(374,350)	328,767,775
2015.01.01			11,967,377	136,996,688	140,015,589	617,099	289,596,753	239,626	289,836,379
Changes in Equity	Comprehensive incomes	Net income	-	-	33,204,532	-	33,204,532	(421,143)	32,783,389
		Gains on valuation of AFS financial assets	-	-	-	-	-	-	-
		Changes due to associate's equity changes	-	-	-	(641,246)	(641,246)	-	(641,246)
		Exchange differences on translating foreign operations	-	-	-	(58,449)	(58,449)	(2,421)	(60,870)
		Total comprehensive income	-	-	33,204,532	(699,695)	32,504,837	(423,564)	32,081,273
	Payment of Dividend	-	-	-	-	-	-	-	
	Dividend expenses	-	-	(472,664)	-	(472,664)	-	(472,664)	
	Acquisition of treasury stock	-	(294,833)	-	-	(294,833)	-	(294,833)	
	Disposal of treasury stock	-	-	-	-	-	-	-	
	Stock options	-	542,586	-	-	542,586	-	542,586	
	Acquisition of subsidiaries stock	-	-	-	-	-	1,000	1,000	
2015.09.30			11,967,377	137,244,441	172,747,457	(82,596)	321,876,679	(182,938)	321,693,741
2016.01.01			11,967,377	136,833,843	181,581,764	(1,240,859)	329,142,125	(374,350)	328,767,775
Changes in Equity	Comprehensive incomes	Net income	-	-	25,688,904	-	25,688,904	(257,401)	25,431,503
		Gains on valuation of AFS financial assets	-	-	-	-	-	-	-
		Changes due to associate's equity changes	-	-	-	1,317,033	1,317,033	-	1,317,033
		Exchange differences on translating foreign operations	-	-	-	40,954	40,954	-	40,954
		Total comprehensive income	-	-	25,688,904	1,357,987	27,046,891	(257,401)	26,789,490
	Payment of Dividend	-	-	-	-	-	-	-	
	Dividend expenses	-	-	(4,053,753)	-	(4,053,753)	-	(4,053,753)	
	Acquisition of treasury stock	-	-	-	-	-	-	-	
	Disposal of treasury stock	-	-	-	-	-	-	-	
	Stock options	-	355,245	-	-	355,245	-	355,245	
	Acquisition of subsidiaries stock	-	-	-	-	-	-	-	
2016.09.30			11,967,377	137,189,088	203,216,915	117,128	352,490,508	(631,751)	351,858,757