

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2015, DECEMBER 31, 2014 and 2013

(Unit : USD)

	<u>As of September 30, 2015</u>	<u>As of December 31, 2014</u>	<u>As of December 31, 2013</u>
ASSETS			
Current Assets:			
Cash and cash equivalent	18,533,888	23,682,612	90,275,278
Short-term financial instruments	5,065,388	1,233,600	25,310,963
Financial asset at fair value through profit or loss	-	23,131,291	-
Trade receivables, net	84,927,453	73,294,206	56,067,106
Other receivables	94,912	1,098,899	276,189
Other current assets	14,163,761	6,199,762	16,967,045
Income tax receivable	7,887,927	15,691,615	782,683
Inventories	59,736,538	64,549,980	67,335,640
TOTAL CURRENT ASSETS	190,409,867	208,881,965	257,014,904
Non-Current Assets:			
Long-term trade receivables, net	185,739,128	103,968,594	17,839,097
Available-for-sale financial asset	10,023,545	10,023,545	-
Investment in associates	44,083,439	14,006,002	-
Other receivables	1,022,436	7,052,625	2,143,892
Other non-current assets	9,296,603	3,497,812	4,559,891
PP&E	64,327,518	62,260,746	39,156,808
Investment in properties	1,081,725	1,131,578	1,198,049
Intangible assets	6,714,870	5,368,707	2,762,999
TOTAL NON-CURRENT ASSETS	322,289,264	207,309,609	67,660,736
TOTAL ASSETS	512,699,131	416,191,574	324,675,640
LIABILITIES AND EQUITY			
Current Liabilities:			
Trade payables	43,743,235	22,605,870	16,632,149
Short-term borrowings	76,283,153	45,719,901	20,437,670
Derivative liabilities	416,921	1,380,806	-
Provisions	842,223	764,125	1,042,273
Other financial liabilities	3,827,154	4,589,875	4,464,371
Other liabilities	6,165,742	2,249,672	1,378,553
Tax liabilities	-	18,028	-
TOTAL CURRENT LIABILITIES	131,278,428	77,328,277	43,955,016
Non-current liabilities:			
Long-term borrowings	51,296,548	45,733,514	21,713,547
Derivative liabilities	7,029,105	2,254,684	-
Provisions	1,401,309	1,038,720	1,042,456
TOTAL NON-CURRENT LIABILITIES	59,726,962	49,026,918	22,756,003

TOTAL LIABILITIES	191,005,390	126,355,195	66,711,019
EQUITY			
Equity attributable to owners of the parent	321,876,679	289,596,753	257,438,138
Paid-in capital	11,967,377	11,967,377	11,290,000
Other issued capital	137,244,441	136,996,688	145,102,488
Accumulated other comprehensive income	(82,596)	617,099	-
Retained earnings	172,747,457	140,015,589	101,045,650
Non-controlling interests	(182,938)	239,626	526,483
TOTAL EQUITY	321,693,741	289,836,379	257,964,621
TOTAL LIABILITIES AND EQUITY	512,699,131	416,191,574	324,675,640

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED SEPTEMBER 30, 2015, DECEMBER 31, 2014 AND 2013

(Unit : USD)

	FY2015	FY2014	FY2013
	Year ended September 30	Year ended December 31	Year ended December 31
SALES (REVENUE)	304,640,376	360,752,916	305,428,740
COGS	(243,485,457)	(284,270,720)	(243,058,326)
GROSS PROFIT	61,154,919	76,482,196	62,370,414
SG&A	(32,841,914)	(42,159,596)	(31,539,030)
Salaries	10,556,066	13,586,779	11,836,997
Entertainment	694,505	881,311	950,182
Advertising	604,396	1,404,419	786,551
Sales Promotion	2,717,358	5,304,865	4,830,607
Sales Commissions	588,845	533,810	426,910
Sales warranty	441,064	532,661	634,031
Rental fee	3,834,181	5,160,685	2,200,932
Depreciation	2,708,783	2,743,296	1,445,375
Amortization	670,455	286,476	40,978
Tax and dues	420,158	438,352	612,624
Supplies	765,931	1,390,466	991,702
Service Fees (Professional fees)	2,641,803	4,113,809	2,518,478
Others	6,198,369	5,782,667	4,263,663
Other income	2,097,325	3,730,096	1,686,237
Other expenses	(830,154)	(504,656)	(1,683,427)
OPERATING PROFIT	29,580,176	37,548,040	30,834,194
Financial income	15,025,579	13,598,641	1,593,481
Financial expenses	(9,722,354)	(9,905,184)	(6,691,989)
Profit or loss of investments in associates	(1,616,534)	(1,141,168)	-
PROFIT BEFORE INCOME TAX EXPENSE	33,266,867	40,100,329	25,735,686
Income tax expense	(483,478)	(226,348)	(415,136)
NET INCOME	32,783,389	39,873,981	25,320,550
OTHER COMPREHENSIVE INCOME	(702,116)	617,099	-
TOTAL COMPREHENSIVE INCOME	32,081,273	40,491,080	25,320,550
NET INCOME ATTRIBUTABLE TO:			
Owners of the parent	33,204,532	40,160,838	25,294,567
Non-controlling interests	(421,143)	(286,857)	25,983
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	32,504,837	40,777,937	25,294,567
Non-controlling interests	(423,564)	(286,857)	25,983
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT			
Basic and diluted earnings per share	0.70	0.84	0.58

