

**MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

Your management submits its report for the financial year ended 31 December 2011.

**Corporate Information**

Technico Horticultural (Kunming) Co Ltd ("Company") is domiciled in Yunnan Province, People's Republic of China. Its parent entity is Technico Asia Holdings Pty Ltd (formerly Technico China Pty Ltd), a company incorporated in Australia.

The registered office of the Company is located at,  
A-38 Yanglin Industrial Development Zone,  
Songming,  
Yunnan Province,  
People's Republic of China.

**Employees**

There were 39 employees on the rolls of the Company as at 31 December, 2011.

**Principal activities**

The Company is primarily engaged in production and supply of TECHNITUBER® Seed potatoes to export markets.

**Business Review**

For the year under review, the Company achieved a turnover of CNY 2,436,679 (2010: CNY 6,283,417) and incurred a loss of CNY 864,982 (2010: Profit of CNY 460,074). The current year loss is on account of a one off lower sales order from its largest customer during the year. The company expects higher orders in the coming year.

In view of the accumulated losses, no dividends have been paid or declared during the financial year.

**Auditors**

The Company has engaged M/s Yunnan Tianying Certified Public Accountants as auditors for the year under review whose report is annexed to the financial report.

**Environmental regulation and performance**

Your Company complies with the applicable environmental regulations set by the Songming Environmental Bureau.

Place : Songming  
Date : 2 May 2012

Min Zhang  
Legal Representative

**AUDITOR'S REPORT  
TECHNICO HORTICULTURAL (KUNMING) CO., LTD.**

We have audited the accompanying financial statements of Technico Horticultural (Kunming) Company, which comprise the balance sheet as at 31 December 2011, and the income statement, the statement of changes in owners' equity and the cash flow statement for the year then ended, and the notes to the financial statements.

**1. Management's responsibility for the financial statements**

Management of Technico Horticultural (Kunming) Company is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing the financial statements in accordance with Accounting Standards for Business Enterprises and "The Accounting Systems of PRC Enterprises" to achieve fair presentation of the financial statements; (2) designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

**2. Auditor's responsibility**

Our responsibility is to express an audit opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing. China Standards on Auditing require that we comply with the Code of Ethics for Chinese Certified Public Accountants and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including

the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, Certified Public Accountants consider the internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**3. Opinion**

In our opinion, the financial statements of Technico Horticultural (Kunming) Company present fairly, in all material respects, the company's financial position as of 31 December 2011, and the company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises and "The Accounting Systems of PRC Enterprises".

Yunnan Tianying Certified Public Accountants

Kunming, The People's Republic of Chinese  
1 April 2012

## BALANCE SHEET AS ON 31st DECEMBER 2011

Technico Horticultural ( Kunming ) Co. Ltd.

