

**Coventive Technologies, Ltd. and  
Subsidiaries**

**Consolidated Financial Statements as of  
Jun. 30, 2017(unaudited) and December 31, 2016**

## COVENTIVE TECHNOLOGIES, LTD. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS

Jun. 30, 2017 AND December 31, 2016

(In U.S. Dollars, thousands)

ASSETS	2017.06.30 (un-audited) Amount	2016.12.31 (unaudited) Amount	LIABILITIES AND STOCKHOLDERS' EQUITY	2017.06.30 (un-audited) Amount	2016.12.31 (unaudited) Amount
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash	\$ 75	\$ 73	Short-term loans	\$ -	\$ 0
Notes and accounts receivable, net of allowance for doubtful accounts as of Jun 30, 2017 and December 31, 2016	41	51	Notes and accounts payable	72	66
Other receivables	0	15	Accrued expenses	103	70
Merchandise inventories	11	12	Advanced payment from customer	0	7
Deferred income tax assets	-	-	Other current liabilities	<u>189</u>	<u>176</u>
Financial assets at fair value thru Profit/Loss	0	0	Total current liabilities	<u>364</u>	<u>318</u>
Prepayments and other current assets	<u>167</u>	<u>167</u>	<b>LONG-TERM LIABILITIES</b>		
Total current assets	<u>294</u>	<u>318</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>-15</u>	<u>-15</u>	Accrued pension cost	0	0
<b>PROPERTIES, NET</b>	<u>6</u>	<u>7</u>	Guarantee deposits /others	<u>4</u>	<u>7</u>
<b>INTANGIBLE ASSETS</b>			Total other liabilities	<u>4</u>	<u>7</u>
Computer software, net	-	0	Total liabilities	<u>368</u>	<u>325</u>
Goodwill	-	-	<b>STOCKHOLDERS' EQUITY</b>		
Technology and patent use rights, net	<u>-</u>	<u>-</u>	Equity attributable to stockholders of the parent		
Total intangible assets	<u>0</u>	<u>0</u>	Common stock, \$0.01 par value; authorized 100,000,000 shares; issued 32,793,323 shares	328	328
<b>OTHER ASSETS</b>			Capital surplus	3,958	3,958
Properties for lease, net			Accumulated deficit	(4,139)	(4,050)
Refundable deposits & other assets	168	186	Cumulative translation adjustments	(52)	(57)
Deferred income tax assets	<u>-</u>	<u>-</u>	Treasury stock - shares of common stock	<u>-</u>	<u>0</u>
Total other assets	<u>168</u>	<u>186</u>	Total equity attributable to stockholders of the parent	95	180
<b>TOTAL</b>	<u>\$ 453</u>	<u>\$ 497</u>	Minority interest	<u>(9)</u>	<u>(7)</u>
			Total stockholders' equity	<u>86</u>	<u>173</u>
			<b>TOTAL</b>	<u>\$ 453</u>	<u>\$ 497</u>

## COVENTIVE TECHNOLOGIES, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF INCOME

(In U.S. Dollars, thousands)

	Year to Date <u>06/30/2017(un-audited)</u> Amount	Year to Date <u>12/31/2016(unaudited)</u> Amount	Year to Date <u>12/31/2014(audited)</u> Amount
OPERATING REVENUES, NET	\$ 175	\$ 345	\$ 639
OPERATING COSTS	<u>69</u>	<u>127</u>	<u>203</u>
GROSS PROFIT	106	<u>218</u>	<u>436</u>
OPERATING EXPENSES	<u>187</u>	<u>476</u>	<u>721</u>
GAIN / (LOSS) FROM OPERATIONS	<u>(81)</u>	<u>(259)</u>	<u>(285)</u>
NON-OPERATING INCOME AND GAINS			
Interest income	0-	0	25
Government subsidy income	-	0	
Foreign exchange gain, net	0	0	0
Gain on disposal of investments, net	-	-	-
Miscellaneous income	<u>0</u>	<u>166</u>	<u>1</u>
Total non-operating income and gains	<u>0</u>	<u>166</u>	<u>26</u>
NON-OPERATING EXPENSES AND LOSSES			
Interest expense			0
Foreign exchange loss, net		0	(3)
Impairment loss		-	0
Loss on disposal of investments, net			
Miscellaneous expenses	<u>(0)</u>	<u>0</u>	<u>(239)</u>
Total non-operating expenses and losses	<u>(0)</u>	<u>0</u>	<u>(242)</u>
LOSS BEFORE INCOME TAX	(81)	(93)	(501)
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>	<u>0</u>
CONSOLIDATED NET GAIN / (LOSS)	<u>\$ (81)</u>	<u>\$ (93)</u>	<u>\$ (501)</u>
ATTRIBUTABLE TO:			
Stockholders of the parent	\$ (81)	\$ (92)	\$ (483)
Minority interest	<u>3</u>	<u>(1)</u>	<u>(18)</u>
	<u>\$ (78)</u>	<u>\$ (93)</u>	<u>\$ (501)</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, 2015	\$ 328	\$ 3,958	\$ (3,726)	\$ (1)	0	\$ 560	\$ 8	\$ 568
Consolidated net loss for 2015			(231)			(231)	(16)	(247)
Change in translation adjustments				2	0	2		2
Decrease in minority interests								
BALANCE, DECEMBER 31, 2015	328	3,958	(3,957)	2	0	331	(8)	323
Consolidated net loss 1/1-12/31 2016			(92)		-	(93)		(93)
Adjustment of treasury stock due to disposal of long-term equity investments								
Net decrease in minority interest			(1)				1	7
Change in translation adjustments		-		(57)		(50)	(7)	(57)
BALANCE, Dec. 31, 2016	<u>\$ 328</u>	<u>\$ 3,958</u>	<u>\$ (4,061)</u>	<u>\$ (55)</u>	<u>\$ 0</u>	<u>\$ 188</u>	<u>\$ (7)</u>	<u>\$ 180</u>
Consolidated net loss 1/1-6/30 2017			(78)			(78)	0	(78)
Adjustment of Treasury stock								
Net Decrease in minority interest							(2)	(2)
Change in translation adjustments			(50)	5		(5)		(5)
Balance, Jun. 30, 2017	<u>\$ 328</u>	<u>\$ 3,958</u>	<u>\$ (4,189)</u>	<u>\$ (50)</u>		<u>\$ 105</u>	<u>\$ (9)</u>	<u>\$ 95</u>

