ANDERSONS INC
Form 4/A
January 24, 2014

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Conrad Nicholas C

(Last) (First) (Middle)

PO BOX 119

(Street)

MAUMEE, OH 43537

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ANDERSONS INC [ANDE]

3. Date of Earliest Transaction (Month/Day/Year)
10/01/2013

4. If Amendment, Date Original Filed(Month/Day/Year)
10/13/2013

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
VP Finance & Treasurer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
PERFORMANCE SHARE UNIT (2016)	10/01/2013		A		1,030 (1)	A	$ 0	1,030 (2)	D	
COMMON STOCK								6,874.945	D	
PERFORMANCE SHARE UNIT (2014)								1,440 (3)	D	
PERFORMANCE SHARE UNIT (2015)								1,575 (3)	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Conrad Nicholas C PO BOX 119 MAUMEE, OH 43537			VP Finance & Treasurer	

Signatures

Nicholas C. Conrad, by: Mary J. Schroeder, Limited Power of Attorney	01/24/2014
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Original filing was for shares at target level of the plan rather than maximum level. This filing reflects the maximum level of plan.

(2) Stock performance unit granted pursuant to The Andersons, Inc. plan. Units vest 100% in 27 months contingent on cumulative EPS from 10/01/2013 to 12/31/2015. Number of underlying shares are determined by the twenty-seven months cumulative fully diluted EPS for...

(3) Stock performance unit granted pursuant to The Andersons, Inc. Plan. Units vest 100% in 3 years contingent on cumulative EPS. Number of underlying shares are determined by the three-year cumulative fully diluted EPS for the performance period.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Preferred

A, J, C

Conversion

Convertible

Preferred

B, JJ

Conversion

Common

-ulated

Preferred Stock

Stock

Warrants

Feature

Preferred Stock

Stock

Warrants

Feature

Stock

Other

Shares

Additional

Additional

Additional

Shares

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Paid in

Paid in

Out-

Paid in

Statutory

Retained

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standing

Amount

Capital

Capital

Capital

-standing

Amount

Capital

Explanation of Responses:

Capital

Capital

-standing

Amount

Capital

Reserve

Earnings

Income

Total

Balance, January 1, 2009
$12,637,158 $2,274,181 $4,023,692 24,752,802 $2,475 $28,436,835 $3,271,511 $17,034,243 $7,678,329 $93,589,438

Penalty Shares Issued
529,787 53 1,153,386 1,153,439

Exercise of C Warrants
69,361 8 (8) -

Cancellation of Remaining J Warrants
(203,783) 203,783 -

Net Income
8,462,206 8,462,206

Preferred Dividends Declared
(727,129) (727,129)

Appropriations of Retained Earnings
1,292,081 (1,292,081) -

Foreign Currency Translation Adjustment
185,736 185,736

Balance, December 31, 2009
$12,637,158 $2,274,181 $4,023,692 25,351,950 $2,536 $29,793,996 $4,563,592 $23,477,239 $7,864,065 $102,663,692

See Accompanying Notes to the Financial Statements and Accountant's Report.

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Wuhan General Group (China), Inc.
Consolidated Statements of Cash Flows
For the years ended December 31, 2009 and 2008
(Stated in US Dollars)

	12 months ended December 31, 2009	12 months ended December 31, 2008
Cash Flow from Operating Activities		
Cash Received from Customers	$ 77,692,950	$ 110,726,349
Cash Paid to Suppliers & Employees	(89,535,620)	(115,284,453)
Interest Received	341,071	84,525
Interest Paid	(3,197,789)	(1,990,477)
Taxes Paid	(943,923)	-
Miscellaneous Receipts	226,798	986,678
Cash Sourced/(Used) in Operating Activities	(15,416,513)	(5,477,378)
Cash Flows from Investing Activities		
Cash Released/(Invested in) Restricted Time Deposits	5,420,669	(4,071,775)
Payments for Purchases and Construction of Plant & Equipment	(2,498,470)	(2,155,271)
Purchases of Land Use Rights	-	(10,606,926)
Cash Sourced/(Used) in Investing Activities	2,922,199	(16,833,972)
Cash Flows from Financing Activities		
Proceeds from Issuance of Preferred Stock	-	13,081,477
Proceeds from Bank Loans and Notes	45,299,293	13,594,158
(Repayment of Bank Loans and Notes)	(35,171,690)	(5,096,172)
Dividends Paid	(193,804)	(1,632,173)
Cash Sourced/(Used) in Financing Activities	9,933,799	19,947,290
Net Increase/(Decrease) in Cash & Cash Equivalents for the Period	(2,560,515)	(2,364,060)
Effect of Currency Translation	150,406	4,188,598
Cash & Cash Equivalents at Beginning of Period	2,817,503	992,965
Cash & Cash Equivalents at End of Period	$ 407,394	$ 2,817,503
Non-Cash Investing Activity:		
Purchase of Sukong Asset through Hubei Gong Chuang Real Estate Co., Ltd.	-	20,064,965
Non-Cash Financing Activity:		
Constructive Preferred Stock Dividend	-	4,032,656

See Accompanying Notes to the Financial Statements and Accountant's Report.