ITEMS	LINENO	31/Dec/10 CNY	31/Dec/10 ₹	31/Dec/11 CNY	31/Dec/11 ₹
<b>CURRENT ASSETS</b>	1				
Cash and cash equivalents	2	2,639,163	18,090,140	4,166,979	35,541,001
Transaction monetary assets	3	0	0	0	0
Short-term investments	4	0	0	0	0
Notes receivable	5	0	0	0	0
Accounts receivable	6	2,899,782	19,876,554	0	0
Advance to suppliers debts	7	0	0	0	0
Dividend receivable	8	0	0	0	0
Interest receivable	9	0	0	0	0
Other notes receivable	10	21,077	1,44,469	1,119	9,548
Inventoriesns	11	1,746,182	11,969,208	2,323,817	19,820,304
Including Raw materials	12	0	0	0	0
Finished goods	13	1,746,182	11,969,208	1,997,526	17,037,296
In one year expired noncurrent assets	14	0	0	0	0
Other current assets	15	20,381	139,700	16,063	137,005
<b>Total current assets</b>	16	7,326,584	5,02,20,072	65,07,979	55,507,858
<b>NONCURRENT ASSETS</b>	17	0	0	0	0
Financial assets available for sale	18	0	0	0	0
Hold investment due	19	0	0	0	0
Long-term investment on bonds	20	0	0	0	0
Long-term account receivable	21	0	0	0	0
Long-term investment on stocks	22	0	0	0	0
Right to trade in previously non-tradable shares	23	0	0	0	0
Investment real eastate	24	0	0	0	0
Fixed assets-cost	25	26,071,597	178,707,760	26,069,704	222,353,718
Less Accumulated depreciations	26	20,414,802	139,933,261	20,856,048	177,885,403
Fixed assets-net value	27	5,656,795	38,774,499	5,213,656	44,468,315
Less Fixed assets depreciation reserves	28	0	0	0	0
Fixed assets-net equity	29	5,656,795	38,774,499	5,213,656	44,468,315
Construction in progress liab	30	0	0	0	0
Project goods and material	31	0	0	0	0
Liquidation of fixed assets	32	0	0	0	0
Productive living assets	33	0	0	0	0
Oil and gas assets	34	0	0	0	0
Intangible assets	35	1,537,031	10,535,581	1,496,044	12,760,056
Including right to use land	36	1,537,031	10,535,581	1,496,044	12,760,056
Development expenditures	37	0	0	0	0
Business reputation	38	0	0	0	0
Cost-book value differentials	39	0	0	0	0
Long-term deferred and prepaid expenses	40	0	0	0	0
Deferred income tax assets	41	0	0	0	0
Deferred taxes debit	42	0	0	0	0
Other noncurrent assets	43	0	0	0	0
Including specially approved reserving materials	44	0	0	0	0
<b>Total noncurrent assets</b>	45	7,193,826	49,310,080	6,709,700	57,228,371
<b>TOTAL ASSETS</b>	46	14,520,410	99,530,151	13,217,679	112,736,229
<b>CURRENT LIABILITIES</b>	47		0		0
Short term loans	48	0	0	0	0
Transaction financial liabilities	49	0	0	0	0
Warrants payable	50	0	0	0	0
Notes payable	51	0	0	0	0
Accounts payable	52	0	0	0	0
Advances from customers	53	227,500	1,559,399	0	0

BALANCE SHEET AS AT 31 DECEMBER 2011 (Contd.)

Technico Horticultural (Kunming) Co. Ltd.

ITEMS	LINE NO	31 Dec 2010 CNY	31 Dec 2010 ₹	31 Dec 2011 CNY	31 Dec 2011 ₹
Employee pay payable	54	284,836	1,952,412	160,855	1,371,965
Including: accrued wages	55	282,682	1,937,645	157,842	1,346,269
accrued welfarism	56	2,154	14,767	3,013	25,695
Including: staff and workers bonus and welfare fund	57	0	0	0	0
Taxes and dues payable	58	0	0	0	0
Including: Taxes payable	59	0	0	0	0
Interest payable	60	0	0	0	0
Dividends payable	61	0	0	0	0
Other payables	62	104,468	716,076	35,000	298,522
Due within one year of noncurrent liabilities	63	0	0	0	0
Other current liabilities	64	0	0	0	0
<b>Total current liabilities</b>	65	616,804	4,227,886	195,855	1,670,487
<b>NONCURRENT LIABILITIES :</b>	66	0	0	0	0
Long-term loans	67	0	0	0	0
Bonds payable	68	0	0	0	0
Long-term account payable	69	52,515	359,961	35,715	304,620
Special payable	70	0	0	0	0
Projected liabilities	71	0	0	0	0
Deferred income tax liabilities	72	0	0	0	0
Deferred taxes credit	73	0	0	0	0
Other noncurrent liabilities	74	0	0	0	0
Including: special reserve fund	75	0	0	0	0
<b>Total non-current liabilities</b>	76	52,515	359,961	35,715	304,620
<b>Total liabilities</b>	77	669,319	4,587,847	231,570	1,975,107
<b>OWNERS' EQUITY :</b>	78	0	0	0	0
Practical capital collected (or share capital)	79	19,013,598	130,328,708	19,013,598	162,170,780
National capital	80	0	0	0	0
Collective capital	81	0	0	0	0
Legal person's capital	82	0	0	0	0
Including: State-owned legal person's capital	83	0	0	0	0
Collective legal person's capital	84	0	0	0	0
Personal capital	85	0	0	0	0
Foreign businessmen's capital	86	19,013,598	130,328,708	19,013,598	130,033,997
Less: Investment returned	87	0	0	0	0
Net paid in capital	88	19,013,598	130,033,997	19,013,598	130,033,997
Capital reserves	89	42,667	292,458	42,667	363,912
Less: treasury stock	90	0	0	0	0
Surplus reserves	91	0	0	0	0
Including: Legal surplus	92	0	0	0	0
Free surplus reserves	93	0	0	0	0
Reserve fund	94	0	0	0	0
Enterprise expansion fund	95	0	0	0	0
Profits capitalizad on return of investment	96	0	0	0	0
Unaffirmed investment loss	97	0	0	0	0
Undistributed profit	98	(5,205,173)	(32,730,721)	(6,070,155)	(39,384,075)
Including: cash dividends	99	0	0	0	0
*Margin of Translation of Foreign Currency Financial Statements	100	0	(2,653,430)	0	019,747,289
<b>Total equity attributable to equity holders of the Parent</b>	101	13,851,091	94,942,304	12,986,109	110,761,122
*minority stockholders' interest	102	0	0	0	0
<b>Total owners' equity</b>	103	13,851,091	94,942,304	12,986,109	110,761,122
Less: assets loss	104	0	0	0	0
Total owners' equity : net value less loss on assets)	105	13,851,091	94,942,304	12,986,109	110,761,122
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	106	14,520,410	99,530,151	13,217,679	112,736,229

