

The Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take

Consolidated balance sheet

At 31 December 2014

ASSETS	Note	2014	2013
Current assets:			
Accounts receivable		900,982,056.56	817,111,111.11
Accounts payable	3	7,842,580.10	11,111,111.11
Accounts receivable	3	234,683,339.39	211,111,111.11
Accounts payable	3	42,448,774.83	31,111,111.11
Accounts receivable	3	78,119,619.28	71,111,111.11
Accounts payable		577,127,799.95	511,111,111.11
Accounts receivable		7,444,600.40	6,111,111.11
Total current assets		1,848,648,770.51	1,745,648,770.51
Non-current assets:			
Accounts receivable		119,506,244.94	111,111,111.11
Accounts payable		709,053.12	61,111,111.11
Accounts receivable		412,553,068.26	381,111,111.11
Accounts payable		6,738,396.67	6,111,111.11
Accounts receivable		4,027,060.50	3,111,111.11
Accounts payable		19,506,004.56	17,111,111.11
Accounts receivable		12,881,878.40	11,111,111.11
Accounts payable		10,193,466.27	9,111,111.11
Total non-current assets		586,115,172.72	539,648,770.51
TOTAL ASSETS		2,434,763,943.23	2,285,297,541.02
LIABILITIES & SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable		524,000,000.00	471,111,111.11
Accounts payable		36,520,312.90	31,111,111.11
Accounts payable	4	406,030,216.39	361,111,111.11
Accounts payable	4	60,493,872.25	51,111,111.11
Accounts payable		397,375.48	31,111,111.11
Accounts payable		36,188,173.83	31,111,111.11
Accounts payable	4	47,765,320.26	41,111,111.11
Accounts payable		70,000,000.00	61,111,111.11
Total current liabilities		1,181,395,271.11	1,119,648,770.51
Non-current liabilities:			
Accounts payable		70,000,000.00	61,111,111.11
Accounts payable		9,622,739.47	8,111,111.11
Accounts payable		636,670.96	51,111,111.11
Total non-current liabilities		80,259,410.43	120,333,333.33

	<i>Note</i>	2014	2013
Total liabilities		1,261,654,681.54	1,111,111,111.11
Shareholders' equity:			
Common stock		224,100,000.00	111,111,111.11
Preferred stock		99,627,613.95	111,111,111.11
Accumulated other comprehensive income		(3,879,022.15)	111,111,111.11
Retained earnings		51,644,250.39	111,111,111.11
Accumulated other long-term assets	5	752,268,735.54	111,111,111.11
Shareholders' equity subject to redemption		1,123,761,577.73	111,111,111.11
Shareholders' equity subject to liquidation preference		49,347,683.96	111,111,111.11
Shareholders' equity		1,173,109,261.69	1,111,111,111.11
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,434,763,943.23	2,222,222,222.22
Net current assets	13	667,253,499.40	111,111,111.11
Total asset less current assets	14	1,253,368,672.12	1,111,111,111.11

Consolidated income statement

For the year ended 31 December 2014

ITEMS	Note	2014	2013
I. Total operating income	6	907,225,991.66	811,111,111.11
II. Total operating cost		763,727,347.95	678,901,234.56
Cost of sales		610,857,619.95	534,567,890.12
Depreciation and amortization		11,430,581.82	12,345,678.90
Impairment loss on disposal of non-current assets		25,668,659.74	10,987,654.32
Impairment loss on disposal of financial assets		95,488,723.80	10,000,000.00
Provision for doubtful accounts	9	26,340,633.46	10,000,000.00
Provision for bad debts		(6,058,870.82)	10,000,000.00
Provision for employee benefits		(90,946.88)	10,000,000.00
III. Operating profit		143,407,696.83	132,209,876.55
Interest income		24,422,386.96	10,000,000.00
Interest expense		158,750.56	10,000,000.00
IV. Total profit		167,671,333.23	132,209,876.55
Income tax expense	10	27,710,185.08	10,000,000.00
V. Net profit		139,961,148.15	122,209,876.55
Income tax expense		137,953,042.32	122,209,876.55
Income tax expense		2,008,105.83	10,000,000.00
VI. Net other comprehensive income after tax		(102,171.44)	10,000,000.00
Income tax expense		(102,171.44)	10,000,000.00
Income tax expense		(102,171.44)	10,000,000.00
Income tax expense		(102,171.44)	10,000,000.00
Income tax expense		(102,171.44)	10,000,000.00