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Wuhan General Group (China), Inc.
Consolidated Statements of Cash Flows
For the years ended December 31, 2009 and 2008
(Stated in US Dollars)

	12 months ended December 31, 2009	12 months ended December 31, 2008
Net Income	$ 8,462,206	$ 16,148,092
Adjustments to Reconcile Net Income to		
Net Cash Provided by / <Used in> Operating Activities :		
Non-Cash Purchase of Sukong Assets		(20,064,965)
Reclassification of prior period stock compensation from liability to equity	-	14,479
Stock Penalties	1,153,439	5,355,233
Stock Compensation	-	227,603
Amortization	407,659	190,192
Depreciation	2,088,002	2,157,143
Decrease/(Increase) in Notes Receivable	(28,520)	1,865,491
Decrease/(Increase) in Accounts Receivable	(12,475,345)	(9,611,445)
Decrease/(Increase) in Other Receivable	(2,965,288)	258,563
Decrease/(Increase) in Inventory	(5,046,563)	(2,687,946)
Decrease/(Increase) in Advances to Suppliers	(4,341,647)	(7,531,343)
Decrease/(Increase) in Advances to Employees	(153,313)	(51,096)
Decrease/(Increase) in Prepaid Expenses	(836,350)	(92,279)
Decrease/(Increase) in Prepaid Taxes	58,560	(347,057)
Decrease/(Increase) in Deferred Tax Asset	(749,031)	-
Increase/(Decrease) in Accounts Payable	(371,621)	3,673,380
Increase/(Decrease) in Taxes Payable	2,060,400	66,165
Increase/(Decrease) in Other Payable	(3,538,783)	4,570,747
Increase/(Decrease) in Related Party Payable	58,503	-
Increase/(Decrease) in Accrued Liabilities	718,830	801,759
Increase/(Decrease) in Customer Deposits	82,349	(420,094)
Total of all adjustments	(23,878,719)	(21,625,470)
Net Cash Provided by Operating Activities	$ (15,416,513)	$ (5,477,378)

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Wuhan General Group (China), Inc.
For the years ended December 31, 2009 and 2008
Notes to Financial Statements
(Stated in US Dollars)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Wuhan General Group (China), Inc. (the "Company") is a holding company whose primary business operations are conducted through its operating subsidiaries Wuhan Blower Co., Ltd. ("Wuhan Blower"), Wuhan Generating Equipment Co., Ltd. ("Wuhan Generating Equipment"), and Wuhan Sungreen Environment Protection Equipment Co., Ltd. ("Wuhan Sungreen"), formerly known as Wuhan Xingelin Machinery Equipment Manufacturing Co., Ltd. Wuhan Blower is a China-based manufacturer of industrial blowers that principally are components of steam driven electrical power generation plants. Wuhan Generating Equipment is a China-based manufacturer of industrial steam and water turbines, also principally for use in electrical power generation plants. Wuhan Sungreen is a China-based manufacturer of blower silencers, connectors, and other general spare parts for blowers and electrical equipment.

The Company was formed under the laws of the State of Colorado on July 19, 1988 as Riverside Capital, Inc. On March 18, 1992, the Company changed its name to United National Film Corporation. In June 2001, the Company suspended all business activities and became a "shell company."

In 2006, the Company effectively dissolved or abandoned all subsidiaries, which may or may not have been active in periods prior to June 2001. On October 20, 2006, the Company changed its state of incorporation from Colorado to Nevada by means of a merger with and into a Nevada corporation formed on September 12, 2006 solely for the purpose of effecting the reincorporation.

On February 7, 2007, the Company entered into a share exchange agreement with Fame Good International Limited ("Fame") and Universe Faith Group Limited ("UFG"). Prior to the share exchange, Fame was the sole stockholder of UFG, which is the parent company of Wuhan Blower and Wuhan Generating Equipment. Pursuant to the share exchange, UFG became a wholly owned subsidiary of the Company and Fame became the Company's controlling stockholder. On March 13, 2007, the Company changed its name from United National Film Corporation to Wuhan General Group (China), Inc.