INCOME AND PROFIT DISTRIBUTION STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

Technico Horticultural (Kunming) Co. Ltd.

ITEMS	LINE NO	2010 CNY	2010 ₹	2011 CNY	2011 ₹
Gross operating income	1	6,283,417	43,021,298	2,436,679	18,742,689
Including: operating income	2	6,283,417	43,021,298	2,436,679	18,742,689
Including: main business income	3	6,276,667	42,975,082	2,436,679	18,742,689
Other business income	4	6,750	46,216	0	0
Gross operating cost	5	5,831,987	39,930,448	3,334,161	25,646,030
Including: operating cost	6	4,204,581	28,787,928	1,727,325	13,286,408
Including: main business cost	7	4,204,581	28,787,928	1,727,325	13,286,408
Other business expense	8	0	0	0	0
Business tax and surcharges	9	0	0	0	0
Selling expenses	10	419,288	2,870,782	251,197	1,932,183
Administrative expenses	11	1,179,578	8,076,333	1,296,270	9,970,777
Including: Business entertainment	12	0	0	0	0
Research and development expense	13	0	0	0	0
Financial Expenses	14	28,539	195,404	59,369	456,661
Including: Interest exchange	15	0	0	0	0
Interest income	16	18,767	128,496	53,669	412,817
<b>Foreign exchange profit and loss</b>	17	43,096	295,067	109,051	838,813
Asset impairment losses	18	0	0	0	0
Other	19	0	0	0	0
Add: Changes in fair value of the profit and loss	20	0	0	0	0
Investment income	21	0	0	0	0
Including for the investment benefits from the invested business and the united business and joint venture	22	0	0	0	0
<b>Operating profit</b>	23	451,430	3,090,850	(897,482)	(6,903,341)
Add Non-operating income	24	10,453	71,571	32,500	249,987
Including income from disposal of long term assets	25	0	0	0	0
Income from non-monetary assets exchange	26	0	0	0	0
Government grants (subsidy income)	27	0	0	0	0
Income from debt restructuring	28	0	0	0	0
Less Non-operating expenses	29	1,809	12,388	0	0
Including loss on disposal of long-term assets	30	0	0	0	0
Loss on non-monetary assets exchange	31	0	0	0	0
Loss on debt restructuring	32	0	0	0	0
<b>TOTAL PROFIT</b>	33	460,074	3,150,034	(864,982)	(6,653,355)
Less Income tax expense	34				
Add unaffirmed investment loss	35				
<b>NET INCOME</b>	36	460,074	3,150,034	(864,982)	(6,653,355)
Less minority interest income	37				
<b>Net income attributable to equity holders of the</b>	38	460,074	3,150,034	(864,982)	(6,653,355)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

Technico Horticultural (Kunming) Co. Ltd.

