

**Coventive Technologies, Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Dec, 2014(unaudited) and December 31, 2013 (audited)**

COVENTIVE TECHNOLOGIES, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Dec. 31, 2014 AND December 31, 2013

(In U.S. Dollars, thousands)

	2014.12.31 (un-audited) Amount	2013.12.31 (audited) Amount		2014.12.31 (un-audited) Amount	2013.12.31 (audited) Amount
ASSETS			LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT ASSETS			CURRENT LIABILITIES		
Cash	\$ 64	\$ 143	Short-term loans	\$ -	\$ 0
Notes and accounts receivable, net of allowance for doubtful accounts as of Jun.30, 2014 and December 31, 2013	91	136	Notes and accounts payable	103	17
Other receivables	543	543	Accrued expenses	96	157
Merchandise inventories	46	61	Current portion of long-term debt	-	-
Deferred income tax assets	-	-	Other current liabilities	<u>133</u>	<u>59</u>
Restricted assets	-	0	Total current liabilities	<u>332</u>	<u>233</u>
Prepayments and other current assets	<u>1</u>	<u>438</u>	LONG-TERM LIABILITIES		
Total current assets	<u>745</u>	<u>1,321</u>	Long-term debt	<u>-</u>	<u>0</u>
LONG-TERM EQUITY INVESTMENTS			OTHER LIABILITIES		
Financial assets carried at cost	<u>57</u>	<u>57</u>	Accrued pension cost	91	101
			Guarantee deposits /others	<u>11</u>	<u>0</u>
PROPERTIES, NET	<u>5</u>	<u>6</u>	Total other liabilities	<u>102</u>	<u>101</u>
INTANGIBLE ASSETS			Total liabilities	<u>434</u>	<u>334</u>
Computer software, net	-	0	STOCKHOLDERS' EQUITY		
Goodwill	-	-	Equity attributable to stockholders of the parent		
Technology and patent use rights, net	<u>-</u>	<u>-</u>	Common stock, \$0.01 par value; authorized 100,000,000 shares; issued 32,793,323 shares	328	328
Total intangible assets	<u>0</u>	<u>0</u>	Capital surplus	3,958	3,958
OTHER ASSETS			Accumulated deficit	(3,484)	(3,243)
Properties for lease, net			Cumulative translation adjustments	(5)	(3)
Refundable deposits/other assets	433	16	Treasury stock - 280,000 shares of common stock	<u>-</u>	<u>0</u>
Deferred income tax assets	<u>-</u>	<u>-</u>	Total equity attributable to stockholders of the parent	797	1,040
Total other assets	<u>433</u>	<u>16</u>	Minority interest	<u>9</u>	<u>27</u>
			Total stockholders' equity	<u>806</u>	<u>1,067</u>
TOTAL	<u>\$ 1,240</u>	<u>\$ 1,401</u>	TOTAL	<u>\$ 1,240</u>	<u>\$ 1,401</u>

COVENTIVE TECHNOLOGIES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (In U.S. Dollars, thousands)

	Year to Date <u>12/31/2014(un-audited)</u> Amount	Year to Date <u>12/31/2013(audited)</u> Amount	Year to Date <u>12/31/2012(audited)</u> Amount
OPERATING REVENUES, NET	\$ 645	\$ 1,089	\$ 910
OPERATING COSTS	<u>204</u>	<u>458</u>	<u>(460)</u>
GROSS PROFIT	<u>441</u>	<u>631</u>	<u>450</u>
OPERATING EXPENSES	<u>726</u>	<u>816</u>	<u>865</u>
GAIN / (LOSS) FROM OPERATIONS	<u>(285)</u>	<u>(185)</u>	<u>(415)</u>
NON-OPERATING INCOME AND GAINS			
Interest income	25-	14	
Government subsidy income	-	-	
Foreign exchange gain, net	0	3	-
Gain on disposal of investments, net	-	-	-
Miscellaneous income	<u></u>	<u>12</u>	<u>14</u>
Total non-operating income and gains	<u>25</u>	<u>29</u>	<u>14</u>
NON-OPERATING EXPENSES AND LOSSES			
Interest expense			(3)
Foreign exchange loss, net		-	(2)
Impairment loss		-	(120)
Loss on disposal of investments, net			(271)
Miscellaneous expenses	<u></u>	<u>-</u>	<u>-</u>
Total non-operating expenses and losses		<u></u>	<u>(396)</u>
LOSS BEFORE INCOME TAX			(797)
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>	<u>0</u>
CONSOLIDATED NET GAIN / (LOSS)	<u>\$ (259)</u>	<u>\$ (156)</u>	<u>\$ (797)</u>
ATTRIBUTABLE TO:			
Stockholders of the parent	\$ (241)	\$ (150)	\$ (596)
Minority interest	<u>(18)</u>	<u>(6)</u>	<u>(201)</u>
	<u>\$ (259)</u>	<u>\$ (156)</u>	<u>\$ (797)</u>

The accompanying notes are an integral part of the consolidated financial statements.

COVENTIVE TECHNOLOGIES, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In U.S. Dollars, Thousands)

	Common Stock (Note 13)	Capital Surplus	Accumulated Deficit	Cumulative Translation Adjustments	Treasury Stock	Total Equity Attributable to Stockholder s of the Parent	Minority Interest	Total Stockholder s' Equity
BALANCE, JANUARY 1, 2013	\$ 328	\$ 3,958	\$ (3,094)	\$ (2)	0	\$ 1,191	\$ 34	\$ 1,225
Consolidated net loss for 2013			(150)			(150)	(6)	(156)
Change in translation adjustments				-	0	-		-
Decrease in minority interests				(2)		(2)-	(1)	(3)
BALANCE, DECEMBER 31, 2013	328	3,958	(3,243)	(4)	0	1,039	27	1,066
Consolidated net loss 1/1-12/31 2014			(241)		-	(241)	(18)	(259)
Adjustment of treasury stock due to disposal of long-term equity investments								
Net decrease in minority interest				(1)		(1)	-	(1)
Change in translation adjustments		-						
BALANCE, Dec. 31, 2014	<u>\$ 328</u>	<u>\$ 3,958</u>	<u>\$ (3,484)</u>	<u>\$ (5)</u>	<u>\$ 0</u>	<u>\$ 797</u>	<u>\$ 9</u>	<u>\$ 806</u>

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