The share exchange transaction has been accounted for as a recapitalization of UFG where the Company (the legal acquirer) is considered the accounting acquiree and UFG (the legal acquiree) is considered the accounting acquirer. As a result of this transaction, the Company is deemed to be a continuation of the business of UFG.

Accordingly, the financial data included in the accompanying consolidated financial statements for all periods prior to February 7, 2007 is that of the accounting acquirer (UFG). The historical stockholders' equity of the accounting acquirer prior to the share exchange has been retroactively restated as if the share exchange transaction occurred as of the beginning of the first period presented.

On December 25, 2008, Wuhan Blower, entered into an Asset Purchase Agreement with Wuhan Gongchuang Real Estate Co., Ltd. (the "Seller", also known as "Hubei Gongchuang Real Estate Co., Ltd") pursuant to which Wuhan Blower acquired certain assets owned by Seller, including certain buildings, equipment, land use rights, and construction in progress. An 8-K filed with the US Securities and Exchange Commission on February 5, 2009 further details the transaction. Title of the assets purchased under the above agreement has been recorded under Wuhan Sungreen. Wuhan Blower currently owns 100% beneficial interest in Wuhan Sungreen. Wuhan Sungreen is incorporated under the laws of the PRC. The purchased assets have been accounted for on Wuhan Sungreen's books as contributed capital.

The assets that were purchased from the Seller were re-appraised by an independent appraisal firm Zhuhai GongPingSiYuan Appraising Co Ltd ("Zhuhai"). The re-appraisal found that the purchase price of the assets was not materially unfair. Zhuhai concluded that when the entire construction of the workshop and buildings is completed, the purchase price should be considered fair. See also Note 8 – Property, Plant, and Equipment.

Wuhan General Group (China), Inc.
For the years ended December 31, 2009 and 2008
Notes to Financial Statements
(Stated in US Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Method of Accounting

The Company maintains its general ledger and journals with the accrual method of accounting for financial reporting purposes. The financial statements and notes are representations of management. Accounting policies adopted by the Company conform to generally accepted accounting principles in the United States of America and have been consistently applied in the presentation of financial statements, which are compiled on the accrual basis of accounting.

The Company modified the presentation of the statement of cash flows for the year ended December 31, 2008. The change is related to the purchase of Sukong Assets as detailed in Note 1 - Organization and Principal Activities. The purchase was previously presented as an all cash transaction. The restated presentation shows that a significant portion of the total purchase price was a non-cash transaction where the Company transferred certain advances to suppliers and receivables without recourse valued at $20,064,965 to the seller in exchange for the Sukong Assets. The Company also reclassified inventory related to the Huangli Project which was a correction of a classification error. The amount of $2,188,439 was previously classified in the construction-in-progress at December 31, 2008. The Company has moved the amount to the inventory account, and it has been subcategorized as raw materials. The reclassification caused a decrease in construction in progress and a corresponding increase in the inventory accounts. The related total of current assets increased while the total of non-current assets decreased. Total assets remained unchanged. Net cash sourced from operations was previously $16,776,026. The restated presentation shows net cash used in operations is $5,477,378. The net cash used in investing activities was previously $39,087,376. The restated presentation shows cash used in investing activities as $16,833,972. The Company’s earnings for the year ended December 31, 2008 was unaffected by the change in presentation caused by the non-cash investing activity related to the Sukong Assets and the reclassification of inventory related to the Huangli project. In accordance with SFAS 154 Accounting Changes and Error Corrections, the revision is accounted for as a correction of error by the Company. The Company did not make any adjustment to its general ledger accounts. The restatement was limited to the presentation of the statement of cash flows.

(b) Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, UFG, Wuhan Blower, Wuhan Generating Equipment and Wuhan Sungreen. Inter-company transactions, such as sales, cost of sales, due to/due from balances, investment in subsidiaries, and subsidiaries’ capitalization have been eliminated.

(c) Economic and Political Risks

The Company’s operations are conducted in the People’s Republic of China (the “PRC”). Accordingly, the Company’s business, financial condition and results of operations may be influenced by the political, economic and legal environment in the PRC, and by the general state of the PRC economy.

(d) Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements, as well as the reported amounts of revenues and expenses during the reporting years. These estimates and assumptions include, but are not limited to, the valuation of accounts receivable and inventories, deferred income taxes, warranty liability and the estimation of useful lives of property, plant, and equipment. Actual results could differ from these estimates.