ITEMS	LINE NO	CNY	₹
<b>1. Cash Flow from Operating Activities</b>	1		
Cash from selling commodities or offering labor	2	51,86,232	3,98,91,977
Refund of tax and fee received	3	28,900	2,22,296
Other cash received related to operating activities	4	53,669	4,12,817
<b>Cash Inflow Subtotal</b>	5	52,68,801	4,05,27,090
Cash paid for commodities or labor	6	17,47,641	1,34,42,680
Cash paid to and for employees	7	14,26,208	1,09,70,246
Taxes and fees paid	8	2,25,989	17,38,288
Other cash paid related to operating activities	9	3,39,676	26,12,754
<b>Cash Outflow Subtotal</b>	10	37,39,514	2,87,63,969
Cash flow generated from operating activities Net Amount	11	15,29,287	1,17,63,122
<b>2. Cash Flow from Investing Activities</b>	12	0	0
Cash from investment withdrawal	13	0	0
Cash from investment income	14	0	0
Net cash from disposing fixed assets, intangible assets and other long-term assets	15	3,600	27,691
Net cash inflows of disposal of subsidiaries and other business entities	16	0	0
Other cash received related to investing activities	17	0	0
<b>Cash Inflow Subtotal</b>	18	3,600	27,691
Cash paid for buying fixed assets, intangible assets and other long-term investment	19	5,070	38,998
Cash paid for investment	20	0	0
Net cash outflows of procurement of subsidiaries and other business units	21	0	0
Other cash paid related to investing activities	22	0	0
<b>Cash Outflow Subtotal</b>	23	5,070	38,998
<b>Cash flow generated from investing activities Net Amount</b>	24	-1,470	-11,307
<b>3. Cash Flow from Financing Activities</b>	25	0	
Cash received from accepting investment	26	0	
Including cash inflows from minority investment in subsidiaries	27	0	
Borrowings	28	0	0
Other cash received related to financing activities	29	0	
<b>Cash Inflow Subtotal</b>	30	0	0
Cash paid for debt	31	0	
Cash paid for dividend ,profit or interest	32	0	0
Including: dividends and earnings paid to minorities by subsidiaries	33	0	
Other cash paid related to financing activities	34	0	
<b>Cash Outflow Subtotal</b>	35	0	0
<b>Cash flow from financing activities Net Amount</b>	36	0	0
<b>4. Foreign Currency Translation Gains (Losses)</b>	37	0	34,89,012
<b>5. Net Increase Of Cash and Cash Equivalents</b>	38	15,27,817	1,52,40,827
Add: cash and cash equivalents beginning bal.	39	26,39,163	2,03,00,175
<b>6. cash and cash equivalents ending bal.</b>	40	41,66,979	3,55,41,001

NOTES TO FINANCIAL STATEMENTS

1. Brief information on the Company

Technico Horticultural (Kunming) Co., Ltd. (the "company") was established as a wholly foreign-owned enterprise invested by Technico Asia Holdings Pty Limited., under the "laws of the People's Republic of China (the "PRC") on Enterprises Operated Exclusively with Foreign Capital" and through the approval by the Foreign Economic and Trade Department of Yunnan province in the certification Dian zi (1997) No.0049. The Company of the registered capital USD2,300,000.00 was registered, with the business license number of Qi Du Zong zi No.000716, on 8 December 1997. The tenure of the Company is 50 years and may be extended upon application by the board of directors and approval of the relevant government authorities. The principal activities of the Company are the development, production and supply of microtuber potato.

2. Significant accounting policies and accounting estimates

(1) Accounting regulations

The Company implements "The Accounting Standards for Enterprises" and "The Accounting Regulations of Enterprises" and the supplementary stipulate.

(2) Fiscal year

The fiscal year for the Company is from 1 January to 31 December of each calendar year.

(3) Accounting currency

The Company's financial records are maintained and the financial statements are stated in Renminbi ("RMB").

(4) Accounting basis and principle

The accounting basis of The Company is accrual principle, and the accounting principle is historical cost principle.

(5) Foreign currency transactions

All foreign currency transactions have been translated into RMB at the market rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the market rates of exchange ruling at that date. The resulting exchange gains or losses are capitalized if they have relation to acquiring fixed assets before the fixed assets intended-use have been commenced; or are accounted as long-term prepaid expense Alin the preparative duration, or are dealt with in the profit and loss account in the operating duration, if they have not relation to acquiring fixed assets.

(6) Cash equivalents

Cash equivalents are the short-term investments, which are held by the Company at the short-term (generally within 3 months from the purchasing date to the date due), are easy in currency and conversion to known-account cashes, are of little value fluctuations.

(7) Allowances for uncollectible accounts

The Company uses the allowance method in which the allowances for uncollectible accounts for the receivable items (including the accounts receivable and other receivable) are recognized in the aging receivable account method and are dealt with in the profit and loss account at the balance sheet. The aging receivable account method is made as follows:

- a. Within 1 year, at 0.5 percent on the amount of the part;
- b. 1-2 year, at 10 percent on the amount of the part;
- c. 2-3 year, at 30 percent on the amount of the part.

If any receivable is evidently different from the others, the specific identification method is made for the receivable item.