Consolidated cash flow statement

For the year ended 31 December 2014

ITEMS	2014	2013
I. Cash flows from operating activities		
Revenue		11,000,000.00
Cost of sales	799,114,111.87	11,000,000.00
Interest income	3,242,111.67	2,000,000.00
Interest expense	61,812,271.98	2,000,000.00
Other income		
Other expense		
Net cash flows from operating activities	<u>864,168,495.52</u>	<u>2,000,000.00</u>
Revenue		2,000,000.00
Cost of sales	467,121,635.93	2,000,000.00
Interest income	45,360,613.05	2,000,000.00
Interest expense	55,008,305.13	2,000,000.00
Other income		
Other expense		
Net cash flows from operating activities	<u>113,622,195.93</u>	<u>2,000,000.00</u>
Revenue		2,000,000.00
Cost of sales		
Interest income		
Interest expense		
Other income		
Other expense		
Net cash flows from operating activities	<u>681,112,750.04</u>	<u>2,000,000.00</u>
Net cash flows from operating activities	<u>183,055,745.48</u>	<u>2,000,000.00</u>
II. Cash flows from investing activities		
Revenue	-	1,000,000.00
Cost of sales	-	1,000,000.00
Interest income		
Interest expense		
Other income		
Other expense		
Net cash flows from investing activities	<u>76,361.29</u>	<u>1,000,000.00</u>
Revenue		
Cost of sales		
Interest income		
Interest expense		
Other income		
Other expense		
Net cash flows from investing activities	<u>76,361.29</u>	<u>1,000,000.00</u>
Revenue		1,000,000.00
Cost of sales		
Interest income		
Interest expense		
Other income		
Other expense		
Net cash flows from investing activities	<u>107,317,226.69</u>	<u>1,000,000.00</u>
Revenue		
Cost of sales		
Interest income		
Interest expense		
Other income		
Other expense		
Net cash flows from investing activities	<u>18,470,000.00</u>	<u>1,000,000.00</u>
Revenue		
Cost of sales		
Interest income		
Interest expense		
Other income		
Other expense		
Net cash flows from investing activities	<u>125,787,226.69</u>	<u>1,000,000.00</u>
Net cash flows from investing activities	<u>(125,710,865.40)</u>	<u>2,000,000.00</u>

... ..

... ..

Adjustments	Items of financial statements that are affected	Affected amount	
		2014	2013

		9,622,739.47	11,517,177.47
--	--	--------------	---------------

		9,622,739.47	11,517,177.47
--	--	--------------	---------------

(2) Change in major accounting estimates

3. TRADE AND OTHER RECEIVABLES

	2014	2013
Accounts receivable	261,979,554.14	252,111,252.51
Notes receivable	27,296,214.75	21,177,177.47
Other receivables	7,842,580.10	7,711,111.11
Prepayments	42,448,774.83	42,448,774.83
Accounts receivable	79,656,493.02	81,177,177.47
Notes receivable	1,536,873.74	1,536,873.74
	<u>363,094,313.60</u>	<u>363,094,313.60</u>

The aging analysis of accounts receivable

Types	2014		2013	2012
	Closing balance	Provision for bad debts		
Accounts receivable	106,752,852.16	3,462,176.24	106,752,852.16	106,752,852.16
Notes receivable	126,652,359.26	9,876,519.70	126,652,359.26	126,652,359.26

4. TRADE AND OTHER PAYABLES

	2014	2013
Accounts payable	406,030,216.39	311,538,597.59
Accounts payable - related parties	60,493,872.25	53,600,434.23
Other payables	47,765,320.26	40,891,184.57
	<u>514,289,408.90</u>	<u>406,030,216.39</u>

Age analysis of accounts payables

	2014	2013
Current	311,538,597.59	311,538,597.59
1-12 months	53,600,434.23	53,600,434.23
1-2 years	40,891,184.57	40,891,184.57
	<u>406,030,216.39</u>	<u>406,030,216.39</u>

