



**FIBOCOM WIRELESS INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>Content</b>	<b>Pages</b>
(1) Consolidated Balance Sheet	1-2
(2) Consolidated Income Statement	3
(3) Consolidated Statement of Cash Flows	4

## Consolidated Balance Sheet

Company: Fibocom Wireless Inc.

Unit: Thousand USD

Item	On December 31st 2017		On December 31st 2016	
	Consolidated	Company	Consolidated	Company
Current Assets:				
Cash and cash equivalents	12,284.54	9,026.11	17,737.15	15,673.62
Notes receivable	8,425.86	8,346.06	8,001.62	8,001.62
Accounts receivable	28,924.80	26,573.92	8,205.74	8,603.13
Receivables for financing	-	-	-	-
Prepayments	366.46	360.54	-	-
Other receivables	1,726.30	3,135.67	165.96	154.82
Including: Interests receivable	-	-	-	-
Dividends receivable	-	-	-	-
Inventories	11,858.96	10,873.66	4,630.53	4,797.19
Contract assets	-	-	-	-
Assets held for sale	-	-	-	-
Non-current assets due within one year	-	-	-	-
Other current assets	18,608.03	18,428.39	203.56	203.56
<b>Total Current Assets</b>	<b>82,194.94</b>	<b>76,744.35</b>	<b>38,944.56</b>	<b>37,433.94</b>
Non-current Assets:	-	-	-	-
Debt investments	-	-	-	-
Available-for-sale financial assets	-	-	-	-
Investments in other debt obligations	-	-	-	-
Long-term receivables	-	-	-	-
Long-term equity investment	66.00	6,153.32	56.37	1,186.25
Investments in other equity instruments	-	-	-	-
Other non-current financial assets	-	-	-	-
Investment property	-	-	-	-
Fixed assets	1,927.89	1,767.90	1,319.88	1,301.06
Construction in progress	-	-	-	-
Use right assets	-	-	-	-
Intangible assets	2,004.69	814.35	242.86	242.86
Development expenses	-	-	-	-
Goodwill	3,407.02	-	-	-
Long-term deferred expenses	68.03	46.09	79.54	79.54
Deferred tax assets	508.30	320.76	228.52	195.09
Other non-current assets	930.44	930.44	98.07	-
<b>Total Non-current Assets</b>	<b>8,912.38</b>	<b>10,032.85</b>	<b>2,025.24</b>	<b>3,004.80</b>
<b>Total Assets</b>	<b>91,107.32</b>	<b>86,777.20</b>	<b>40,969.80</b>	<b>40,438.74</b>

## Consolidated Balance Sheet(Continued)

Company: Fibocom Wireless Inc.

Unit: Thousand USD

Item	On December 31st 2017		On December 31st 2016	
	Consolidated	Company	Consolidated	Company
Current Liabilities:				
Short-term borrowings	7,945.48	7,129.69	2,016.34	2,016.34
Held-for-trading financial liabilities	2,224.86	2,224.86	-	-
Notes payable	3,242.99	3,242.99	1,990.37	1,990.37
Accounts payable	17,901.16	19,771.64	12,620.84	16,078.66
Receipts in advance	530.70	511.26	352.18	352.18
Contract liabilities	-	-	-	-
Payroll payable	2,773.25	1,985.77	1,158.03	866.49
Taxes payable	582.77	68.40	761.84	363.51
Other payables	429.50	2,315.81	90.73	405.48
Including: Interests payable	-	-	-	-
Dividends payable	-	-	-	-
Liabilities held for sale	-	-	-	-
Non-current liabilities due within one year	-	-	-	-
Other current liabilities	-	-	-	-
<b>Total Current Liabilities</b>	<b>35,630.71</b>	<b>37,250.42</b>	<b>18,990.34</b>	<b>22,073.03</b>
Non-current Liabilities:				
Long-term borrowings	-	-	-	-
Bonds payable	-	-	-	-
Lease Liabilities	-	-	-	-
Long-term payables	-	-	-	-
Long-term payroll payables	-	-	-	-
Accrued liabilities	-	-	-	-
Deferred income	741.62	741.62	744.04	744.04
Deferred tax liabilities	97.75	-	1.43	-
Other non-current liability	-	-	-	-
<b>Total non-current liabilities</b>	<b>839.37</b>	<b>741.62</b>	<b>745.46</b>	<b>744.04</b>
<b>Total liabilities</b>	<b>36,470.07</b>	<b>37,992.04</b>	<b>19,735.80</b>	<b>22,817.07</b>
Owners' Equity	11,865.92	11,865.92	8,928.44	8,928.44
Share capital	-	-	-	-
Capital reserves	25,440.09	25,439.96	1,390.92	1,390.79
Less: Treasury shares	-	-	-	-
Other comprehensive income	-	-	-	-
General reserve	-	-	-	-
Surplus reserves	1,693.07	1,693.07	1,277.16	1,277.16
Retained earnings	15,589.52	9,786.21	9,535.45	6,025.28
Total equity attributable to shareholders of the parent company	54,637.25	-	21,233.99	-
Minority equity	-	-	-	-
<b>Total owners' equity</b>	<b>54,637.25</b>	<b>48,785.16</b>	<b>21,233.99</b>	<b>17,621.67</b>
<b>Total liabilities and owners' equity</b>	<b>91,107.32</b>	<b>86,777.20</b>	<b>40,969.80</b>	<b>40,438.74</b>

