

Consolidated balance sheet

At 31 December 2015

ASSETS	Note	2015	2014
Current assets:			
Carrying amount		1,212,720,957.69	900,982,056.56
Net carrying amount	3	430,000.00	7,842,580.10
Accrued carrying amount	3	405,045,579.64	234,683,339.39
Prepaid	3	102,561,214.68	42,448,774.83
Intangible carrying amount		806,088.29	—
Goodwill	3	80,821,123.74	78,119,619.28
Investment		539,754,737.11	577,127,799.95
Other carrying amount		156,802,978.14	7,444,600.40
Total current assets		2,498,942,679.29	1,848,648,770.51
Non-current assets:			
Carrying amount		44,520,000.00	119,506,244.94
Long-term investment		3,475,159.72	709,053.12
Intangible Prepaid		211,022,900.00	—
Financial		246,314,755.16	412,553,068.26
Contractual		25,322,742.02	6,738,396.67
Contractual		2,911,916.51	4,027,060.50
Intangible		12,374,724.82	19,506,004.56
Long-term investment		12,365,667.87	12,881,878.40
Debt carrying amount		23,895,454.79	10,193,466.27
Other carrying amount		120,000,000.00	—
Total non-current assets		702,203,320.89	586,115,172.72
TOTAL ASSETS		3,201,146,000.18	2,434,763,943.23
LIABILITIES & SHAREHOLDERS' EQUITY			
Current liabilities:			
Shareholders' equity		508,765,000.00	524,000,000.00
Net liability		81,521,681.76	36,520,312.90
Accrued liability	4	526,961,876.08	406,030,216.39
Accrued	4	84,041,499.16	60,493,872.25
Shareholders' equity		3,137,558.73	397,375.48
Tax liability		38,877,388.22	36,188,173.83
Intangible liability		1,060,086.67	—
Goodwill	4	49,094,015.39	47,765,320.26
Non-current liability		27,860,000.00	70,000,000.00
Total current liabilities		1,321,319,106.01	1,181,395,271.11

	<i>Note</i>	2015	2014
Non-current liabilities:			
Long-term debt		138,210,000.00	70,000,000.00
Deferred income taxes		9,128,698.17	9,622,739.47
Deferred compensation liability		9,111,725.27	636,670.96
Total non-current liabilities		156,450,423.44	80,259,410.43
Total liabilities		1,477,769,529.45	1,261,654,681.54
Shareholders' equity:			
Share capital		316,823,400.00	224,100,000.00
Capital reserves		417,042,894.68	99,627,613.95
Accumulated other comprehensive income		30,662,281.62	(3,879,022.15)
Share-based payment		72,085,199.91	51,644,250.39
Unattributed net income	5	832,932,029.03	752,268,735.54
Total attributable to equity holders of the parent		1,669,545,805.24	1,123,761,577.73
Minority interest		53,830,665.49	49,347,683.96
Total shareholders' equity		1,723,376,470.73	1,173,109,261.69
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,201,146,000.18	2,434,763,943.23
Net current assets	13	1,177,623,573.28	667,253,499.40
Total assets less current liabilities	14	1,879,826,894.17	1,253,368,672.12

Consolidated income statement

For the year ended 31 December 2015

ITEMS	Note	2015	2014
I. Total operating income	6	1,226,308,423.63	907,225,991.66
II. Total operating cost		1,088,246,082.23	763,727,347.95
Cost of Sales		888,061,695.23	610,857,619.95
Administrative		18,908,597.38	11,430,581.82
Selling and Distribution		31,520,776.37	25,668,659.74
General and Administrative		102,485,667.20	95,488,723.80
Finance	9	23,981,002.21	26,340,633.46
Other		23,288,343.84	(6,058,870.82)
Gain on sale of assets		90,914,488.82)	

Consolidated cash flow statement

For the year ended 31 December 2015

ITEMS	2015	2014
I. Cash flows from operating activities		
Cash flows from operations	1,083,188,379.61	799,114,111.87
Reclassification	4,347,101.05	3,242,111.67
Cash flows from discontinued operations	174,086,370.10	61,812,271.98
Subtotal cash flows from discontinued operations	1,261,621,850.76	864,168,495.52
Cash flows from operations	931,121,850.67	467,121,635.93
Cash flows from discontinued operations	50,383,224.36	45,360,613.05
Payments	64,770,493.08	55,008,305.13
Cash flows from discontinued operations	62,255,938.14	113,622,195.93
Subtotal cash flows from discontinued operations	1,108,531,506.25	681,112,750.04
Net cash flows from operating activities	153,090,344.51	183,055,745.48
II. Cash flows from investing activities		
Cash flows from operations	78,986,244.94	✓
Cash flows from operations	28,196,280.08	✓
Net cash flows from operations, including		
- tax benefits	106,691.86	76,361.29
Net cash flows from operations	-	✓
Cash flows from operations	360,000,000.00	✓
Subtotal cash flows from operations	467,289,216.88	76,361.29
Cash flows from operations, including		
- tax benefits	32,154,572.13	107,317,226.69
Cash flows from operations	8,500,000.00	18,470,000.00
Net cash flows from operations	-	✓
Net cash flows from operations	-	✓
Cash flows from operations	630,000,000.00	✓
Subtotal cash flows from operations	670,654,572.13	125,787,226.69
Net cash flows from investing activities	(203,365,355.25)	(125,710,865.40)