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW STATEMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2015, DECEMBER 31, 2014 AND 2013

(Unit : USD)

	FY2015	FY2014	FY2013
	Year ended September 30	Year ended December 31	Year ended December 31
CASH FLOWS FROM OPERATING ACTIVITIES:	(33,557,112)	(67,981,219)	(24,808,834)
Net income	32,783,390	39,873,981	25,320,550
Adjustments to reconcile profit to net cash provided by (used in) operating activities:			
Bad debt expense	670,455	113,492	53,063
Depreciation	4,016,963	3,852,943	1,816,982
Depreciation in investment property	49,853	66,471	49,933
Amortization of intangible assets	530,179	286,476	40,978
Loss on the evaluation of derivative instrument	4,153,981	3,635,490	-
Increase of provisions for product warranties	441,064	532,661	634,031
Increase(decrease) of provisions for return products	(456,379)	124,752	(87,231)
Income tax expense	483,478	226,348	415,130
Interest expenses	4,167,868	5,466,347	4,132,767
Loss on foreign exchange translation	564,554	209,930	3,720,507
Severance benefits	57,676	99,970	-
Welfare expenses	-	-	2,655
Sales promotional expenses	-	733,759	373,224
Compensation expenses associated with stock option	542,586	467,139	167,585
Profit or loss of investments in associates	1,616,534	1,141,168	-
Dividend income	(453,088)		
Interest income	(2,435,454)	(2,747,497)	(1,148,465)
Financial assets at fair value through profit or loss	-	(9,238,543)	-
Gain on disposal of Financial assets at fair value through profit or loss	(9,368,985)	-	-
Rental income	-	(54,122)	(46,200)
Gain on disposal of property, plant and equipment	(28,807)	(43,868)	(31,835)
Gain on foreign exchange translation	(4,245,601)	(4,182,502)	(929,966)
	306,877	690,414	9,163,158
Movements in working capital:			
Decrease (increase) in trade and other receivables	(92,633,423)	(107,910,439)	(39,004,959)
Decrease (increase) in other current assets	(4,299,537)	10,845,376	(10,715,612)
Increase in other non-current assets	4,564,469	1,062,080	(728,385)
Decrease (increase) in inventories	3,450,035	(50,839)	(13,220,204)
Increase in trade payables and other financial liabilities	20,577,186	6,066,113	7,749,262
Increase (decrease) in other current liabilities	3,424,603	1,042,008	123,244
Increase (decrease) in provisions	(59,103)	(1,128,356)	242,521
Increase (decrease) in derivative instrument	(343,444)	-	-
	(65,319,214)	(90,074,057)	(55,554,133)
Interest received	3,140,529	3,762,846	818,331
Interest paid	(4,863,795)	(7,130,592)	(3,262,273)

Dividend received	453,088		
Income tax paid	(57,987)	(15,103,811)	(1,294,467)
CASH FLOWS FROM INVESTING ACTIVITIES:	(10,756,144)	(42,052,360)	(52,808,132)
Increase in short-term financial instruments	(4,749,376)	(1,233,600)	(25,273,819)
Decrease in short-term financial instruments	894,832	25,253,986	-
Acquisition of financial asset at fair value through profit or loss	-	(13,892,748)	-
Increase in short-term loans	(3,052,012)	-	(217,722)
Decrease in short-term loans	3,000,000	-	252,141
Acquisition of available-for-sale financial asset	-	(9,963,162)	-
Acquisition of investment in associates	-	(14,514,467)	-
Acquisition of property, plant and equipment	(5,274,088)	(24,919,433)	(24,453,726)
Disposal of property, plant and equipment	300,895	109,248	88,200
Acquisition of investment in properties	-	-	(441,000)
Acquisition of intangible assets	(1,876,395)	(2,892,184)	(2,762,206)
Decrease in leasehold deposits	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:	39,250,471	43,572,748	153,777,376
Proceeds from (Repayment of) short-term borrowings	28,871,076	21,757,341	(4,319,287)
Proceeds from long-term borrowings	18,909,052	52,638,499	33,214,876
Repayment of long-term borrowings	(7,763,161)	(21,736,631)	-
Payment of dividends	(472,664)	(513,522)	(481,995)
Capital increase by offering	1,000	-	125,363,782
Sales of treasury stock	-	70,914	-
Acquisition of treasury stock	(294,832)	(8,643,853)	-
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(85,939)	(131,835)	(478,831)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,148,724)	(66,592,666)	75,681,579
CASH AND CASH EQUIVALENTS, AT THE BEGINNING OF THE YEAR	23,682,612	90,275,278	14,593,698
CASH AND CASH EQUIVALENTS, AT THE END OF THE PERIOD	18,533,888	23,682,612	90,275,278

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2015, DECEMBER 31, 2014 AND 2013

(Unit: USD)