(8) Inventories

Inventories, which are recorded at actual cost, include finished goods, work-in-progress and raw material.

For the unrecoverable inventory cost due to the damage, partly or wholly obsolescence, or market price lower than the cost, the provision for decline in value of inventories is determined according to the difference of the actual cost lower than net realizable value on an item-by-item basis, at the end of the period.

(9) Fixed assets and depreciation

Fixed assets are recorded based on the actual cost. At the inception of a lease, the fixed assets by a lessee under a finance lease are recorded at an amount equal to the lower of the carrying amount of the leased asset originally recorded in the books of the lessor and the present value of the minimum lease payments. (If the proportion of the recorded amount of the leased assets to the total amount of assets is lower than 30 percent, the leased assets are recorded at an amount equal to the total minimum lease payments.)

The standard about fixed asset: House and building, machinery and equipment, Motor vehicle and so on of the useful life more than one year, and non-principle operating equipment of the unit value over 2000 yuan and the useful life more than two years

Depreciation is calculated on the straight-line basis to write off the cost of each asset over its estimated useful life after deducting the estimated residual value. The categories, useful life and residual value, annual depreciation rate are as follows:

Category	Estimated useful life	Annual depreciation rate	Residual value
House and building	20 years	4.50%	10.00%
Production equipment	10 years	9.00%	10.00%
Motor vehicle	5 years	18.00%	10.00%
Office equipment and other	5 years	18.00%	10.00%

Provision for impairment: At the end of each period, The Company examines its fixed assets and if market value of the fixed asset has declined continually, become obsolete in technology, been not in use in the long term, or been damage, and the recoverable amount of the fixed asset is less than its carrying amount, the provision for impairment is determined according to the difference of the recoverable amount of the fixed asset lower than its carrying amount on an item-by-item basis.

(10) Intangible assets

An intangible asset, which is acquired separately, is recorded based on the actual purchase price paid.

The cost of an intangible asset is amortized evenly over its expected useful life starting in the month in which it is obtained.

If the expected useful life exceeds the beneficial period stipulated in the relevant contract or the effective period stipulated by law, the amortization period of an intangible asset is determined in accordance with the following rules:

- a. If the relevant contract stipulates the beneficial period but the law does not stipulate the effective period, the amortization period is not longer than the beneficial stipulated by the relevant contract;
- b. If the relevant contract does not stipulate the beneficial period but the law stipulates the effective period, the amortization period is not longer than the effective period stipulated by law;
- c. If the relevant contract stipulates the beneficial period but the law also stipulate the effective period, the amortization period is not longer than the shorter of the beneficial period and the effective period.

If the relevant contract does not stipulate the beneficial period and the law does not stipulate the effective period, the amortization period does not exceed 10 years.

If an intangible asset is no longer expected to be able to generate any economic benefits that flow to the enterprise, the carrying amount of the intangible asset is written off and is recognized as gain or loss the current period.

The Company reviews the carrying amount of the intangible asset at the end of each period. The difference of the expected receivable amount lower than the carrying amount of the intangible asset is recognized as provision for impairment on an item-by-item basis.

(11) Long-term prepaid expense

Long-term prepaid expenses are recorded based on the actual payments and amortized on the straight-line basis in the beneficial period.

The expenses (except for acquiring fixed assets), which occur in the preparative duration, are recorded as long-term expense, and are amortized in the month starting the operating

(12) Principle for recognition of revenue

a. Revenue from the sale of goods

The revenue is recognized when all the following conditions have been satisfied: the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; the enterprise retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; it is probable that the economic benefits will flow to the Company; the relevant amount of revenue and costs can be measured reliably.

NOTES TO FINANCIAL STATEMENTS (Contd.)

b. Revenue from rendering of services

When the provision of services is started and completed within the same accounting year, revenue is recognized at the time of completion of the services, and receipt of money or holding the qualification of acquiring money;

When the provision of services is started and completed in different accounting year, the total income and the completion degree involving the service contract can be estimated reliably, it is probable that the economic benefits will flow to the Company, the outcome of a transaction involving the rendering of services can be estimated reliably, the service revenue is

recognized at the balance sheet date by the use of the percentage of completion method.

The revenue referred to above is recognized when all the following conditions have been satisfied:

- a. It is probable that the economic benefits will flow to the Company;
- b. The amount of the revenue can be measured reliably.

(13) Corporation income tax

Corporation income tax is accounted on the tax payable basis.