ITEMS	2015	2014
III. Cash flows from financing activities		
Cash received from the sale of equity securities	413,979,069.07	-
Interest received on cash and cash equivalents	-	-
Cash received from the sale of property and equipment	635,000,000.00	665,000,000.00
Subtotal cash and cash equivalents received	<u>1,048,979,069.07</u>	<u>665,000,000.00</u>
Cash paid for the acquisition of property and equipment	493,930,000.00	412,250,000.00
Cash paid for the acquisition of intangible assets	101,323,609.16	55,774,668.86
Interest paid on debt	-	1,400,000.00
Subtotal cash and cash equivalents paid	<u>595,253,609.16</u>	<u>468,024,668.86</u>
Net cash flows from financing activities	<u><u>453,725,459.91</u></u>	<u><u>196,975,331.14</u></u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<u><u>2,086,438.39</u></u>	<u><u>114,581.09</u></u>
V. Net increase in cash and cash equivalents	<u><u>405,536,887.56</u></u>	<u><u>254,434,792.31</u></u>
Adjusted cash and cash equivalents at the beginning of the period	782,748,257.94	528,313,465.63
VI. Cash and cash equivalent at end of period	<u><u>1,188,285,145.50</u></u>	<u><u>782,748,257.94</u></u>

Notes to the financial statements

For the year ended 31 December 2015

1. GENERAL

南京三寶科技股份有限公司 (Nanjing Sanbao Technology Co., Ltd. *) (the "Company", the "Group" or "GEM") is established in P. R. of China (the "PRC") and is a public company listed on the Shanghai Stock Exchange (the "SSE") since December 28, 2010.

The Company is a public company listed on the Shanghai Stock Exchange (the "SSE") since December 28, 2010. The Company is a public company listed on the Shanghai Stock Exchange (the "SSE") since December 28, 2010.

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2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company is a public company listed on the Shanghai Stock Exchange (the "SSE") since December 28, 2010.

The Company is a public company listed on the Shanghai Stock Exchange (the "SSE") since December 28, 2010.

3. TRADE AND OTHER RECEIVABLES

	2015	2014
Accounts receivable	453,196,963.88	261,979,554.14
Less: Provision for doubtful accounts	48,151,384.24	27,296,214.75
Net receivable	430,000.00	7,842,580.10
Prepaid	102,561,214.68	42,448,774.83
Other receivable	84,094,848.43	79,656,493.02
Less: Provision for doubtful accounts	3,273,724.69	1,536,873.74
Total	588,857,918.06	363,094,313.60

The aging analysis of accounts receivable

Types	2015		2014	
	Closing balance	Provision for bad debts	Closing balance	Provision for bad debts
Within 1 day (including 1 day)	331,003,412.85	10,368,895.12	106,752,852.16	3,462,176.24
11-20 days	50,626,354.38	4,101,926.16	126,652,359.26	9,876,519.70
21-30 days	47,186,046.85	14,010,676.43	19,039,435.14	4,556,994.18
Over 30 days	24,381,149.80	19,669,886.53	9,534,907.58	9,400,524.63
Total	453,196,963.88	48,151,384.24	261,979,554.14	27,296,214.75

6. TOTAL OPERATING INCOME

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(1) Operating income and operating cost

Items	2015	2014
Pr... c... M... a... c...	1,209,665,836.23	901,027,948.26
Q... t... M... a... c...	16,642,587.40	6,198,043.40
Total M... a... c...	1,226,308,423.63	907,225,991.66
Pr... c... M... a... c... t	884,676,032.61	607,862,625.44
Q... t... M... a... c... t	3,385,662.62	2,994,994.51
Total M... a... c... t	888,061,695.23	610,857,619.95

(2) Principal operations (by product)