## Consolidated Income Statement

Company: Fibocom Wireless Inc.

Unit: Thousand USD

Item	On December 31st 2017		On December 31st 2016	
	Consolidated	Company	Consolidated	Company
<b>I. Total operating revenue</b>	83,551.54	78,695.36	51,242.34	50,515.83
Less: Total operating costs	77,619.02	65,310.30	45,715.25	39,951.22
Business taxes and surcharges	318.04	184.01	160.52	84.30
Selling expenses	4,186.86	2,234.23	2,065.70	1,584.08
Administrative expenses	10,376.59	7,628.39	6,368.35	5,015.38
Research and Development (R&D) expenses	-	-	-	-
Financial expenses	346.20	301.77	150.30	165.80
Including Interest expenses	-	-	-	-
Interest income	-	-	-	-
Add: Other Income	752.13	148.03	-	-
Investment income("-" for losses)	376.65	1,859.88	-0.49	1,655.47
Including: Investment losses in associated enterprise and joint-venture enterprise	9.81	9.81	-0.49	-0.49
Income from the derecognition of financial assets measured at amortized cost ("- for losses)	-	-	-	-
Net gain on exposure hedges Net gain on exposure hedges ("- for losses)	-	-	-	-
Gains (losses) from changes in fair values	-	-	-	-
Credit impairment losses ("- for losses)	-	-	-	-
Impairment losses of assets losses("- for losses)	1,226.67	841.98	192.71	148.91
Gains from disposal of assets("- for losses)	-6.07	-59.46	-1.93	-1.93
<b>II. Operating profit("-" for losses)</b>	<b>7,055.23</b>	<b>4,196.54</b>	<b>5,524.67</b>	<b>5,219.68</b>
Add: Non-operating income	-	-	1,177.77	640.80
Less: Non-operating expenses	0.13	0.13	-	-
<b>III. Operating profit before tax expenses("-" for losses)</b>	<b>7,055.10</b>	<b>4,196.41</b>	<b>6,702.43</b>	<b>5,860.48</b>
Less: Income tax expenses	550.01	-4.14	702.29	391.61
<b>IV. Net profit</b>	<b>6,505.10</b>	<b>4,200.55</b>	<b>6,000.14</b>	<b>5,468.87</b>
<b>1.1 Classification by continuous operation</b>	-	-	-	-
Net profit from continuing operation ("- for losses)	6,505.10	4,200.55	6,000.14	5,468.87
Net profit from discontinued operation ("- for losses)	-	-	-	-
<b>Classification by attribution of ownership</b>	-	-	-	-
Net profit attributable to owners of parent company	6,505.10	-	6,000.14	-
Profit or loss attributable to minority shareholders	-	-	-	-
<b>V. Other comprehensive income, net of income tax</b>	<b>-53.04</b>	<b>-</b>	<b>54.65</b>	<b>-</b>
Other comprehensive income attributable to owners of the Company, net of tax	-53.04	-	54.65	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-53.04	-	54.65	-
8) Exchange differences arising on conversion of financial statements denominated in foreign currencies	-53.04	-	54.65	-
Other comprehensive income attributable to minority interests, net of tax	-	-	-	-
<b>VI. Total comprehensive income</b>	<b>6,452.06</b>	<b>4,200.55</b>	<b>6,054.79</b>	<b>5,468.87</b>
Total comprehensive income attributable to owners of the parent company	6,452.06	-	6,054.79	-
Total comprehensive income attributable to minority shareholders	-	-	-	-
<b>VII. Earnings per share</b>	-	-	-	-
(I) Basic earnings per share	0.00	-	0.00	-
(II) Diluted earnings per share	0.00	-	0.00	-

## Consolidated Statement of Cash Flows

Company: Fibocom Wireless Inc.

