

**GBS Enterprises Incorporated**  
**Annual Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2014 and 2013**

	Unaudited December 31, 2014 \$	Restated and Unaudited December 31, 2013 \$
<b><u>Cash flow from operating activities:</u></b>		
Net Income (loss) from operations	2,050,970	(10,815,172)
Adjustments:		
Interest expense	-	195,288
Consulting expense	87,000	278,750
Deferred income taxes	1,093,373	(705,456)
Depreciation and amortization	1,681,117	5,077,821
Write-down of goodwill	4,032,400	-
Changes in operating assets and liabilities:		
Accounts receivable and other assets	(2,468,018)	2,330,152
Retirement benefit obligation	(173,541)	7,665
Accounts payable and other liabilities	(10,576,258)	4,313,151
<b>Net cash provided (used) in operating activities</b>		
<b>for continuing operations</b>	<b>(4,272,957)</b>	<b>682,199</b>
<b><u>Cash flow from investing activities</u></b>		
Purchase or sale of intangible assets	(141,187)	1,834,477
Purchase or sale of property, plant and equipment	144,793	(101,455)
Purchase or sale of subsidiaries	(778,564)	2,994,381
<b>Net cash provided (used) by investing activities</b>		
<b>from continuing operations</b>	<b>(774,958)</b>	<b>4,727,403</b>
<b><u>Cash flow from financing activities</u></b>		
Net borrowings - banks	(4,032,847)	309,972
Other borrowings	1,465,855	(454,583)
Net Borrowings from related party	(211,694)	(2,115,869)
Capital paid-in	-	185,000
<b>Net cash provided (used) by financing activities</b>		
<b>from continuing operations</b>	<b>(2,778,686)</b>	<b>(2,075,480)</b>
<b><u>Cash flows from discontinued operations</u></b>		
<b>Net cash provided by (used in) operating activities</b>	<b>745,060</b>	<b>(3,687,910)</b>
<b>Effect of exchange rate changes on cash</b>	<b>6,483,743</b>	<b>(174,500)</b>
Net increase (decrease) in cash	(597,798)	(528,288)
<b>Cash and cash equivalents - Beginning of the year</b>	<b>626,314</b>	<b>1,154,602</b>
<b>Cash and cash equivalents - End of year</b>	<b>28,516</b>	<b>626,314</b>

Note 30 - Supplemental Cash Flow Disclosures