Wuhan General Group (China), Inc.
For the years ended December 31, 2009 and 2008
Notes to Financial Statements
(Stated in US Dollars)

(e) Cash and Cash Equivalents

The Company considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. The Company maintains bank accounts in the PRC.

(f) Accounts Receivable-Trade

Trade receivables are recognized and carried at the original invoice amount less allowance for any uncollectible amounts. An allowance for doubtful accounts is made when collection of the full amount is no longer probable. Pursuant to the Company's accounting policies, the allowance for doubtful accounts is determined by applying a rate of five percent on outstanding trade receivables. In addition, the Company uses a specific review process to determine if any additional allowances for doubtful accounts are required. Bad debts are charged against the allowance when outstanding trade receivables have been determined to be uncollectible. See also Note 5 – Accounts Receivable.

(g) Inventory

Inventory, consisting of raw materials, work in progress, and finished products, is stated at the lower of cost or market value. Finished products are comprised of direct materials, direct labor and an appropriate proportion of overhead.

(h) Property, Plant, and Equipment

Property, plant, and equipment are carried at cost less accumulated depreciation. Depreciation is provided over their estimated useful lives, using the straight-line method with 5% salvage value. Estimated useful lives of the property, plant and equipment are as follows:

Buildings	30 years
Machinery and Equipment	10 years
Furniture and Fixtures	5 years
Motor Vehicles	5 years

(i) Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Amortization is provided over the respective useful lives, using the straight-line method. Estimated useful lives of intangibles are as follows:

Technical Licenses	10 years
Trademark	20 years

Annually, the Company reviews the intangible assets for impairment, in accordance with ASU 350 Impairment of Long-Lived Assets. The company considers whether the estimated future benefits of the technical licenses and trademarks will be fully realized over the course of their estimated useful lives. If the technical licenses become obsolete, or trademarks are unsuccessfully defended against infringement by third-parties, the Company will consider future cash flows and relevant factors to quantify the level of impairment and record impairment adjustments accordingly. The Company has not yet recognized any impairment upon the intangible assets.

(j) Land Use Rights

The Company carries land use rights at cost less accumulated amortization. Land use rights are amortized straight-line over the useful life of 50 years for the Wuhan Blower and Wuhan Generating campus, and of 30 years for the Wuhan Sungreen campus.

Wuhan General Group (China), Inc.
For the years ended December 31, 2009 and 2008
Notes to Financial Statements
(Stated in US Dollars)

(k) Accounting for Impairment of Long-Lived Assets

The Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal. The Company's long-lived assets are grouped by their presentation on the financial statements according to the balance sheet and further segregated by their operating and asset type. Long-lived assets subject to impairment include buildings, equipment, vehicles, trademarks, software licenses, land use rights and real property available for sale. The Company considers annually whether these assets are impaired. The Company makes its determinations based on various factors that impact those assets. For example, the Company considers real property impaired if property prices decrease drastically and it is unlikely that the prices will recover within the foreseeable future. Although property values in the PRC have experienced a decline during the last year, prices are increasing again. Therefore, the Company believes its real property has at least retained the value of its original cost to the Company. Equipment used for production, which undergo regular maintenance, are assessed annually. The Company has maintained a profitable business amidst the economic downturn and equipment has continued to be used for production, indicating that such equipment still retains its value to the Company. Based on its review, the Company believes that, as of December 31, 2009 and 2008, there were no significant impairments of its long-lived assets.

The Company believes that cash flows generated by its ongoing business, which incorporates significant use of the long-lived assets of the Company, provide sufficient profit so that it is unnecessary to record any impairment charges. The Company believes that current annual provision of depreciation and amortization provides sufficient expense related to the use of the long-lived assets carried on the Company's books.

(l) Revenue Recognition

Revenue from the sale of blower products, generating equipment and other general equipment is recognized at the time of the transfer of risks and rewards of ownership, which generally occurs when the goods are delivered to customers and the title passes. The Company believes that the installation is not essential to the functionality of the equipment. This is because the equipment is tested at the Company's facilities before it is shipped and consequently, the equipment is completed and functional at the point that it is delivered to the customer. Additionally, since the Company's products generally are a smaller component of a large project, after delivery, the Company has no control over how the customer will use the delivered products and sometimes other companies are used to install the equipment purchased from us. Finally, our customers do not have a contractual right to return products to the Company, and we historically have experienced virtually no returns.

