

**Consolidated statement of comprehensive income**  
**For the financial year ended 31 December 2015**

	As per audited financial statement	As per announcement as at 29 February 2016	Group	
	RMB'000	RMB'000	Increase/ (Decrease)	
<b>Continuing Operations:</b>				
Revenue	90,828	93,748	(2,920)	N1
Cost of sales	<u>(69,660)</u>	<u>(69,660)</u>	-	
Gross profit	21,168	24,088	(2,920)	N1
Other operating income	762	762	-	
Administrative expenses	<u>(10,524)</u>	<u>(10,524)</u>	-	
Profit from continuing operations	11,406	14,326	(2,920)	N1
Interest expense on interest-bearing loans	(5,740)	(5,740)	-	
Bank charges	<u>(6)</u>	<u>(6)</u>	-	
Profit before tax from continuing operations	5,660	8,580	(2,920)	N1
Income tax expense	<u>(3,544)</u>	<u>(193)</u>	(3,351)	N2
<b>Net profit after tax for the year from continuing operations</b>	2,116	8,387	(6,271)	N1 and N2
<b>Discontinued Operations:</b>				
Profit for the year from discontinued operations, net of tax	<u>2,403</u>	<u>2,403</u>	-	
<b>Net profit after tax for the year</b>	<u>4,519</u>	<u>10,790</u>	(6,271)	N1 and N2
<b>Net profit/(loss) after tax for the year attributable to:</b>				
Equity holders of the Company				
- Profit from continuing operations, net of tax	2,116	8,387	(6,271)	N1 and N2
- Loss from discontinued operations, net of tax	<u>(4,515)</u>	<u>(4,515)</u>	-	
	(2,399)	3,872	(6,271)	
Non-controlling interests				
- Profit from discontinued operations, net of tax	<u>6,918</u>	<u>6,918</u>	-	
<b>Net profit for the year</b>	<u>4,519</u>	<u>10,790</u>	(6,271)	N1 and N2
<b>Net profit after tax for the year</b>	4,519	10,790	(6,271)	N1 and N2
<b>Other comprehensive income</b>				
Foreign currency translation, representing other comprehensive income, net	26	26	-	
Realisation of foreign currency translation reserve upon disposal of subsidiaries	<u>(1,171)</u>	<u>(1,171)</u>	-	
<b>Total comprehensive income for the year</b>	<u>3,374</u>	<u>9,645</u>	(6,271)	N1 and N2
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company				
- Total comprehensive income from continuing operations, net of tax	2,142	8,413	(6,271)	N1 and N2
- Total comprehensive loss from discontinued operations, net of tax	<u>(5,686)</u>	<u>(5,686)</u>	-	
	(3,544)	2,727	(6,271)	N1 and N2
Non-controlling interests				
- Profit from discontinued operations, net of tax	<u>6,918</u>	<u>6,918</u>	-	
<b>Total comprehensive income for the year</b>	<u>3,374</u>	<u>9,645</u>	(6,271)	N1 and N2

As disclosed in our FY2015 unaudited results announcement dated 29 February 2016, management has accordingly sought consultations with tax specialists in China on the taxability of the income arising from the two Public-Private-Partnership ("PPP") projects. The Chinese tax specialists have taken a more prudent view and advised that such PPP income may be subject to both business and income taxes in accordance with the relevant tax rules and regulations in China as of 1 April 2016 (date of the financial statements).

Consequently, for more prudent financial reporting purposes, management has provided for business tax of approximately RMB2.9 million (presented as a deduction against revenue) and income tax of approximately RMB3.3 million (presented as an income tax expense) in the consolidated statement of comprehensive income for the year ended 31 December 2015. The business tax provision was correspondingly classified and presented as 'other payables and accruals' while the income tax as 'provision for income tax' in the consolidated balance sheet as at 31 December 2015.

The actual business and income tax payable on the PPP income is generally determined and agreed with the relevant tax authorities in China, which might be different from the business tax and income tax provisions made in the financial statements.

N1 – the adjustment relates to business tax provision of approximately RMB2.9 million.

