

# Pearl River Holdings Limited

Interim Condensed Consolidated Financial Statements  
For the nine months ended September 30, 2017

*(Unaudited - Prepared by Management)*

*(Presented in Chinese Yuan Renminbi)*

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## Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the company have been prepared by and are the responsibility of the company's management.

The company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

Signed "George Lunick"  
President and Chief Executive Officer

Signed "Anne Dang"  
Chief Financial Officer

Pearl River Holdings Limited

Condensed Interim Consolidated Statement of Financial Position

	September 30 2017 (RMB) <i>(Unaudited)</i>	December 31 2016 (RMB) <i>(Audited)</i>	September 30 2017 (CAD) <i>(Unaudited)</i>	December 31 2016 CAD <i>(Audited)</i>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	18,218,002	24,498,162	3,404,979	4,728,188
Accounts receivable	35,177,578	28,514,923	6,574,757	5,503,430
Other receivables, deposits and prepaid expenses	1,422,303	6,134,648	265,831	1,183,998
Income Taxes Recoverable	-	277,227	-	53,505
Inventories	33,294,436	28,210,391	6,222,794	5,444,655
	<u>88,112,319</u>	<u>87,635,351</u>	<u>16,468,361</u>	<u>16,913,776</u>
<b>Non-current assets</b>				
Property, plant and equipment	37,965,501	40,276,357	7,095,825	7,773,408
Deposit	4,404,349	1,345,320	823,181	259,649
	<u>42,369,850</u>	<u>41,621,677</u>	<u>7,919,006</u>	<u>8,033,057</u>
<b>Total assets</b>	<u>130,482,169</u>	<u>129,257,028</u>	<u>24,387,367</u>	<u>24,946,833</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	23,488,895	21,236,263	4,390,119	4,098,635
Current portion of bank borrowings	6,000,000	8,562,565	1,121,411	1,652,590
Taxes payable	718,294	-	134,251	-
	<u>30,207,189</u>	<u>29,798,828</u>	<u>5,645,781</u>	<u>5,751,225</u>
<b>Non-current liabilities</b>				
Deferred liability	4,643,204	4,853,577	867,824	936,749
Deferred tax	-	174,172	-	33,616
	<u>4,643,204</u>	<u>5,027,749</u>	<u>867,824</u>	<u>970,365</u>
<b>Total Liabilities</b>	<u>34,850,393</u>	<u>34,826,577</u>	<u>6,513,605</u>	<u>6,721,590</u>
<b>Equity</b>				
Share capital	52,242,949	52,242,949	9,764,307	10,082,981
Contributed surplus	1,557,622	1,557,622	291,123	300,624
Accumulated other comprehensive income	1,258,717	4,477,062	235,257	864,081
Retained Earnings	8,432,933	5,091,127	1,576,131	982,596
<b>Total equity attributable to common shareholders</b>	<u>63,492,221</u>	<u>63,368,760</u>	<u>11,866,818</u>	<u>12,230,282</u>
<b>Non-controlling interest</b>	<u>32,139,555</u>	<u>31,061,691</u>	<u>6,006,944</u>	<u>5,994,961</u>
<b>Total equity</b>	<u>95,631,776</u>	<u>94,430,451</u>	<u>17,873,762</u>	<u>18,225,243</u>
<b>Total liabilities and equity</b>	<u>130,482,169</u>	<u>129,257,028</u>	<u>24,387,367</u>	<u>24,946,833</u>

Commitments (Note 4)

Approved by the Board:

(Signed) "George Lunick", Director

(Signed) "Jorge Enrique Autrique Ruix", Director

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Pearl River Holdings Limited

Condensed Interim Consolidated Statements of Operations  
(Unaudited)

