

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2017, DECEMBER 31, 2016 and 2015

(Unit : USD)

	<u>As of March 31, 2017</u>	<u>As of December 31, 2016</u>	<u>As of December 31, 2015</u>
ASSETS			
Current Assets:			
Cash and cash equivalent	7,956,786	6,734,767	11,808,998
Short-term financial instruments	9,548,184	9,422,507	10,675,066
Financial asset at fair value through profit or loss	2,160,797	2,160,797	-
Trade receivables, net	94,424,579	103,024,932	92,279,025
Other receivables	6,834,988	2,635,426	686,286
Other current assets	8,222,331	12,375,588	11,922,196
Income tax receivable	175,889	142,436	39,694
Inventories	96,478,654	95,598,186	96,929,499
TOTAL CURRENT ASSETS	225,802,208	232,094,639	224,340,764
Non-Current Assets:			
Long-term trade receivables, net	210,534,667	192,636,777	146,473,102
Available-for-sale financial asset	12,096,688	12,096,688	10,244,948
Investment in associates	40,456,252	38,256,699	40,934,653
Other receivables	3,134,418	3,290,892	5,664,030
Other non-current assets	9,158,665	9,621,240	6,485,230
PP&E	71,730,378	72,441,072	72,829,655
Investment in properties	2,175,133	2,209,828	1,065,107
Intangible assets	8,355,550	8,391,050	4,106,500
Deferred Income Tax Assets	36,312	-	-
TOTAL NON-CURRENT ASSETS	357,678,063	338,944,246	287,803,225
TOTAL ASSETS	583,480,271	571,038,885	512,143,989
LIABILITIES AND EQUITY			
Current Liabilities:			
Trade payables	47,163,755	56,720,155	39,673,803
Short-term borrowings	150,550,714	131,235,009	80,473,966
Derivative liabilities	5,187,901	6,952,737	407,206
Provisions	699,878	819,075	974,540
Other financial liabilities	2,927,184	7,116,496	4,341,088
Other liabilities	6,491,317	4,281,818	7,168,077
Tax liabilities	9,218	66,880	438,173
TOTAL CURRENT LIABILITIES	213,029,967	207,192,170	133,476,853
Non-current liabilities:			
Long-term borrowings	-	-	41,787,044
Derivative liabilities	-	-	6,400,673
Provisions	1,057,267	1,361,288	1,711,644
TOTAL NON-CURRENT LIABILITIES	1,057,267	1,361,288	49,899,361
TOTAL LIABILITIES	214,087,234	208,553,458	183,376,214
EQUITY			
Equity attributable to owners of the parent	370,282,876	364,038,402	329,142,125
Paid-in capital	11,967,377	11,967,377	11,967,377
Other issued capital	137,163,797	137,058,864	136,833,843
Accumulated other comprehensive income	1,600,044	444,040	(1,240,859)
Retained earnings	219,551,658	214,568,121	181,581,764
Non-controlling interests	(889,839)	(1,552,975)	(374,350)
TOTAL EQUITY	369,393,037	362,485,427	328,767,775
TOTAL LIABILITIES AND EQUITY	583,480,271	571,038,885	512,143,989

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED MARCH 31, 2017, 2016 AND 2015

(Unit : USD)