3. Tax

VAT: According to the relevant tax laws in the PRC, the Company is exempted from VAT for the sales of the agricultural produce harvested by the Company.

Corporation income tax is accounted on the tax payable basis at a rate of 25% on its taxable income. However, according to the new income tax-laws in the PRC, the Company is an agricultural production company which is exempted from corporate income tax.

4. Notes to significant items in the financial statements

(1) Cash

Items	2010-12-31 RMB	2011-12-31 RMB
Cash on hand	17,182.14	39,164.12
Cash in bank	2,621,980.47	4,127,815.37
<b>Total</b>	<b>2,639,162.61</b>	<b>4,166,979.49</b>

(2) Account receivable

The age of accounts receivable	2010-12-31			2011-12-31		
	RMB	Percentage	Provision for bad debts	RMB	Percentage	Provision for bad debts
Within 1 year	2,914,353.58	100.00%	14,571.77			
<b>Total</b>	<b>2,914,353.58</b>	<b>100.00%</b>	<b>14,571.77</b>			

(3) Other receivables

Length after occurrence	2010-12-31			2011-12-31		
	RMB	Percentage	Provision for bad debts	RMB	Percentage	Provision for bad debts
Within 1 year	21,076.58	100.00%		619.44	55.34%	
1-2 year				500.00	44.66%	
<b>Total</b>	<b>21,076.58</b>	<b>100.00%</b>		<b>1,119.44</b>	<b>100.00%</b>	

(4) Inventories and provision for loss on realization of inventory

Items	2010-12-31		2011-12-31	
	RMB	Provision for loss on realization of inventory	RMB	Provision for loss on realization of inventory
Finished goods	1,419,890.62		1,997,525.67	
Work-in-progress	326,291.82		326,291.82	
<b>Total</b>	<b>1,746,182.44</b>		<b>2,323,817.49</b>	

(5) Fixed assets

Items Cost	2010-12-31	Add	Less	2011-12-31
Total Capex	26,071,596.82	5,070.00	6,963.00	26,069,703.82
Accumulated depreciation				
Total Depreciation	20,414,802.17	448,208.62	6,963.00	20,856,047.79
Fixed assets depreciation reserves				
<b>Net book value</b>	<b>5,656,794.65</b>			<b>5,213,656.03</b>

NOTES TO FINANCIAL STATEMENTS (Contd.)

(6) Intangible assets

Items	2010-12-31 RMB	Add RMB	Less RMB	2011-12-31 RMB
Land-use-right	2,049,375.00			2,049,375.00
Amortization	512,343.75	40,987.50		553,331.25
<b>Total</b>	1,537,031.25	40,987.50		1,496,043.75

The amortization term is 50 years, and there have been 36 years and 6 months left by 31 December 2011.

(7) Advances from customers

Length after occurrence	2010-12-31 RMB	2011-12-31 RMB
Within 1 Year	227,500.00	
<b>Total</b>	227,500.00	

(8) Other payable

Length after occurrence	2010-12-31 RMB	2011-12-31 RMB
Within 1 Year	1,04,468.00	35,000.00
<b>Total</b>	1,04,468.00	35,000.00

(9) Long-term account payable

2010-12-31 RMB	2011-12-31 RMB
52,514.58	35,715.01

The amount due to investor is unsecured, interest free and has no fixed term of repayment.

(10) Paid-in capital

Investors	2010-12-31		Add	Less	2011-12-31	
	RMB	Proportion	RMB	RMB	RMB	Proportion
Technico Asia Holding Pty Ltd.	19,013,598.02	100.00%			19,013,598.02	100.00%
<b>Total</b>	19,013,598.02	100.00%			19,013,598.02	100.00%

(11) Primary operating profit

Operating revenue	Operating cost
2,436,678.74	1,727,324.65

(12) Finance expense

Items	From 2011-1-1 to 2011-12-31
Interest expense	
Less: Interest income	53,669.09
Foreign exchange loss	109,051.44
Other	3,986.78
<b>Total</b>	59,369.13

5. Contingencies

Up to 31 December 2011, there are no material contingencies for the Company.

6. Promised events

Up to 31 December 2011, there are no material promised events for the Company.

7. Non-adjusting events subsequent to the balance sheet date

Not material non-adjusting events subsequent to the balance sheet date for the Company.

8. Other material events stated

Up to 31 December 2011, there are no other material matters specially stated for the Company.