	For the three months ended September 30			For the nine months ended September 30		
	2017 RMB	2016 RMB	2017 CAD	2017 RMB	2016 RMB	2017 CAD
<b>Revenue</b>	72,733,771	62,621,886	14,820,280	188,402,817	168,541,636	36,113,249
Cost of Goods Sold	56,987,576	46,377,078	12,224,636	147,282,333	126,000,286	28,231,231
Gross Profit	15,746,195	16,244,808	2,595,644	41,120,484	42,541,350	7,882,018
<b>Expenses</b>						
General and Administrative	8,075,834	6,973,628	1,369,940	21,954,882	21,092,942	4,208,335
Selling	3,930,874	3,832,161	587,050	11,642,563	12,013,102	2,231,659
Interest on long term debt	330,726	192,299	83,221	688,672	434,972	132,005
Depreciation	754,415	727,523	141,626	2,203,034	2,123,607	422,280
	13,091,849	11,725,611	2,181,837	36,489,151	35,664,623	6,994,279
Earnings before income taxes	2,654,347	4,519,197	413,807	4,631,333	6,876,727	887,739
Corporate Income Tax	(80,677)	(432,854)	67,521	(211,662)	(970,550)	(40,572)
<b>Net income for the period</b>	<u>2,573,670</u>	<u>4,086,343</u>	<u>481,328</u>	<u>4,419,671</u>	<u>5,906,177</u>	<u>847,167</u>
<b>Net income (loss) attributable to:</b>						
Common shareholders	1,951,942	3,031,103	401,801	3,341,807	4,218,789	640,561
Non-controlling interest	621,728	1,055,240	79,527	1,077,864	1,687,388	206,606
	<u>2,573,670</u>	<u>4,086,343</u>	<u>481,328</u>	<u>4,419,671</u>	<u>5,906,177</u>	<u>847,167</u>
Earnings per share attributable to common shareholders:						
Basic	0.0715	0.1110	0.0147	0.1224	0.1545	0.0235
Fully diluted	0.0650	0.1110	0.0134	0.1112	0.1545	0.0213

The accompanying notes form an integral part of these condensed interim consolidated financial statements

	For the nine months ended				For the six months ended				Three months ended			
	September 30		June 30		September 30		June 30		September 30		September 30	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	RMB	CAD	RMB	CAD	RMB	CAD	RMB	CAD	RMB	CAD	RMB	CAD
<b>Revenue</b>	188,402,817	168,541,636	36,113,249	115,669,046	105,919,750	22,395,215	72,733,771	62,621,886	13,718,034			
Cost of Goods Sold	147,282,333	126,000,286	28,231,231	90,294,757	79,623,208	17,482,382	56,987,576	46,377,078	10,748,849			
Gross Profit	41,120,484	42,541,350	7,882,018	25,374,289	26,296,542	4,912,833	15,746,195	16,244,808	2,969,185			
<b>Expenses</b>												
General and Administrative	21,954,882	21,092,942	4,208,335	13,879,048	14,119,314	2,687,186	8,075,834	6,973,628	1,521,149			
Selling	11,642,563	12,013,102	2,231,659	7,711,689	8,180,941	1,493,096	3,930,874	3,832,161	738,563			
Interest on long term debt	688,672	434,972	132,005	357,946	242,673	69,304	330,726	192,299	62,701			
Depreciation	2,203,034	2,123,607	422,280	1,448,619	1,396,084	280,474	754,415	727,523	141,806			
	36,489,151	35,664,623	6,994,279	23,397,302	23,939,012	4,530,060	13,091,849	11,725,611	2,464,219			
Earnings before income taxes	4,631,333	6,876,727	887,739	1,976,986	2,357,530	382,773	2,654,347	4,519,197	504,966			
Corporate Income Tax	-211,662	-970,550	-40,572	-130,985	-537,696	-25,361	-80,677	-432,854	-15,211			
<b>Net income for the period</b>	4,419,671	5,906,177	847,167	1,846,001	1,819,834	357,412	2,573,670	4,086,343	489,755			
<b>Net income (loss) attributable to:</b>												
Common shareholders	3,341,807	4,218,789	640,561	1,389,865	1,187,686	269,098	1,951,942	3,031,103	371,463			
Non-controlling interest	1,077,864	1,687,388	206,606	456,136	632,148	88,314	621,728	1,055,240	118,292			
	4,419,671	5,906,177	847,167	1,846,001	1,819,834	357,412	2,573,670	4,086,343	489,755			

Pearl River Holdings Limited

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)  
(Unaudited)