- Revenue from product sales is recognized when the goods are delivered and title has passed. Product sales revenue represents the invoiced value of goods, net of the value-added tax (VAT). All of the Company's products that are sold in the PRC are subject to a Chinese value-added tax at a rate of 17% of the gross sales price. This VAT may be offset by VAT paid by the Company on raw materials and other materials included in the cost of producing the finished product.

- Revenue from “Turn-Key” construction projects is recognized using the percentage-of-completion method of accounting and therefore takes into account the costs, estimated earnings and revenue to date on contracts not yet completed. Revenue recognized is that percentage of the total contract price that cost expended to date bears to anticipated final total cost, based on current estimates of costs to complete. Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation costs. Selling, general, and administrative costs are charged to expense as incurred. At the time a loss on a contract becomes known, the entire amount of the estimated ultimate loss is recognized in the consolidated financial statements. Claims for additional contract costs are recognized upon a signed change order from the customer or in accordance with paragraphs 62 and 65 of AICPA Statement of Position 81-1, "Accounting for Performance of Construction - Type and Certain Production - Type Contracts."

Wuhan General Group (China), Inc.
For the years ended December 31, 2009 and 2008
Notes to Financial Statements
(Stated in US Dollars)

- Revenue from the rendering of maintenance services is recognized when such services are provided.

- Provision is made for foreseeable losses as soon as they are anticipated by management.

(m) Cost of Sales

The Company's cost of sales is comprised of raw materials, factory worker salaries and related benefits, machinery supplies, maintenance supplies, depreciation, utilities, inbound freight, purchasing and receiving costs, inspection and warehousing costs.

(n) Selling Expenses

Selling expenses are comprised of outbound freight, client entertainment, commissions, depreciation, and travel and lodging expenses.

(o) General & Administrative Expenses

General and administrative expenses include outside consulting services, research & development, executive compensation, quality control, and general overhead such as the finance department, administrative staff, and depreciation and amortization expense.

(p) Research and Development

The Company expenses all research and development costs as incurred.

(q) Shipping and Handling

Shipping and handling costs represent costs associated with shipping products to customers and handling finished goods. Shipping and handling costs billed to customers are recognized as revenue and shipping and handling costs incurred by the Company are included in cost of sales.

(r) Foreign Currency Translation

The Company maintains its financial statements in the functional currency, which is the Renminbi (RMB). Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at rates of exchange prevailing at the balance sheet dates. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Exchange gains or losses arising from foreign currency transactions are included in the determination of net income for the respective periods.

For financial reporting purposes, the financial statements of the Company, which are prepared using the functional currency, have been translated into United States dollars. Assets and liabilities are translated at the exchange rates at the balance sheet dates and revenue and expenses are translated at the average exchange rates and stockholders' equity is translated at historical exchange rates. Translation adjustments are not included in determining net income but are included in foreign exchange adjustment to other comprehensive income, a component of stockholders' equity.

Exchange Rates	December 31, 2009	December 31, 2008
Year end RMB : US$ exchange rate	6.83720	6.85420
Average 12-month RMB : US$ exchange rate	6.84088	6.96225

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Wuhan General Group (China), Inc.
For the years ended December 31, 2009 and 2008
Notes to Financial Statements
(Stated in US Dollars)

RMB is not freely convertible into foreign currency and all foreign exchange transactions must take place through authorized institutions. No representation is made that the RMB amounts could have been, or could be, converted into US$ at the rates used in translation.

(s) Income Taxes

The Company uses the accrual method of accounting to determine income taxes for the year. The Company has implemented Statement of Financial Accounting Standards (SFAS) No. 109, Accounting for Income Taxes. Income tax liabilities computed according to the United States and People's Republic of China (PRC) tax laws are provided for the tax effects of transactions reported in the financial statements and consists of taxes currently due plus deferred taxes related primarily to differences between the basis of fixed assets and intangible assets for financial and tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will be either taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes also are recognized for operating losses that are available to offset future income taxes. A valuation allowance is created to evaluate deferred tax assets if it is more likely than not that these items will either expire before the Company is able to realize that tax benefit, or that future realization is uncertain.

Effective January 1, 2009, PRC government implemented a new 25% tax rate across the board for all enterprises regardless of whether domestic or foreign enterprise without any tax holiday which is defined as "two-year exemption followed by three-year half exemption" hitherto enjoyed by tax payers. As a result of the new tax law of a standard 25% tax rate, tax holidays terminated as of December 31, 2008. However, PRC government has established a set of transition rules to allow enterprises already started tax holidays before January 1, 2009, to continue enjoying the tax holidays until being fully utilized. For the year ended December 31, 2009, Wuhan Blower and Wuhan Generating were subject to a 12.5% tax rate and Wuhan Sungreen was subject to a 25% tax rate.