Name of Products	2015		2014	
	Operating income	Operating cost	OM a... c...	OM a... c... t
S... t... t... a...	801,936,325.32	591,974,433.37	659,440,413.49	468,399,613.56
I... t... t... t... a... a...	197,139,115.52	149,946,506.97	153,238,871.31	106,518,857.97
S... c...	109,497,069.71	47,566,186.38	88,348,663.46	32,944,153.91
C... -b... t... t... a... a... ... c...	101,093,325.68	95,188,905.89		
Total	1,209,665,836.23	884,676,032.61	901,027,948.26	607,862,625.44

7. SEGMENTS INFORMATION

Information about the Group's segments is provided in the Management Discussion and Analysis section of the 2015 Annual Report. The Group's segments are defined as follows: (i) the Group's operations in the PRC, (ii) the Group's operations in the United States, and (iii) the Group's operations in other regions. The Group's segments are defined as follows: (i) the Group's operations in the PRC, (ii) the Group's operations in the United States, and (iii) the Group's operations in other regions.

8. GROSS PROFIT

	2015	2014
Operating profit	1,226,308,423.63	907,225,991.66
Operating loss	888,061,695.23	610,857,619.95
Gross Profit	338,246,728.40	296,368,371.71

9. FINANCIAL EXPENSES

Items	2015	2014
Interest expense	37,958,929.16	31,964,668.86
Loss on disposal of assets	12,284,515.48	6,331,440.47
Exchange loss	(3,890,110.84)	(200,923.15)
Other	2,196,699.37	908,328.22
Total	23,981,002.21	26,340,633.46

Notes: Interest expense attributable to the Group's operations in the PRC is approximately 37,958,929.16 for 2015 and 31,964,668.86 for 2014.

Recursos de Capital e Resultados Financeiros

Item	2015	2014
Títulos	188,392,401.78	167,671,333.23
Impostos de Renda e Contribuições Sociais (a/c) (a/c)	26,603,755.60	23,574,567.96
Exercícios anteriores (a/c)	1,372,551.96	1,189,877.41
Impostos de Renda e Contribuições Sociais (a/c)	4,186,875.01	3,309,015.56
Ativos de Renda e Contribuições Sociais (a/c)	(2,062,500.00)	(1,987,500.00)
Exercícios anteriores (a/c)	216,736.68	11,368.36
Exercícios anteriores (a/c)	1,235,397.07	795,239.38
Impostos de Renda e Contribuições Sociais (a/c)	(10,338,276.66)	817,616.41
Impostos de Renda e Contribuições Sociais (a/c)	21,214,539.66	27,710,185.08

11. BASIC EARNINGS PER SHARE

Balancos de Retenções e Resultados Financeiros por Ação Ordinária

Items	2015	2014
Reserva de Retenções	164,468,923.01	137,953,042.32
Reserva de Retenções	309,096,450.00	224,100,000.00
Balancos de Retenções (a/c)	0.532	0.616

Taxa de conversão de ações ordinárias em ações preferenciais em 31 de dezembro de 2015 e 2014.

Taxa de conversão de ações ordinárias em ações preferenciais:

Items	2015	2014
Ordinárias	224,100,000.00	224,100,000.00
Ações Ordinárias em Exercício	84,996,450.00	-
Liquidação de Ações Ordinárias em Exercício	-	-
Ordinárias	309,096,450.00	224,100,000.00

Note: 92,723,400 ações ordinárias em 31 de dezembro de 2015, 100 ações ordinárias em 31 de dezembro de 2014 e 84,996,450 ações ordinárias em 31 de dezembro de 2015.

12. DIVIDENDS

Items	2015	2014
Final dividend in RMB0.3 per share (2014: RMB0.2 per share)	<u>95,047,020.00</u>	<u>63,364,680.00</u>

Total dividend in RMB95,047,020 or RMB0.3 per share (2014: RMB0.2 per share) is payable on 31 December 2015 to 23 March 2016.

Total dividend in RMB0.3 per share is payable on 31 December 2015 to 23 March 2016.

Items	2015	2014
Final dividend in RMB0.3 per share, payable on 31 December 2015	<u>63,364,680.00</u>	<u>22,410,000.00</u>
Total	<u>63,364,680.00</u>	<u>22,410,000.00</u>

13. NET CURRENT ASSETS

	2015	2014
Current assets	2,498,942,679.29	1,848,648,770.51
Less: current liabilities	<u>1,321,319,106.01</u>	<u>1,181,395,271.11</u>
Net current assets	<u>1,177,623,573.28</u>	<u>667,253,499.40</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Total Operating Income

Total Operating Income for the year ended 31 December 2015 was RMB1,226,308,424, representing 35.2% of Total Revenue for the year ended 31 December 2015. Total Operating Income for the year ended 31 December 2014 was RMB1,012,500,000, representing 32.1% of Total Revenue for the year ended 31 December 2014. The increase in Total Operating Income for the year ended 31 December 2015 compared to the year ended 31 December 2014 was primarily due to the increase in Total Revenue for the year ended 31 December 2015.