	For the three months ended September 30			For the nine months ended September 30		
	2017 RMB	2016 RMB	2017 CAD	2017 RMB	2016 RMB	2017 CAD
Net income for the period	2,573,670	4,086,343	481,328	4,419,671	5,906,177	847,167
Other comprehensive loss:						
Exchange difference on translation of foreign operations	<u>253,180</u>	<u>3,268,205</u>	<u>(597,577)</u>	<u>(3,218,345)</u>	<u>1,992,290</u>	<u>(616,896)</u>
Comprehensive income (loss)	<u>2,826,850</u>	<u>7,354,548</u>	<u>(116,249)</u>	<u>1,201,326</u>	<u>7,898,467</u>	<u>230,271</u>
Comprehensive income (loss) attributable to:						
Common shareholders	2,205,122	6,299,308	(232,524)	123,462	6,211,079	23,665
Non-controlling interest	<u>621,728</u>	<u>1,055,240</u>	<u>116,276</u>	<u>1,077,864</u>	<u>1,687,388</u>	<u>206,606</u>
	<u>2,826,850</u>	<u>7,354,548</u>	<u>(116,249)</u>	<u>1,201,326</u>	<u>7,898,467</u>	<u>230,271</u>

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Pearl River Holdings Limited

Condensed Interim Consolidated Statements of Cash Flows  
(Unaudited)

	For the nine months ended		
	2017	September 30	2017
	RMB	RMB	CAD
<b>Cash flows provided by (used for):</b>			
<b>Operating activities</b>			
Net income for the period	4,419,671	5,906,177	847,167
Add items not requiring cash			
Depreciation	5,711,521	5,406,694	1,094,790
Gain on foreign exchange	167,765		32,157
	<u>10,298,957</u>	<u>11,312,871</u>	<u>1,974,114</u>
Changes in non-cash working capital balances			
Accounts receivable	(6,662,655)	2,519,356	(1,071,327)
Inventories	(5,084,045)	39,773	(778,139)
Other receivables, deposits and prepaid expenses	4,712,345	2,723,848	918,167
Deposit	(3,059,029)	-	(563,532)
Accounts payable and accrued liabilities	2,252,632	(8,325,777)	291,484
Taxes payable	995,521	234,859	187,756
Deferred liabilities	(210,373)	(144,920)	(68,925)
Deferred taxes	(174,172)	(186,852)	(33,616)
	<u>(7,229,776)</u>	<u>(3,139,713)</u>	<u>(1,118,132)</u>
<b>Cash flows from operating activities</b>	<u>3,069,181</u>	<u>8,173,158</u>	<u>855,982</u>
<b>Investing activities</b>			
Acquisition of capital assets	(3,568,451)	(5,959,053)	(684,004)
<b>Cash Flows from investing activities</b>	<u>(3,568,451)</u>	<u>(5,959,053)</u>	<u>(684,004)</u>
<b>Financing activities</b>			
Change in bank borrowings	(2,562,565)	(607,647)	(531,179)
Dividends paid	-	(1,620,000)	-
Transfer to staff welfare reserves	-	(1,500,276)	-
Change in non-controlling interests	1,077,864	(32,612)	11,983
<b>Cash Flows from financing activities</b>	<u>(1,484,701)</u>	<u>(3,760,535)</u>	<u>(519,196)</u>
<b>Increase (decrease) in cash during period</b>	<u>(1,983,971)</u>	<u>(1,546,430)</u>	<u>(347,218)</u>
<b>Effect of exchange rate differences on cash</b>	<u>(2,157,755)</u>	<u>1,445,827</u>	<u>(530,619)</u>
<b>Cash and cash equivalents - beginning of period</b>	<u>22,359,728</u>	<u>20,694,939</u>	<u>4,282,816</u>
<b>Cash and cash equivalents - end of period</b>	<u>18,218,002</u>	<u>20,594,336</u>	<u>3,404,979</u>
<b>Supplemental cash flow information:</b>			
Income Taxes paid			
Foreign value added tax, net	703,647	1,917,066	140,437

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Pearl River Holdings Limited