N2 – the adjustment relates to income tax provision of approximately RMB 3.3 million"

**Balance sheets**  
**As at 31 December 2015**

	As per audited financial statement	As per announcement as at 29 February 2016	Group	
	RMB'000	RMB'000	Increase/ (Decrease)	
<b>Non-current assets</b>				
Property, plant and equipment	1,152	1,152	-	
Deferred expenditure	396	396	-	
Goodwill on consolidation	1,072	1,072	-	
Intangible assets	3	3	-	
	<u>2,623</u>	<u>2,623</u>	-	
<b>Current assets</b>				
Contract work-in-progress	32,355	32,355	-	
Inventories	779	779	-	
Trade receivables	91,864	91,864	-	
Prepayments	49,473	49,473	-	
Other receivables	34,619	34,619	-	
Cash and bank balances	609	609	-	
	<u>209,699</u>	<u>209,699</u>	-	
<b>Current liabilities</b>				
Trade payables	38,006	38,006	-	
Other payables and accruals	17,621	14,701	2,920	N1
Due to a director	1,510	1,510	-	
Provision for income tax	10,964	7,613	3,351	N2
Loan from related parties	65,781	65,781	-	
Loan from shareholder	940	940	-	
Loans and borrowings	36,595	36,595	-	
	<u>171,417</u>	<u>165,146</u>	6,271	N1 and N2
<b>Net current assets</b>	<b>38,282</b>	<b>44,553</b>	(6,271)	N1 and N2
			-	
<b>Net assets</b>	<b>40,905</b>	<b>47,176</b>	(6,271)	N1 and N2
<b>Capital and reserves</b>				
Share capital	113,179	113,179	-	
Translation reserve	966	966	-	
Accumulated losses	(73,240)	(66,969)	(6,271)	N1 and N2
<b>Total equity</b>	<u>40,905</u>	<u>47,176</u>	(6,271)	N1 and N2

**Consolidated statement of cash flow**  
**For the financial year ended 31 December 2015**

	As per audited financial statement	As per announcement as at 29 February 2016	Increase/ (Decrease)	
	RMB'000	RMB'000		
<b>Group</b>				
<b>Cash flows from operating activities</b>				
Profit before tax from continuing operations	5,660	8,580	(2,920)	N1
Profit before tax from discontinued operations	4,978	4,979	(1)	
	<u>10,638</u>	<u>13,559</u>	<u>(2,921)</u>	N1
Adjustments for:				
Depreciation of property, plant and equipment	9,862	9,862	-	
Amortization of land use rights	270	270	-	
Amortization of intangibles	14	14	-	
Amortization of deferred expenditure	33	33	-	
Allowance for doubtful trade debts	1,113	1,113	-	
Gain on disposal of plant and equipment	(53)	(53)	-	
Loss on disposal of subsidiaries (Note A)	10,944	10,944	-	
Exchange differences	(1,146)	(1,147)	1	
Interest expense	8,950	8,950	-	
Interest income	(1,166)	(1,166)	-	
Operating profit before working capital changes	39,459	42,379	(2,920)	N1
Changes in working capital:				
Contract work-in-progress	(414)	(414)	-	
Inventories	(3,811)	(3,809)	(2)	
Trade and other receivables	(39,502)	(39,502)	-	
Prepayments	(46,152)	(46,152)	-	
Trade and other payables	42,791	39,869	2,922	N1
Other Liabilities	(253)	(253)	-	
Cash (used in)/generated from operating activities	(7,882)	(7,882)	-	
Interest paid	(8,950)	(8,950)	-	
Interest income received	1,166	1,166	-	
Income tax paid	(2,928)	(2,928)	-	
<b>Net cash used in operating activities</b>	<u>(18,594)</u>	<u>(18,594)</u>	-	
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	(2,340)	(2,340)	-	
Proceeds from sale of plant and equipment	149	149	-	
Net cash outflow upon disposal of subsidiaries	(13,810)	(13,810)	-	
Purchase of structured deposits	(18,450)	(18,450)	-	
<b>Net cash used in investing activities</b>	<u>(34,451)</u>	<u>(34,451)</u>	-	
<b>Cash flows from financing activities</b>				
Proceeds from bank borrowings	149,000	149,000	-	
Repayment of bank borrowings	(175,500)	(175,500)	-	
Proceeds from loan from a related party	61,293	61,293	-	
Proceeds from loan from shareholder	940	940	-	
Decrease/(Increase) deposits pledged for bills payable	9,646	9,646	-	
Repayment of loan from corporate shareholder	(5,165)	(5,165)	-	
Repayment of loan from holding company	(2,113)	(2,113)	-	
Proceed from loan from external parties	36,595	36,595	-	
(Repayment of)/Proceeds from due to a director	(787)	(787)	-	
Repayment of due to holding company, non-trade	(452)	(452)	-	
Repayment of due to corporate shareholder, non-trade	(25,491)	(25,491)	-	
Repayment of due to related parties	(300)	(300)	-	
<b>Net cash generated from financing activities</b>	<u>47,666</u>	<u>47,666</u>	-	
Net decrease in cash and cash equivalents	(5,379)	(5,379)	-	
Cash and cash equivalents at beginning of year	5,988	5,988	-	
<b>Cash and cash equivalents at end of year</b>	<u>609</u>	<u>609</u>	-	