The Company is subject to United States Tax according to Internal Revenue Code Sections 951 and 957. Corporate income tax is imposed on progressive rates in the range of: -

	Taxable Income		
		But Not	Of Amount
Rate	Over	Over	Over
15%	0	50,000	0
25%	50,000	75,000	50,000
34%	75,000	100,000	75,000
39%	100,000	335,000	100,000
34%	335,000	10,000,000	335,000
35%	10,000,000	15,000,000	10,000,000
38%	15,000,000	18,333,333	15,000,000
35%	18,333,333	-	-

(t) Statutory Reserve

In accordance with PRC laws, statutory reserve refers to the appropriation from net income, to the account "statutory reserve" to be used for future company development, recovery of losses, and increase of capital, as approved, to expand production or operations. PRC laws prescribe that an enterprise operating at a profit, must appropriate, on an annual basis, an amount equal to 10% of its profit. Such an appropriation is necessary until the reserve reaches a maximum that is equal to 50% of the enterprise's PRC registered capital. The Company cannot pay dividends out of statutory reserves or paid in capital registered in PRC.

Wuhan General Group (China), Inc.
For the years ended December 31, 2009 and 2008
Notes to Financial Statements
(Stated in US Dollars)

(u) Other Comprehensive Income

Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, all items that are required to be recognized under current accounting standards as components of comprehensive income are required to be reported in a financial statement that is presented with the same prominence as other financial statements. The Company's current component of other comprehensive income is the foreign currency translation adjustment.

(v) Warranty Policy

The estimation of warranty obligations is determined in the same period that revenue from the sale of the related products is recognized. The warranty obligation is based on historical experience and reflects management's best estimate of expected costs at the time products are sold. Warranty accruals are adjusted for known or anticipated warranty claims as new information becomes available. Future events and circumstances could materially change the estimates and require adjustments to the warranty obligation. New product launches require a greater use of judgment in developing estimates until historical experience becomes available. See also Note 14 – Warranty Liability.

(w) Earnings Per Share

Basic earnings per share is computed on the basis of the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed on the basis of the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method for warrants and the as-if method for convertible securities. Dilutive potential common shares include outstanding warrants, and convertible preferred stock. See also Note 18 – Earnings Per Share.

(x) Financial Instruments

The Company's financial instruments are cash and cash equivalents, accounts receivable, other receivable, advances to suppliers, advances to employees, bank loans and notes, accounts payable, other payable, dividend payable, accrued liabilities, and long-term liabilities. The recorded values of cash and cash equivalents, accounts receivable, other receivable, advances to suppliers, advances to employees, bank loans and notes, accounts payable, other payable, dividend payable and accrued liabilities approximate their fair values based on their short-term nature. The recorded values of long-term liabilities approximate their fair values, as interest approximates market rates.

(y) Retirement Plan

The employees of the Company participate in the defined contribution retirement plans managed by the local government authorities whereby the Company is required to contribute to the schemes at fixed rates of the employees' salary. The Company's contributions to this plan are charged to profit or loss when incurred. The Company has no obligations for the payment of retirement and other post-retirement benefits of staff other than the contributions described above.

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(z) Recent Accounting Pronouncements

In May 2009, the FASB issued SFAS No. 165, Subsequent Events ("SFAS 165"). SFAS 165 establishes general standards of accounting for and disclosing of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. SFAS 165 does not significantly change the types of subsequent events that an entity reports, but it requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. SFAS 165 is effective for interim or annual reporting requirements ending after June 15, 2009. The adoption of this standard did not have a material impact on our financial position, results of operations or cash flows of the Company.

In June 2009, the FASB issued Accounting Standards Update ("ASU") 2009-01, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162 ("ASU 2009-01"). ASU 2009-01 established the Accounting Standards Codification (the "Codification") as the source of authoritative GAAP recognized by the FASB to be applied to nongovernmental entities. The Codification supersedes all prior non-SEC accounting and reporting standards. Following ASU 2009-01, the FASB will not issue new accounting standards in the form of FASB Statements, FASB Staff Positions, or Emerging Issues Task Force abstracts. ASU 2009-01 also modifies the existing hierarchy of GAAP to include only two levels — authoritative and non-authoritative. ASU 2009-01 is effective for financial statements issued for interim and annual periods ending after September 15, 2009, and early adoption was not permitted. The adoption of this standard did not have an impact on the financial position, results of operations or cash flows of the Company.