Cash Flow calculations

	September 30		December 31		Change in amounts	
	2017 (RMB) <i>(Unaudited)</i>	2016 (RMB) <i>(Audited)</i>	2017 (CAD) <i>(Unaudited)</i>	2016 (CAD) <i>(Audited)</i>	RMB	CDN
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	18,218,002	24,498,162	3,404,979	4,728,188	6,280,160	1,323,209
Accounts receivable	35,177,578	28,514,923	6,574,757	5,503,430	(6,662,655)	(1,071,327)
Other receivables, deposits and prepaid expenses	1,422,303	6,134,648	265,831	1,183,998	4,712,345	918,167
Income Taxes Recoverable	-	277,227	-	53,505	277,227	53,505
Inventories	33,294,436	28,210,391	6,222,794	5,444,655	(5,084,045)	(778,139)
	<u>88,112,319</u>	<u>87,635,351</u>	<u>16,468,361</u>	<u>16,913,776</u>		
<b>Non-current assets</b>						
Property, plant and equipment	37,965,501	40,276,357	7,095,825	7,773,408		
Deposit	4,404,349	1,345,320	823,181	259,649	(3,059,029)	(563,532)
	<u>42,369,850</u>	<u>41,621,677</u>	<u>7,919,006</u>	<u>8,033,057</u>		
<b>Total assets</b>	<u>130,482,169</u>	<u>129,257,028</u>	<u>24,387,367</u>	<u>24,946,833</u>		
<b>Liabilities</b>						
<b>Current liabilities</b>						
Bank overdraft	-	-	-	-	-	-
Accounts payable and accrued liabilities	23,488,895	21,236,263	4,390,119	4,098,635	2,252,632	291,484
Current portion of bank borrowings	6,000,000	8,562,565	1,121,411	1,652,590	(2,562,565)	(531,179)
Taxes payable	718,294	-	134,251	-	718,294	134,251
	<u>30,207,189</u>	<u>29,798,828</u>	<u>5,645,781</u>	<u>5,751,225</u>		
<b>Non-current liabilities</b>						
Deferred liability	4,643,204	4,853,577	867,824	936,749	(210,373)	(68,925)
Deferred tax	-	174,172	-	33,616	(174,172)	(33,616)
	<u>4,643,204</u>	<u>5,027,749</u>	<u>867,824</u>	<u>970,365</u>		
<b>Equity</b>						
Share capital	52,242,949	52,242,949	9,764,307	10,082,981	-	-
Contributed surplus	1,557,622	1,557,622	291,123	300,624	-	-
Accumulated other comprehensive loss (income)	1,258,717	4,477,062	235,257	864,081	-	-
Deficit	8,432,933	5,091,127	1,576,131	982,596		
<b>Total equity attributable to common shareholders</b>	<u>63,492,221</u>	<u>63,368,760</u>	<u>11,866,818</u>	<u>12,230,282</u>		
<b>Non-controlling interest</b>	<u>32,139,555</u>	<u>31,061,691</u>	<u>6,006,944</u>	<u>5,994,961</u>	1,077,864	11,983
<b>Total equity</b>	<u>95,631,776</u>	<u>94,430,451</u>	<u>17,873,762</u>	<u>18,225,243</u>		
<b>Total liabilities and equity</b>	<u>130,482,169</u>	<u>129,257,028</u>	<u>24,387,367</u>	<u>24,946,833</u>		

Commitments (Note 4)

Approved by the Board:

(Signed) "George Lunick", Director  
(Signed) "Juan Autrique", Director

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Pearl River Holdings Limited

Condensed Interim Consolidated Statement of Changes in Equity  
(Unaudited)

	Attributable to common shareholders								
	Share capital Shares	Amount RMB	Contributed Surplus RMB	Accumulated		Deficit RMB	Total RMB	Non- controlling interests RMB	Total equity RMB
				other comprehensive income (loss) RMB	comprehensive income (loss) RMB				
<b>Balance, December 31, 2015</b>	27,309,927	52,242,949	1,557,622	3,244,656	(986,707)	56,058,520	29,291,155	85,349,675	
Net income	-	-	-	-	4,218,789	4,218,789	1,687,388	5,906,177	
Other comprehensive income (loss)	-	-	-	2,092,290	(1,500,276)	2,092,290	(100,000)	1,992,290	
Transfer to staff & Welfare reserves	-	-	-	-	-	(1,500,276)	(1,500,276)	(1,500,276)	
Dividends Paid	-	-	-	-	-	-	(1,620,000)	(1,620,000)	
Change in control of joint venture	-	-	-	-	-	-	-	-	
<b>Balance, September 30, 2016</b>	27,309,927	52,242,949	1,557,622	5,336,946	1,731,806	60,869,323	29,258,543	90,127,866	
<b>Balance, December 31, 2016</b>	27,309,927	52,242,949	1,557,622	4,477,062	5,091,127	63,368,760	31,061,691	94,430,451	
Net income	-	-	-	-	3,341,807	3,341,807	1,077,864	4,419,671	
Other comprehensive income (loss)	-	-	-	(3,218,345)	-	(3,218,345)	-	(3,218,345)	
Currency translation adjustment	-	-	-	-	-	-	-	-	
<b>Balance, September 30, 2017</b>	27,309,927	52,242,949	1,557,622	1,258,717	8,432,934	63,492,222	32,139,555	95,631,777	

