

**Coventive Technologies, Ltd. and  
Subsidiaries**

**Consolidated Financial Statements as of  
Sept. 30, 2015(unaudited) and December 31, 2014**

# COVENTIVE TECHNOLOGIES, LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

Sept. 30, 2015 AND December 31, 2013

(In U.S. Dollars, thousands)

ASSETS	2015.9.30 (un-audited) Amount	2014.12.31 (audited) Amount	LIABILITIES AND STOCKHOLDERS' EQUITY	2015.9.30 (un-audited) Amount	2014.12.31 (audited) Amount
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash	\$ 311	\$ 62	Short-term loans	\$ -	\$ 0
Notes and accounts receivable, net of allowance for doubtful accounts as of Sep.30, 2015 and December 31, 2014	98	86	Notes and accounts payable	60	52
Other receivables	40	0	Accrued expenses	89	196
Merchandise inventories	52	44	Current portion of long-term debt	-	
Deferred income tax assets	-	-	Other current liabilities	<u>100</u>	<u>86</u>
Restricted assets	-	0	Total current liabilities	<u>249</u>	<u>334</u>
Prepayments and other current assets	<u>1</u>	<u>558</u>	<b>LONG-TERM LIABILITIES</b>		
Total current assets	<u>502</u>	<u>750</u>	Long-term debt	<u>-</u>	<u>0</u>
<b>LONG-TERM EQUITY INVESTMENTS</b>			<b>OTHER LIABILITIES</b>		
Financial assets carried at cost	<u>57</u>	<u>57</u>	Accrued pension cost	78	86
			Guarantee deposits /others	<u>9</u>	<u>0</u>
<b>PROPERTIES, NET</b>	<u>3</u>	<u>5</u>	Total other liabilities	<u>87</u>	<u>86</u>
<b>INTANGIBLE ASSETS</b>			Total liabilities	<u>336</u>	<u>420</u>
Computer software, net	-	0	<b>STOCKHOLDERS' EQUITY</b>		
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
<b>OTHER ASSETS</b>			Accumulated deficit	(3,880)	(3,726)
Properties for lease, net			Cumulative translation adjustments	(4)	(1)
Refundable deposits/other assets	175	175	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	402	560
Total other assets	<u>175</u>	<u>175</u>	Minority interest	<u>(1)</u>	<u>8</u>
			Total stockholders' equity	<u>401</u>	<u>568</u>
<b>TOTAL</b>	<u>\$ 737</u>	<u>\$ 988</u>	<b>TOTAL</b>	<u>\$ 737</u>	<u>\$ 988</u>

# COVENTIVE TECHNOLOGIES, LTD. AND SUBSIDIARIES

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

	Year to Date <u>9/30/2015(un-audited)</u> Amount	Year to Date <u>12/31/2014(audited)</u> Amount	Year to Date <u>12/31/2013(audited)</u> Amount
OPERATING REVENUES, NET	\$ 431	\$ 639	\$ 1,089
OPERATING COSTS	<u>92</u>	<u>203</u>	<u>(458)</u>
GROSS PROFIT	<u>339</u>	<u>436</u>	<u>631</u>
OPERATING EXPENSES	<u>493</u>	<u>721</u>	<u>816</u>
GAIN / (LOSS) FROM OPERATIONS	<u>(154)</u>	<u>(285)</u>	<u>(185)</u>
NON-OPERATING INCOME AND GAINS			
Interest income	0-	25	14
Government subsidy income	-	-	-
Foreign exchange gain, net	0	0	3
Gain on disposal of investments, net	-	-	-
Miscellaneous income	<u></u>	<u>1</u>	<u>12</u>
Total non-operating income and gains	<u>0</u>	<u>26</u>	<u>29</u>
NON-OPERATING EXPENSES AND LOSSES			
Interest expense			0
Foreign exchange loss, net		(3)	0
Impairment loss		-	0
Loss on disposal of investments, net			(0)
Miscellaneous expenses	<u>(9)</u>	<u>(239)</u>	<u>-</u>
Total non-operating expenses and losses	<u>(9)</u>	<u>(242)</u>	<u>0</u>
LOSS BEFORE INCOME TAX	(163)	(501)	(156)
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>	<u>0</u>
CONSOLIDATED NET GAIN / (LOSS)	<u>\$ (163)</u>	<u>\$ (501)</u>	<u>\$ (156)</u>
ATTRIBUTABLE TO:			
Stockholders of the parent	\$ (154)	\$ (483)	\$ (150)
Minority interest	<u>(9)</u>	<u>(18)</u>	<u>(6)</u>
	<u>\$ (163)</u>	<u>\$ (501)</u>	<u>\$ (156)</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, 2014	\$ 328	\$ 3,958	\$ (3,243)	\$ (4)	0	\$ 1,039	\$ 27	\$ 1,066
Consolidated net loss for 2014			(483)			(483)	(18)	(501)
Change in translation adjustments				3	0	3	(1)	2
Decrease in minority interests								
BALANCE, DECEMBER 31, 2014	328	3,958	(3,726)	(1)	0	560	8	568
Consolidated net loss 1/1-9/30 2015			(154)		-	(154)	(9)	(163)
Adjustment of treasury stock due to disposal of long-term equity investments								
Net decrease in minority interest							-	
Change in translation adjustments		-		(3)		(4)		(4)
BALANCE, Sept. 30, 2015	<u>\$ 328</u>	<u>\$ 3,958</u>	<u>\$ (3,880)</u>	<u>\$ (4)</u>	<u>\$ 0</u>	<u>\$ 402</u>	<u>\$ (1)</u>	<u>\$ 401</u>