5. UNDISTRIBUTED PROFITS

	2014	2013
Undistributed profits of subsidiaries	642,216,593.48	642,216,593.48
Undistributed profits of subsidiaries - related parties	137,953,042.32	137,953,042.32
Shareholders' undistributed profits	5,490,900.26	5,490,900.26
Undistributed profits of subsidiaries	22,410,000.00	22,410,000.00
	<u>752,268,735.54</u>	<u>752,268,735.54</u>

As of December 31, 2014, the total amount of undistributed profits of subsidiaries is RMB752,268,735.54, of which RMB642,216,593.48 is undistributed profits of subsidiaries, RMB137,953,042.32 is undistributed profits of subsidiaries - related parties, RMB5,490,900.26 is shareholders' undistributed profits, and RMB22,410,000.00 is undistributed profits of subsidiaries.

6. TOTAL OPERATING INCOME

The consolidated financial statements were prepared on the basis of the accounting principles and methods used in the preparation of the financial statements of the Company for the corresponding period of the previous year.

(1) Operating income and operating cost

Items	2014	2013
Operating income	901,027,948.26	811,111,111.11
Operating cost	6,198,043.40	7,111,111.11
	<u>907,225,991.66</u>	<u>818,222,222.22</u>
Operating income	607,862,625.44	711,111,111.11
Operating cost	2,994,994.51	3,111,111.11
	<u>610,857,619.95</u>	<u>714,222,222.22</u>

(2) Principal operations (by product)

Name of Products	2014		2013	2012
	Operating income	Operating cost		
Product A	659,440,413.49	468,399,613.56	711,111,111.11	811,111,111.11
Product B	153,238,871.31	106,518,857.97	711,111,111.11	811,111,111.11
Product C	88,348,663.46	32,944,153.91	711,111,111.11	811,111,111.11
	<u>901,027,948.26</u>	<u>607,862,625.44</u>	<u>711,111,111.11</u>	<u>811,111,111.11</u>

7. SEGMENTS INFORMATION

Information about the segments of the Company is provided in the following table. The segments are defined as the Company's operations and products that are managed separately because they are subject to different risks and returns. The segments are defined as the Company's operations and products that are managed separately because they are subject to different risks and returns.

8. GROSS PROFIT

	2014	2013
Revenue	907,225,991.66	811,111,111.11
Cost of sales	610,857,619.95	511,111,111.11
Gross profit	<u>296,368,371.71</u>	<u>300,000,000.00</u>

9. FINANCIAL EXPENSES

Items	2014	2013
Interest expense	31,964,668.86	21,111,111.11
Bank charges	6,331,440.47	11,111,111.11
Interest income	(200,923.15)	(11,111,111.11)
Other	908,328.22	11,111,111.11
Net	<u>26,340,633.46</u>	<u>11,111,111.11</u>

Notes: The interest expense is primarily related to the Company's bank loans.

10. INCOME TAX EXPENSES

Items	2014	2013
Income tax expense	26,892,568.67	11,111,111.11
Deferred tax expense	817,616.41	11,111,111.11
Net	<u>27,710,185.08</u>	<u>22,222,222.22</u>

1. The following table shows the components of the net income attributable to common shareholders:

Item	2014	2013
Net income	167,671,333.23	167,671,333.23
Income tax expense	26,574,567.96	26,574,567.96
Income tax benefit	1,189,877.41	1,189,877.41
Income tax expense	3,309,015.56	3,309,015.56
Income tax benefit	(4,976,131.64)	(4,976,131.64)
Income tax expense	795,239.38	795,239.38
Income tax benefit	817,616.41	817,616.41
Income tax expense	27,710,185.08	27,710,185.08

11. BASIC EARNINGS PER SHARE

The following table shows the components of the net income attributable to common shareholders:

Items	2014	2013
Net income	137,953,042.32	137,953,042.32
Income tax expense	224,100,000.00	224,100,000.00
Income tax benefit	0.616	0.616

12. DIVIDENDS

Items	2014	2013
Dividends paid	63,364,680.00	63,364,680.00

The following table shows the components of the net income attributable to common shareholders:

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Total Operating Income

Our total operating income for the year ended December 31, 2011 was \$1,125 million, an increase of 4% from \$1,080 million for the year ended December 31, 2010. This increase was primarily due to an increase in our operating income from our operations in the United States, which was \$1,080 million for the year ended December 31, 2011, compared to \$1,070 million for the year ended December 31, 2010.