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Condensed Notes to the Interim Consolidated Financial Statements  
Nine months ended September 30, 2017  
(Unaudited)

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**1. Nature of Operations**

Pearl River Holdings Limited (the "Corporation" or "Pearl River"), is incorporated under the Canada Business Corporations Act, and through its subsidiaries, Pearl River Plastics, Rodman Plastics, Rodman Enterprises, Red Door Enterprises, Red Door China and Guangzhou Rodman Plastics, and primarily operates in China and Australia. Its principal business activities are the manufacturing and distribution of plastic products to customers in China, Australia and the United States of America.

**2. New accounting standards and amendments**

The Corporation adopted the following new accounting standards which did not have a material impact on these financial statements:

**IAS 7 - Statement of Cash Flows (Amendments and Disclosure Initiative)**

These amendments require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

**IAS 12 – Income Taxes (Amendments)**

These amendments relate to the recognition of deferred tax assets for unrealized losses.

***Future Standards and Amendments not yet adopted:***

**IFRS 2 – Share-based Payments (Amendments)**

These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as those used for equity-settled share-based payments. The amendments introduced an exception so that a share-based payment where the entity settles the share-based arrangement net is classified as equity-settled in its entirety provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Additionally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment due to modifications of the terms and conditions. These amendments are effective for reporting periods beginning on or after January 1, 2018.

**IFRS 9 – Financial Instruments**

Under IFRS 9, financial assets are classified into financial assets measured at fair value or at amortized cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognized in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognize the gains and losses in other comprehensive income. IFRS 9 carries forward the recognition and measurement requirements for financial liabilities from IAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognized in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, IFRS 9 retains the requirements in IAS 39 for derecognition of financial assets and financial liabilities. This standard is effective for reporting periods commencing on or after January 1, 2018.

**IFRS 15 – Revenues from Contracts with Customers**

IFRS 15 replaces IAS 11, "Construction Contracts", IAS 18, "Revenue" and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive when control is transferred to the purchaser. Disclosure requirements have also been expanded. This standard is effective for reporting periods commencing on or after January 1, 2018.

Condensed Notes to the Interim Consolidated Financial Statements  
Nine months ended September 30, 2017  
(Unaudited)

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### 3. Basis of presentation

These interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") and have been prepared following the same accounting policies and method of computation as the annual Consolidated Financial Statements for the year ended December 31, 2016. The disclosures provided below are incremental to those included with the annual Consolidated Financial Statements. Certain information and disclosures normally included in the notes to the annual Consolidated Financial Statements have been condensed or have been disclosed on an annual basis only. Accordingly, these interim Consolidated Financial Statements should be read in conjunction with the annual Consolidated Financial Statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by IASB.

These interim condensed consolidated financial statements were approved by the Board of Directors on Aug 28, 2017.

#### Functional and presentation currency

The Group operates in countries with different currencies. All companies have, as their functional currency, the local currency of the country in which they operate, which is their primary economic environment.

The consolidated financial statements are presented in Chinese Yuan Renminbi ("RMB") and have been translated to RMB in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates as it relates to foreign operations.

#### Convenience Translation into Canadian Dollar Amounts

The Corporation functional and presentation currency is Renminbi. The Canadian dollar ("CAD") amounts provided in the financial statements represent supplementary information solely for the convenience of the reader.