Unit: Thousand USD

Item	On December 31st 2017		On December 31st 2016	
	Consolidated	Company	Consolidated	Company
<b>I. Cash flows from operating activities:</b>				
Cash received from sale of goods or rendering of services	71,775.95	66,031.53	48,096.39	46,392.33
Receipts of tax refunds	1,121.36	642.88	2,036.36	1,547.46
Other cash receipts relating to operating activities	1,502.75	6,376.96	1,323.22	1,258.21
Sub-total of cash inflows from operating activities	74,400.06	73,051.37	51,455.97	49,198.00
Cash payments for goods purchased and services received	75,587.74	79,714.70	32,842.42	34,358.92
Cash paid to and on behalf of employees	9,082.22	6,356.60	6,386.85	4,801.77
Payments of various types of taxes	2,958.22	1,033.62	1,585.37	774.42
Other cash payments relating to operating activities	4,991.29	6,477.52	3,376.22	2,985.47
Sub-total of cash outflows from operating activities	92,619.47	93,582.44	44,190.85	42,920.58
<b>Net Cash flows from Operating Activities</b>	-18,219.42	-20,531.07	7,265.12	6,277.41
<b>II. Cash flows from Investing Activities:</b>				
Cash receipts from recovery of investments	37,377.63	37,377.63	-	-
Cash receipts from investment income	366.83	1,850.07	-	1,655.96
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	4.61	4.61	0.13	0.13
Other cash receipts relating to investing activities	-	-	297.61	297.61
Sub-total of cash inflows from investing activities	37,749.08	39,232.32	297.74	1,953.70
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,731.21	1,520.11	672.00	420.79
Cash paid to acquire investments	52,210.03	54,946.28	-	546.67
Net cash paid to acquire subsidiaries and other business units	1,966.42	-	-	-
Cash paid in other investing activities	930.44	930.44	-	-
<b>Sub-total of cash outflows from investing activities</b>	56,838.11	57,396.83	672.00	967.46
<b>Net cash flows from Investing Activities</b>	-19,089.03	-18,164.51	-374.26	986.24
<b>III. Cash flows from financing activities:</b>				
Cash receipts from capital contributions	27,131.42	27,131.42	-	-
Including: cash receipts from capital contributions from minority owners of subsidiaries	-	-	-	-
Cash receipts from borrowings	7,605.96	7,160.99	2,239.55	2,239.55
Other cash received relating to financing activities	-	-	1,503.49	1,473.73
Sub-total of cash inflows from financing activities	34,737.38	34,292.41	3,743.04	3,713.28
Cash repayments of borrowings	2,454.76	2,009.79	988.08	959.81
Cash payments for distribution of dividends or profits or settlement of interest expenses	111.53	100.47	1,609.18	1,608.82
Including: Dividends and profits paid by subsidiaries to minority shareholders	-	-	-	-
Other cash payments relating to financing activities	802.31	802.31	89.28	89.28
<b>Sub-total of cash outflows from financing activities</b>	3,368.60	2,912.57	2,686.55	2,657.91
<b>Net cash flows from Financing Activities</b>	31,368.78	31,379.84	1,056.50	1,055.37
<b>IV. Effect of foreign exchange rate changes on Cash and Cash Equivalents</b>	-257.64	-83.17	-144.39	-201.42
<b>V. Net Increase in Cash and Cash Equivalents</b>	-6,197.31	-7,398.91	7,802.97	8,117.60
Add: Opening balance of Cash and Cash Equivalents	16,969.27	14,912.44	9,221.60	6,843.44
<b>VI. Closing Balance of Cash and Cash Equivalents</b>	10,771.96	7,513.53	17,024.57	14,961.04