			Equity					
			Controlling interests					Total Equity
			Share Capital	Other issued capital	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests
As of 1 January 2013			9,600,000	21,281,621	76,713,078	-	107,594,699	-
Change in Equity	Comprehensive income	Net income	-	-	25,294,567	-	25,294,567	25,983
		Gain on valuation of AFS financial assets	-	-	-	-	-	-
		Changes due to associates' equity changes	-	-	-	-	-	-
		Exchange difference on translating foreign operating	-	-	-	-	-	-
		Total comprehensive income	-	-	25,294,567	-	25,294,567	25,983
	Issuance of Equity		1,210,000	123,653,282	-	-	124,863,282	-
	Payment of stock dividends		480,000	-	(480,000)	-	-	-
	Payment of cash dividends		-	-	(481,995)	-	(481,995)	-
	Acquisition of treasury shares		-	-	-	-	-	-
	Disposal of treasury shares		-	-	-	-	-	-

	Stock option		-	167,585	-	-	167,585	-	167,585
	Increased paid-in capital of subsidiaries		-	-	-	-	-	500,500	500,500
As of 31 December 2013			11,290,000	145,102,488	101,045,650	-	257,438,138	526,483	257,964,621
As of 1 January 2014			11,290,000	145,102,488	101,045,650	-	257,438,138	526,483	257,964,621
Change in Equity	Comprehensive income	Net income	-	-	40,160,838	-	40,160,838	(286,857)	39,873,981
		Gain on valuation of AFS financial assets	-	-	-	60,383	60,383	-	60,383
		Changes due to associates' equity changes	-	-	-	632,703	632,703	-	632,703
		Exchange difference on translating foreign operating	-	-	-	(75,987)	(75,987)	-	(75,987)
		Total comprehensive income	-	-	40,160,838	617,099	40,777,937	(286,857)	40,491,080
	Issuance of Equity		-	-	-	-	-	-	-
	Payment of stock dividends		677,377	-	(677,377)	-	-	-	-
	Payment of cash dividends		-	-	(513,522)	-	(513,522)	-	(513,522)
	Acquisition of treasury shares		-	(8,643,854)	-	-	(8,643,854)	-	(8,643,854)
	Disposal of treasury shares		-	70,914	-	-	70,914	-	70,914
	Stock option		-	467,139	-	-	467,139	-	467,139
	Increased paid-in capital of subsidiaries		-	-	-	-	-	-	-
As of 31 December 2014			11,967,377	136,996,688	140,015,589	617,099	289,596,753	239,626	289,836,379
As of 1 January 2014			11,290,000	145,102,488	101,045,650	-	257,438,138	526,483	257,964,621
Change in Equity	Comprehensive income	Net income	-	-	21,419,592	-	21,419,592	(171,758)	21,247,834
		Gain on valuation of AFS financial assets	-	-	-	-	-	-	-

		Changes due to associates' equity changes	-	-	-	540,113	540,113	-	540,113
		Exchange difference on translating foreign operating	-	-	-	(7,380)	(7,380)	-	(7,380)
		Total comprehensive income	-	-	21,419,592	532,733	21,952,325	(171,758)	21,780,567
	Issuance of Equity		-	-	-	-	-	-	-
	Payment of stock dividends		677,377	-	(677,377)	-	-	-	-
	Payment of cash dividends		-	-	(513,522)	-	(513,522)	-	(513,522)
	Acquisition of treasury shares		-	(7,343,072)	-	-	(7,343,072)	-	(7,343,072)
	Disposal of treasury shares		-	-	-	-	-	-	-
	Stock option		-	220,296	-	-	220,296	-	220,296
	Increased paid-in capital of subsidiaries		-	-	-	-	-	-	-
As of 30 September 2014			11,967,377	137,979,712	121,274,343	532,733	271,754,165	354,725	272,108,890
As of 1 January 2015			11,967,377	136,996,688	140,015,589	617,099	289,596,753	239,626	289,836,379
Change in Equity	Comprehensive income	Net income	-	-	33,204,532	-	33,204,532	(421,143)	32,783,389
		Gain on valuation of AFS financial assets	-	-	-	-	-	-	-
		Changes due to associates' equity changes	-	-	-	(641,246)	(641,246)	-	(641,246)
		Exchange difference on translating foreign operating	-	-	-	(58,449)	(58,449)	(2,421)	(60,870)
		Total comprehensive income	-	-	33,204,532	(699,695)	32,504,837	(423,564)	32,081,273
	Issuance of Equity		-	-	-	-	-	-	-
	Payment of stock dividends		-	-	-	-	-	-	-
	Payment of cash dividends		-	-	(472,664)	-	(472,664)	-	(472,664)

	Acquisition of treasury shares	-	(294,833)	-	-	(294,833)	-	(294,833)
	Disposal of treasury shares	-	-	-	-	-	-	-
	Stock option	-	542,586	-	-	542,586	-	542,586
	Increased paid-in capital of subsidiaries	-	-	-	-	-	1,000	1,000
As of 30 September 2015		11,967,377	137,244,441	172,747,457	(82,596)	321,876,679	(182,938)	321,693,741