	FY2017	FY2016	FY2016	FY2015
	Year ended March 31	Year ended March 31	Year ended December 31	Year ended December 31
SALES (REVENUE)	77,227,985	88,111,636	338,068,515	392,886,712
COGS	(63,919,724)	(71,489,309)	(270,781,248)	(312,416,625)
GROSS PROFIT	13,308,261	16,622,327	67,287,267	80,470,087
SG&A	(12,138,484)	(13,625,756)	(49,591,618)	(50,833,487)
Salaries	3,522,030	4,509,848	17,434,195	15,529,914
Entertainment	194,003	227,240	817,106	943,381
Advertising	163,143	196,770	890,935	805,278
Sales Promotion	969,358	1,482,762	5,599,387	5,421,241
Sales Commissions	122,398	310,118	864,749	1,490,129
Sales warranty	(282,578)	419,629	(1,685,778)	2,433,738
Rental fee	1,418,296	1,724,297	6,662,369	5,858,136
Depreciation	1,277,958	1,116,475	4,586,571	3,759,898
Amortization	312,358	213,974	1,026,967	708,897
Tax and dues	542,853	143,295	421,847	589,436
Supplies	376,188	147,265	898,135	944,105
Service Fees (Professional fees)	1,551,360	1,166,682	5,632,523	3,871,394
Others	1,971,117	1,967,401	6,442,612	8,477,940
Other income	14,882,290	7,419,206	37,376,625	17,015,949
Other expenses	(1,081,266)	(223,718)	(6,442,349)	(4,530,845)
OPERATING PROFIT	14,970,801	10,192,059	48,629,925	42,121,704
Financial income	2,040,335	2,648,473	2,794,597	13,598,432
Financial expenses	(6,217,169)	(5,327,805)	(12,892,567)	(9,678,869)
Profit or loss of investments in associates	(956,130)	(742,326)	(2,403,234)	(3,359,097)
PROFIT BEFORE INCOME TAX EXPENSE	9,837,837	6,770,401	36,128,721	42,682,170
Income tax expense	(22,515)	-	(267,234)	(1,258,307)
NET INCOME	9,815,322	6,770,401	35,861,487	41,423,863
OTHER COMPREHENSIVE INCOME	1,156,319	250,676	1,684,899	(1,857,958)
TOTAL COMPREHENSIVE INCOME	10,971,641	7,021,077	37,546,386	39,565,905
NET INCOME ATTRIBUTABLE TO:				
Owners of the parent	10,066,231	6,922,635	37,040,112	42,038,839
Non-controlling interests	(250,909)	(152,234)	(1,178,625)	(614,976)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	11,222,235	7,173,311	38,725,011	40,180,881
Non-controlling interests	(250,594)	(152,234)	(1,178,625)	(614,976)
EARNINGS PER SHARE FOR PROFIT				
ATTRIBUTABLE TO THE OWNERS OF THE PARENT				
Basic and diluted earnings per share	0.21	0.15	0.78	0.89

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW STATEMENT
FOR THE YEARS ENDED MARCH 31, 2017, 2016 AND 2015

(Unit : USD)