In August 2009, the FASB issued ASU 2009-05, Fair Value Measurements and Disclosures (Topic 820) - Measuring Liabilities at Fair Value ("ASU 2009-05"). ASU 2009-05 addresses concerns in situations where there may be a lack of observable market information to measure the fair value of a liability, and provides clarification in circumstances where a quoted market price in an active market for an identical liability is not available. In these cases, reporting entities should measure fair value using a valuation technique that uses the quoted price of the identical liability when that liability is traded as an asset, quoted prices for similar liabilities, or another valuation technique, such as an income or market approach. ASU 2009-05 also clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. ASU 2009-05 is effective for the first reporting period subsequent to August 2009 and the adoption of this update is not expected to have a material impact on the financial position, results of operations, or cash flows of the Company.

In June 2009, the FASB issued SFAS No. 166, Accounting for Transfers of Financial Assets, an amendment of FASB Statement No. 140 ("SFAS 166"). SFAS 166 amends the application and disclosure requirements of SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities — a Replacement of FASB Statement 125 ("SFAS 140"), removes the concept of a "qualifying special purpose entity" from SFAS 140 and removes the exception from applying FASB Interpretation ("FIN") No. 46(R), Consolidation of Variable Interest Entities — an Interpretation of ARB No. 51 ("FIN 46(R)") to qualifying special purpose entities. SFAS 166 is effective for the first annual reporting period that begins after November 15, 2009, and early adoption is not permitted. The adoption of this standard is not anticipated to have a material impact on the financial position, results of operations or cash flows of the Company.

In October 2009, the FASB issued ASU 2009-13, Revenue Recognition (Topic 605) — Multiple-Deliverable Revenue Arrangements, a consensus of the FASB Emerging Issues Task Force ("ASU 2009-13"). ASU 2009-13 addresses the accounting for multiple-deliverable arrangements where products or services are accounted for separately rather than as a combined unit, and addresses how to separate 71 deliverables and how to measure and allocate arrangement consideration to one or more units of accounting. Existing GAAP requires an entity to use vendor-specific objective evidence (“VSOE”) or third-party evidence of a selling price to separate deliverables in a multiple-deliverable selling arrangement. As a result of ASU 2009-13, multiple-deliverable arrangements will be separated in more circumstances than under current guidance. ASU 2009-13 establishes a selling price hierarchy for determining the selling price of a deliverable. The selling price will be based on VSOE if it is available, on third-party evidence if VSOE is not available, or on an estimated selling price if neither VSOE nor third-party evidence is available. ASU 2009-13 also requires that an entity determine its best estimate of selling price in a manner that is consistent with that used to determine the selling price of the deliverable on a stand-alone basis, and increases the disclosure requirements related to an entity’s multiple-deliverable revenue arrangements. ASU 2009-13 must be prospectively applied to all revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, and early adoption is permitted. Entities may elect, but are not required, to adopt the amendments retrospectively for all periods presented. The Company expects to adopt the provisions of ASU 2009-13 on January 1, 2011 and does not believe that the adoption of this standard will have a material impact on the financial position, results of operations, or cash flows of the Company.

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In December 2009, the FASB issued ASU 2009-17, Consolidations (Topic 810) — Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities. ASU 2009-17 replaces the quantitative-based risk and rewards calculation for determining which reporting entity, if any, has a controlling financial interest in a variable interest entity with an approach focused on identifying which reporting entity has the power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance and (1) the obligation to absorb losses of the entity or (2) the right to receive benefits from the entity. An approach that is expected to be primarily qualitative will be more effective for identifying which reporting entity has a controlling financial interest in a variable interest entity. ASU 2009-17 also requires additional disclosures about a reporting entity's involvement in variable interest entities. The provisions of ASU 2009-17 are to be applied beginning in the first fiscal period beginning after November 15, 2009. The Company adopted ASU 2009-17 on January 1, 2010 and does not anticipate that the adoption of this standard will have a material effect on the financial position, results of operations, or cash flows of the Company.