Gross Profit

Our gross profit for the year ended December 31, 2011 was \$1,125 million, an increase of 1% from \$1,114 million for the year ended December 31, 2010. This increase was primarily due to an increase in our gross profit from our operations in the United States, which was \$1,114 million for the year ended December 31, 2011, compared to \$1,110 million for the year ended December 31, 2010.

FINANCIAL RESOURCES AND LIQUIDITY

CONTINGENT LIABILITIES

Contingent liabilities are liabilities that may or may not occur in the future, depending on some event that is uncertain at the time of the balance sheet.

EMPLOYEES AND REMUNERATION POLICIES

Employees and remuneration policies are the policies that a company has in place regarding its employees and their remuneration. These policies are typically set out in a company's employee handbook or remuneration policy document. The policies cover a range of issues, including recruitment, selection, training, development, performance management, and remuneration. Remuneration policies typically cover the structure of remuneration, including base salary, bonuses, and other benefits. The policies also cover the process of setting and reviewing remuneration, and the criteria used to determine remuneration levels. The policies are designed to ensure that the company's remuneration is fair, competitive, and aligned with its business strategy.

BUSINESS REVIEW

BUSINESS DEVELOPMENT

Strategic business

Strategic business is the long-term plan of a company that outlines its overall goals and objectives, and the actions it will take to achieve them. It is a high-level overview of the company's future, and it provides a framework for decision-making and resource allocation. The strategic business plan typically covers a period of three to five years, and it is reviewed and updated regularly. The plan is based on a thorough analysis of the company's internal and external environment, and it takes into account the company's strengths, weaknesses, opportunities, and threats. The plan is designed to ensure that the company is positioned to succeed in the long term, and it provides a clear direction for the company's future.

Strategic business is the long-term plan of a company that outlines its overall goals and objectives, and the actions it will take to achieve them. It is a high-level overview of the company's future, and it provides a framework for decision-making and resource allocation. The strategic business plan typically covers a period of three to five years, and it is reviewed and updated regularly. The plan is based on a thorough analysis of the company's internal and external environment, and it takes into account the company's strengths, weaknesses, opportunities, and threats. The plan is designed to ensure that the company is positioned to succeed in the long term, and it provides a clear direction for the company's future.

v. 1/2/1900

COMPETING BUSINESS AND CONFLICTS OF INTERESTS

When a person is involved in a business transaction, they must disclose any competing business or conflicts of interest. This is a legal requirement that applies to all business transactions. If a person fails to disclose such information, they may be liable for damages or other legal consequences. For example, if a person is involved in a business transaction and has a competing business, they must disclose this information to the other party. If they fail to do so, they may be liable for damages or other legal consequences. This is a legal requirement that applies to all business transactions. If a person fails to disclose such information, they may be liable for damages or other legal consequences. For example, if a person is involved in a business transaction and has a competing business, they must disclose this information to the other party. If they fail to do so, they may be liable for damages or other legal consequences.

CORPORATE GOVERNANCE CODE

1. The Board of Directors shall be responsible for the overall management of the Company and shall ensure that the Company complies with all applicable laws and regulations. The Board shall also be responsible for the Company's financial performance and for the protection of the interests of the Company's shareholders.

2. The Board shall consist of a minimum of five members, including at least one independent non-executive director. The Board shall elect a Chairman and a Vice-Chairman. The Board shall also elect a Director of Finance and a Director of Human Resources.

3. The Board shall meet at least once a year and shall also meet as and when required. The Board shall have the authority to delegate its powers to committees, subject to its approval. The Board shall also have the authority to appoint and remove the Company's senior management.

4. The Board shall be responsible for the Company's strategic direction and for the approval of the Company's annual budget and business plan. The Board shall also be responsible for the Company's risk management and for the Company's compliance with applicable laws and regulations.

5. The Board shall be responsible for the Company's financial performance and for the protection of the interests of the Company's shareholders. The Board shall also be responsible for the Company's environmental, social and governance (ESG) performance.