	FY2017	FY2016	FY2016	FY2015
	Year ended March 31	Year ended March 31	Year ended December 31	Year ended December 31
CASH FLOWS FROM OPERATING ACTIVITIES:	(8,465,837)	(18,877,431)	3,017,897	(15,895,478)
Net income	9,815,322	6,770,402	35,861,487	41,423,863
Adjustments to reconcile profit to net cash provided by (used in) operating activities:				
Bad debt expense	(82,212)	214,066	(188,804)	1,195,494
Other Bad Debt Expenses	-	-	4,828,000	-
Depreciation	1,999,491	1,658,548	7,128,580	5,685,449
Depreciation in investment property	34,695	16,618	138,781	66,471
Amortization of intangible assets	312,357	213,974	1,026,967	708,897
Impairment of intangible assets	-	-	-	923,956
Gain on the evaluation of derivative instrument	(1,553,377)	(2,273,539)	-	-
Loss on the evaluation of derivative instrument	-	-	552,064	3,515,833
Loss on the transaction of derivative instrument	-	-	-	37,235
Gain on the transaction of derivative instrument	(8,354)	(3,850)	(28,567)	-
Loss on the repayment on bond	-	-	44,695	68,165
Increase of provisions for product warranties	(282,577)	419,629	(1,685,778)	2,433,738
Increase(decrease) of provisions for return products	(50,178)	(32,826)	2,740	(118,855)
Income tax expense	22,454	-	267,234	1,258,307
Interest expenses	2,057,721	2,035,495	9,763,123	5,453,933
Losses on Disposition of Investments in subsidiaries	-	-	66,928	-
Loss on foreign exchange translation	5,126,334	167,952,048	120,261	2,371,554
Severance benefits	-	-	4,569	85,716
Welfare expenses	-	-	-	-
Sales promotional expenses	731,285	-	731,285	286,210
Compensation expenses associated with stock option	104,933	167,173	464,435	638,205
Profit or loss of investments in associates	956,134	742,326	2,403,234	3,359,097
Dividend income	(728,479)	-	(549,242)	(453,088)
Miscellaneous loss	12,170	-	-	-
Interest income	(11,906,307)	(5,976,381)	(33,676,591)	(14,426,336)
Financial assets at fair value through profit or loss	-	-	-	-
loss on valuation financial assets at FVTPL	-	-	306,054	-
Gain on disposal of Financial assets at fair value through profit or loss	-	-	-	(9,203,926)
Rental income	(13,800)	(16,800)	(86,200)	(79,200)
Loss on disposal of property, plant and equipment	-	-	10,877	-
Gain on disposal of property, plant and equipment	(16,715)	(553,015)	(591,855)	(61,687)
Gain on foreign exchange translation	(1,510,696)	(164,768,565)	(2,046,112)	(4,077,814)
	(4,795,121)	(205,099)	(10,993,322)	(332,646)
Movements in working capital:				
Decrease (increase) in trade and other receivables	9,820,999	(27,375,438)	(24,437,923)	(46,873,308)
Decrease (increase) in other current assets	8,004,753	(8,510,111)	2,689,184	2,404,720
Increase in other non-current assets	(4,203,993)	(1,628,119)	(6,257,021)	(7,035,014)
Decrease (increase) in inventories	239,965	13,852,819	(2,167,792)	(19,385,936)
Increase in trade payables and other financial liabilities	(23,401,237)	(941,056)	14,453,127	16,684,697
Increase (decrease) in other current liabilities	(2,833,694)	3,179,522	(2,431,547)	5,048,956
Increase (decrease) in provisions	(6,091)	-	(119,624)	(1,239,461)
Increase (decrease) in derivative instrument	-	(200,820)	-	-
	(12,379,298)	(21,623,203)	(18,271,596)	(50,395,346)
Interest received	141,366	(58,532)	1,955,540	1,423,362
Interest paid	(1,872,022)	(1,978,764)	(5,570,130)	(7,281,530)
Dividend received	728,479	-	549,242	453,088
Income tax paid	(104,563)	(1,782,235)	(513,324)	(1,186,269)
CASH FLOWS FROM INVESTING ACTIVITIES:	(8,675,805)	(6,669,519)	(12,987,690)	(22,285,667)
Increase in short-term financial instruments	(105,000)	-	(9,208,647)	(10,899,376)
Decrease in short-term financial instruments	-	900,000	10,602,077	1,435,037
Acquisition of financial asset at fair value through profit or loss	-	-	(2,466,851)	-
Increase in short-term loans	(6,261,167)	(4,290,856)	(4,604,594)	(50,405)
Decrease in short-term loans	497,122	-	2,671,516	-
Increase in long-term loans	-	-	-	-
Acquisition of available-for-sale financial asset	-	-	-	-
Acquisition of investment in associates	(2,000,000)	-	-	-
Acquisition of property, plant and equipment	(560,502)	(7,055,335)	(8,883,956)	(12,563,693)
Disposal of property, plant and equipment	30,600	3,776,672	3,970,408	163,445
Acquisition of investment in properties	-	-	-	-
Acquisition of intangible assets	(276,858)	-	(5,070,503)	(370,675)
Decrease in leasehold deposits	-	-	2,860	-
	17,624,112	28,582,211	4,794,340	26,464,733
CASH FLOWS FROM FINANCING ACTIVITIES:	17,624,112	28,582,211	4,794,340	26,464,733
Proceeds from (Repayment of) short-term borrowings	13,738,299	28,582,211	10,626,816	27,868,126
Proceeds from long-term borrowings	-	-	-	250,000
Repayment of long-term borrowings	-	-	-	-
Decrease in derivative instrument	(203,104)	-	(378,639)	(380,679)
Decrease in derivative liability	-	-	-	-
Payment of dividends	-	-	(4,053,755)	(472,664)
Capital increase by offering	-	-	-	1,000
Sales of treasury stock	-	-	(239,414)	-
Acquisition of treasury stock	-	-	-	(801,050)
Issuing Bond	10,161,616	-	35,632,980	-
Repayment for Bond	(6,072,699)	-	(36,793,648)	-
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(842,800)	(20,893)	101,222	(157,202)
FLOUCTATIONS IN CASH DUE TO FLOUCTATIONS IN THE CONSOLIDATION ENTITY	1,582,349	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,222,019	3,014,368	(5,074,231)	(11,873,614)
CASH AND CASH EQUIVALENTS, AT THE BEGINNING OF THE YEAR	6,734,767	11,808,998	11,808,998	23,682,612
CASH AND CASH EQUIVALENTS, AT THE END OF THE PERIOD	7,956,786	14,823,366	6,734,767	11,808,998