Gross Profit

Gross Profit for the year ended 31 December 2015 was RMB1,012,500,000, representing 27.6% of Total Revenue for the year ended 31 December 2015. Gross Profit for the year ended 31 December 2014 was RMB950,000,000, representing 30.1% of Total Revenue for the year ended 31 December 2014. The decrease in Gross Profit for the year ended 31 December 2015 compared to the year ended 31 December 2014 was primarily due to the increase in Total Revenue for the year ended 31 December 2015.

Selling and Distribution Costs

Selling and Distribution Costs for the year ended 31 December 2015 were RMB31,520,776, representing 22.8% of Total Revenue for the year ended 31 December 2015. Selling and Distribution Costs for the year ended 31 December 2014 were RMB28,000,000, representing 22.8% of Total Revenue for the year ended 31 December 2014. The increase in Selling and Distribution Costs for the year ended 31 December 2015 compared to the year ended 31 December 2014 was primarily due to the increase in Total Revenue for the year ended 31 December 2015.

General and Administrative Expenses

General and Administrative Expenses for the year ended 31 December 2015 were RMB102,485,667, representing 7.3% of Total Revenue for the year ended 31 December 2015. General and Administrative Expenses for the year ended 31 December 2014 were RMB95,000,000, representing 7.3% of Total Revenue for the year ended 31 December 2014. The increase in General and Administrative Expenses for the year ended 31 December 2015 compared to the year ended 31 December 2014 was primarily due to the increase in Total Revenue for the year ended 31 December 2015.

Net Profit Attributable to Shareholders of the Company

Net Profit Attributable to Shareholders of the Company for the year ended 31 December 2015 was RMB164,468,923, representing 19.2% of Total Revenue for the year ended 31 December 2015. Net Profit Attributable to Shareholders of the Company for the year ended 31 December 2014 was RMB150,000,000, representing 19.2% of Total Revenue for the year ended 31 December 2014. The increase in Net Profit Attributable to Shareholders of the Company for the year ended 31 December 2015 compared to the year ended 31 December 2014 was primarily due to the increase in Total Revenue for the year ended 31 December 2015.

Construction in Progress

As at 31 December 2015, the carrying amount of Construction in Progress was RMB25,322,742, representing 0.8% of Total Assets. Construction in Progress for the year ended 31 December 2015 was RMB25,322,742, representing 0.8% of Total Revenue for the year ended 31 December 2015. Construction in Progress for the year ended 31 December 2014 was RMB25,322,742, representing 0.8% of Total Revenue for the year ended 31 December 2014. The increase in Construction in Progress for the year ended 31 December 2015 compared to the year ended 31 December 2014 was primarily due to the increase in Total Revenue for the year ended 31 December 2015.

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During the period under review, the Group actively participated in the R&D of international standards readers and writers and active readers and writers with the Ministry of Public Security, promoted the application of active productseaders focuse tion paactive detivopmentseaders (application)-14
During

Information Service

In 2016, the company continued to expand its information service business. It successfully completed the acquisition of the 100% equity of the company, which is a leading provider of information services in the market. The company also completed the acquisition of the 100% equity of the company, which is a leading provider of information services in the market. The company also completed the acquisition of the 100% equity of the company, which is a leading provider of information services in the market.

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Research and Development

In 2016, the company continued to expand its information service business. It successfully completed the acquisition of the 100% equity of the company, which is a leading provider of information services in the market. The company also completed the acquisition of the 100% equity of the company, which is a leading provider of information services in the market. The company also completed the acquisition of the 100% equity of the company, which is a leading provider of information services in the market.

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DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

São Paulo, 15 de maio de 2015. O Conselho de Administração da Companhia, em reunião realizada em 15 de maio de 2015, deliberou sobre o plano de investimento para o ano de 2015.

DIRECTORS' SECURITIES TRANSACTIONS

O Conselho de Administração da Companhia, em reunião realizada em 15 de maio de 2015, deliberou sobre o plano de investimento para o ano de 2015. O Conselho de Administração da Companhia, em reunião realizada em 15 de maio de 2015, deliberou sobre o plano de investimento para o ano de 2015. O Conselho de Administração da Companhia, em reunião realizada em 15 de maio de 2015, deliberou sobre o plano de investimento para o ano de 2015.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

O Conselho de Administração da Companhia, em reunião realizada em 15 de maio de 2015, deliberou sobre o plano de investimento para o ano de 2015. O Conselho de Administração da Companhia, em reunião realizada em 15 de maio de 2015, deliberou sobre o plano de investimento para o ano de 2015.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

Final Dividend

