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南京三寶科技股份有

3. Jiangsu Cross-border had been initially classified as a cross-border trade and service company by our auditor. Accordingly, Jiangsu Cross-border's income derived from foreign trade comprehensive services was initially recorded at transaction value plus service fee to be received by Jiangsu Cross-border.

A f 30 J 2016
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	At 31 December 2015 (Audited)
Cash at bank and on hand	1,212,720,957.69
Notes receivable	430,000.00
Accounts receivable**	405,045,579.64
Prepayments	102,561,214.68
Interest receivable	806,088.29
Other receivables	80,821,123.74
Inventories	539,754,737.11
Other current assets	156,802,978.14
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**	2,498,942,679.29
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Available-for-sale financial assets	44,520,000.00
Long-term equity investments	3,475,159.72
Investment property	211,022,900.00
Fixed assets	246,314,755.16
Construction in progress	25,322,742.02
Construction materials	2,911,916.51
Intangible assets	12,374,724.82
Long-term deferred expenses	12,365,667.87
Deferred income tax assets	23,895,454.79
Other non-current assets	120,000,000.00
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	702,203,320.89
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**	3,201,146,000.18
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At 31 December
2015
(Audited)

Short-term borrowings		508,765,000.00
Notes payable		81,521,681.76
Accounts payable**		526,961,876.08
Advances from customers		84,041,499.16
Staff remuneration payables		3,137,558.73
Taxes payable		38,877,388.22
Interest payable		1,060,086.67
Dividends payable		—
Other payables**		49,094,015.39
Non-current liabilities due within 1 year		27,860,000.00
	**	<u>1,321,319,106.01</u>
Long-term borrowings		138,210,000.00
Deferred income		9,128,698.17
Deferred income tax liabilities		9,111,725.27
		<u>156,450,423.44</u>
	**	<u>1,477,769,529.45</u>
Share capital		316,823,400.00
Capital surplus		417,042,894.68
Other comprehensive income		30,662,281.62
Surplus reserve		72,085,199.91
Undistributed profits		832,932,029.03

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2015

I.	Total operating income**	413,914,653.68
II.	Total operating cost**	337,299,377.65
	Operating cost**	271,533,736.93
	Taxes and surcharges	6,091,910.41
	Selling and distribution expenses	10,275,977.71
	Administrative expenses	31,160,436.90
	Finance costs	15,821,286.80
	Impairment losses for assets	2,416,028.90
	Investment income	1,065,469.44
	Including: Share of profit of associates and jointly controlled entities	(200,283.98)
III.	Operating profit	77,680,745.47
	Add: Non-operating income	5,252,519.92
	Less: Non-operating expenses	6,661.56
IV.	Total profit	82,926,603.83
	Less: Income tax expenses	12,602,251.06
V.	Net profit	70,324,352.77
	Net profit attributable to the shareholders of the Company	69,767,800.12
VI.	Other comprehensive income	37,340,561.35
VII.	Total comprehensive income	107,664,914.12
	Total comprehensive income attributable to the shareholders of the Company	107,108,361.47
	Total comprehensive income attributable to minority shareholders	556,552.65
VIII.	Earnings per share:	
	Basic earnings per share	0.232
	Diluted earnings per share	0.232
IX.	Dividends	—

Note 2 to the unaudited interim financial statements should read as follows:

Operating income represents the Group's principal operating income, including revenue received and receivable from system integration, intelligent terminal sales, service, cross-border trade and service businesses.

	2015 (Unaudited)
Principal operating income	404,309,426.69
Other operating income	9,605,226.99
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Total operating income	<u>413,914,653.68</u>
Principal operating cost	269,952,193.02
Other operating cost	1,581,543.91
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Total operating cost	<u>271,533,737.00</u>

Note 8 to the unaudited interim financial statements should read as follows:

	At 31 December 2015 (Audited)
Accounts receivable	453,196,963.88
Less: Provision for doubtful and bad debts for accounts receivables	48,151,384.24
Notes receivable	430,000.00
Prepayments	102,561,214.68
Other receivables	84,094,848.43
Less: Provision for doubtful and bad debts for other receivables	3,273,724.69
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Total	<u><u>588,857,918.06</u></u>

	At 31 December 2015 (Audited)	
	Closing balance	Provision for bad debts
Within 1 year (including one year)	331,003,412.85	10,368,895.12
1 to 2 years	50,626,354.38	4,101,926.16
2 to 3 years	47,186,046.85	14,010,676.43
Over 3 years	24,381,149.80	19,669,886.53
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Total	<u><u>453,196,963.88</u></u>	<u><u>48,151,384.24</u></u>

Note 9 to the unaudited interim financial statements should read as follows:

	At 31 December 2015 (Audited)
Accounts payables	526,961,876.08
Advances from customers	84,041,499.16
Other payables	49,094,015.39
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Total	<u><u>660,097,390.63</u></u>

	At 31 December 2015 (Audited)
Within 1 year	458,456,832.19
1 to 2 years	23,713,284.42
Over 2 years	44,791,759.47
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Total	<u><u>526,961,876.08</u></u>

And, the disclosure of the total operating income on pages 1 and 9 of the Interim Results Announcement and pages 1 and 16 of the Interim Report should be amended as follows:

“The total operating income of the Group for the six months ended 30 June 2016 (the “Period”) amounted to RMB588,274,800.99 (instead of RMB1,449,343,275.60), representing a growth of approximately 42.12% (instead of 250.16%) as compared to the corresponding period of last year.”

The description of the gross profit margin on page 9 of the Interim Results Announcement and page 16 of the Interim Report should be amended as follows:

“The gross profit margin for the Review Period decreased from approximately 34.40% to 24.52% (instead of 9.95%) as compared with the corresponding period of last year.”

The above clarification and adjustment does not affect other information contained in the Interim Results Announcement and the Interim Report. Save as disclosed in this announcement, the contents of each of Interim Results Announcement and Interim Report remain unchanged.

By Order of the Board

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16 December 2016

Nanjing, the PRC

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