KOLAO HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2017, 2016 AND 2015

[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		
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
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	-	-	37,040,112	-	37,040,112	(1,178,625)	35,861,487
		Gains on valuation of AFS financial assets	-	-	-	1,851,740	1,851,740	-	1,851,740
		Changes due to associate's equity changes	-	-	-	(274,720)	(274,720)	-	(274,720)
		Exchange differences on translating foreign operations	-	-	-	107,879	107,879	-	107,879
		Total comprehensive income	-	-	37,040,112	1,684,899	38,725,011	(1,178,625)	37,546,386
		-	-	-	-	-	-	-	
	Payment of Dividend	-	-	-	-	-	-	-	
	Dividend expenses	-	-	(4,053,755)	-	(4,053,755)	-	(4,053,755)	
	Acquisition of treasury stock	-	-	-	-	-	-	-	
	Disposal of treasury stock	-	(239,414)	-	-	(239,414)	-	(239,414)	
	Stock options	-	464,435	-	-	464,435	-	464,435	
Acquisition of subsidiaries stock	-	-	-	-	-	-	-		
2016.12.31			11,967,377	137,058,864	214,568,121	444,040	364,038,402	(1,552,975)	362,485,427
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	-	-	6,922,635	-	6,922,635	(152,234)	6,770,401
		Gains on valuation of AFS financial assets	-	-	-	-	-	-	-
		Changes due to associate's equity changes	-	-	-	238,121	238,121	-	238,121
		Exchange differences on translating foreign operations	-	-	-	12,555	12,555	-	12,555
		Total comprehensive income	-	-	6,922,635	250,676	7,173,311	(152,234)	7,021,077
		-	-	-	-	-	-	-	
	Payment of Dividend	-	-	-	-	-	-	-	
	Dividend expenses	-	-	(4,053,752)	-	(4,053,752)	-	(4,053,752)	
	Acquisition of treasury stock	-	-	-	-	-	-	-	
	Disposal of treasury stock	-	-	-	-	-	-	-	
	Stock options	-	167,173	-	-	167,173	-	167,173	
Acquisition of subsidiaries stock	-	-	-	-	-	-	-		
2016.03.31			11,967,377	137,001,016	184,450,647	(990,183)	332,428,857	(526,584)	331,902,273
2017.01.01			11,967,377	137,058,864	214,568,121	444,040	364,038,402	(1,552,975)	362,485,427
Changes in Equity	Comprehensive incomes	Net income	-	-	10,066,231	-	10,066,231	(250,909)	9,815,322
		Gains on valuation of AFS financial assets	-	-	-	-	-	-	-
		Changes due to associate's equity changes	-	-	-	1,155,690	1,155,690	-	1,155,690
		Exchange differences on translating foreign operations	-	-	-	314	314	315	629
		Total comprehensive income	-	-	10,066,231	1,156,004	11,222,235	(250,594)	10,971,641
		-	-	-	-	-	-	-	
	Payment of Dividend	-	-	-	-	-	-	-	
	Dividend expenses	-	-	(5,082,694)	-	(5,082,694)	-	(5,082,694)	
	Acquisition of treasury stock	-	-	-	-	-	-	-	
	Disposal of treasury stock	-	-	-	-	-	-	-	
	Stock options	-	104,933	-	-	104,933	-	104,933	
Acquisition of subsidiaries stock	-	-	-	-	-	913,730	913,730		
2017.03.31			11,967,377	137,163,797	219,551,658	1,600,044	370,282,876	(889,839)	369,393,037