The financial statements are translated into Canadian dollars using a convenience translation at the rate of RMB 5.3504 to CAD \$1, based on the exchange rate as of September 30, 2017.

The financial statements are translated into Canadian dollars using a convenience translation at the rate of RMB 5.1813 to CAD \$1, based on the exchange rate as of December 31, 2016.

Such presentation is not in accordance with IFRS and should not be construed as a representation that the RMB amount shown could be readily converted, realized or settled in CAD at this or any other rate.

### 4. Commitments

Under the terms of operating leases for its office and manufacturing premises, the Corporation is obligated to make the following minimum rental payments exclusive of occupancy costs over the following years.

Annual commitments from:

Within one year	RMB 6,822,668
After one year but within five years	21,286,563
After five years	20,296,807

Condensed Notes to the Interim Consolidated Financial Statements  
 Nine months ended September 30, 2017  
 (Unaudited)

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**5. Related party transactions**

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

- (a) During the year and in the ordinary course of business, the Group had the following material transactions with related parties which are not members of the Group:

	2017	2016
<u>PRC partner of the Jointly Controlled Entity</u>		
Purchase of raw materials	<b>RMB 22,793,168</b>	RMB 12,188,648
Sale of finished goods	<b>1,468</b>	-
Trademark paid	<b>108,000</b>	108,000

- (b) During the year, the Corporation had the following other transactions included in general and administrative expenses with related parties:

	2017	2016
Administrative fees incurred with a Corporation controlled by a director of the Corporation	<b>RMB 28,172</b>	RMB 75,955

The entire amount is included in accounts payable and accrued liabilities at September 30, 2017.

- (b) The remuneration of directors and other members of key management during the year was as follows:

	2017	2016
Management salary and benefits	<b>RMB 1,758,478</b>	RMB 1,635,325

These transactions have been recorded in the financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Management is of the opinion that these transactions were undertaken under similar terms and conditions as those with non-related parties.

Condensed Notes to the Interim Consolidated Financial Statements  
 Nine months ended September 30, 2017  
 (Unaudited)

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**6. Segment information**

Information regarding the Group's reportable operating segments as provided to the Group's chief operating decision makers for the purposes of resources allocation and assessment of segment performance for the period derived only from trading of plastic products.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditures are based on the geographical location of the assets.

The following table's present revenue and assets information for the Group's geographical segments:

	<b>2017</b>	2016
	<b>RMB</b>	RMB
<u>Revenue from external customers</u>		
The PRC	<b>125,185,319</b>	117,457,554
Australia	<b>51,972,404</b>	39,578,648
USA	<b>11,245,094</b>	7,830,756
	<u><b>188,402,817</b></u>	<u>168,541,636</u>
<u>Segment assets</u>		
The PRC	<b>58,960,861</b>	57,459,183
Australia	<b>20,841,789</b>	17,243,162
USA	<b>2,673,701</b>	2,087,096
Hong Kong	<b>47,840,770</b>	51,394,383
Canada	<b>165,047</b>	237,340
	<u><b>130,482,169</b></u>	<u>128,421,163</u>

## **CORPORATE INFORMATION**

### **DIRECTORS:**

Jorge Enrique Autrique Ruix \*  
James Filer \*  
George W. Lunick \*  
Rod Bell

\* Members of Audit Committee

### **OFFICERS:**

Jorge Enrique Autrique Ruix  
Chairman

George W. Lunick  
President  
Chief Executive Officer

Anne Dang  
Chief Financial Officer

### **TRANSFER AGENT AND REGISTRAR:**

Equity Transfer & Trust Co.  
Calgary, Alberta

### **HEAD OFFICE:**

383 Richmond Street, Suite 500  
London, Ontario, N6A 3C4

(Hong Kong Office)  
Suite 802, Car Po Commercial Bldg.  
18-20, Lyndhurst Terrace  
Central, Hong Kong

### **CANADIAN VENTURE EXCHANGE:**

(Symbol "PRH")

### **BANKERS:**

Bank of Montreal  
London, Ontario

### **AUDITORS:**

Crowe MacKay Chartered Accountants  
Calgary, Alberta

### **SOLICITORS:**

DLA Piper (Canada) LLP  
Calgary, Alberta