In January 2010, the FASB issued ASU 2010-02, Consolidation (Topic 810) — Accounting and Reporting for Decreases in Ownership of a Subsidiary — A Scope Clarification. ASU 2010-02 clarifies that the scope of previous guidance in the accounting and disclosure requirements related to decreases in ownership of a subsidiary apply to (i) a subsidiary or a group of assets that is a business or nonprofit entity; (ii) a subsidiary that is a business or nonprofit entity that is transferred to an equity method investee or joint venture; and (iii) an exchange of a group of assets that constitutes a business or nonprofit activity for a noncontrolling interest in an entity. ASU 2010-02 also expands the disclosure requirements about deconsolidation of a subsidiary or derecognition of a group of assets to include (i) the valuation techniques used to measure the fair value of any retained investment; (ii) the nature of any continuing involvement with the subsidiary or entity acquiring a group of assets; and (iii) whether the transaction that resulted in the deconsolidation or derecognition was with a related party or whether the former subsidiary or entity acquiring the assets will become a related party after the transaction. The provisions of ASU 2010-02 will be effective for the first reporting period beginning after December 13, 2009. The Company adopted the provisions of ASU 2010-02 on January 1, 2010 and does not anticipate that the adoption of this standard will have a material impact on the financial position, results of operations, or cash flows of the Company.

In January 2010 the FASB issued ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820) —Improving Disclosures About Fair Value Measurements. ASU 2010-06 clarifies the requirements for certain disclosures around fair value measurements and also requires registrants to provide certain additional disclosures about those measurements. The new disclosure requirements include (i) the significant amounts of transfers into and out of Level 1 and Level 2 fair value measurements during the period, along with the reason for those transfers, and (ii) separate presentation of information about purchases, sales, issuances and settlements of fair value measurements with significant unobservable inputs. ASU 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009. The Company adopted the provisions of ASU 2010-06 on January 1, 2010 and does not anticipate that the adoption of this standard will have a material impact on the financial position, results of operations, or cash flows of the Company.

(aa) Subsequent Event

The Company evaluates subsequent events that have occurred after the consolidated balance sheet date but before the consolidated financial statements are issued. There are two types of subsequent events: (1) recognized, or those that provide additional evidence with respect to conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements, and (2) nonrecognized, or those that provide evidence with respect to conditions that did not exist at the date of the balance sheet but arose subsequent to that date. The Company has evaluated subsequent events, and based on this evaluation, the Company did not identify any recognized or nonrecognized subsequent events that would have required adjustments to the consolidated financial statements.

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3. RESTRICTED CASH

Restricted Cash represents cash placed with banks to secure banking facilities, which are comprised of loans and notes payables in addition to other collateral.

4. NOTES RECEIVABLE

		At December 31, 2009		At December 31, 2008
Notes Receivable	$	28,520	$	-
Less: Allowance for Bad Debts		-		-
	$	28,520	$	-

Notes Receivable are typically in the form of bank drafts from customers. Bank drafts are liquid instruments that can be either (a) endorsed to the Company's vendors, or (b) discounted to the Company's own bank. The Company chooses to carry these instruments as notes receivable instead of cash primarily because of the associated time element of these notes, as they are normally due at a later point in time; therefore, these bank drafts represent different risk and reward characteristics.

5. ACCOUNTS RECEIVABLE

		At December 31, 2009		At December 31, 2008
Total Accounts Receivable-Trade	$	56,802,317	$	44,619,549
Less: Allowance for Bad Debt		(2,840,116)		(3,132,693)
	$	53,962,201	$	41,486,856
Allowance for Bad Debts				
Beginning Balance	$	(3,132,693)	$	(1,245,883)
Allowance Provided		(1,573,535)		(1,886,810)
Less: Bad Debt Written Off		1,866,112		-
Ending Balance	$	(2,840,116)	$	(3,132,693)

6. INVENTORY

		At December 31, 2009		At December 31, 2008
Raw Materials	$	4,938,537	$	3,951,516
Work in Progress		8,319,353		4,065,249
Finished Goods		2,372,580		2,567,141
	$	15,630,470	$	10,583,906

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7. ADVANCES TO EMPLOYEES

Advances to Employees of $342,829 and $189,516 as of December 31, 2009 and 2008, respectively, consisted of advances to salespeople for salary, travel, and expenses over extended periods as they work to procure new sales contracts or install and perform on existing contracts. These advances are deducted from future sales commissions earned by these salespeople. In the event that a salesperson leaves the Company prior to earning sales commissions sufficient to offset advances paid to the salesperson, the Company immediately expenses any outstanding balance to the income statement. None of the employees who have received these advances is a director or executive officer of the Company.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment, which are stated at cost less depreciation, were composed of the following:

At December 31, 2009 Category of Asset	Wuhan Blower	Wuhan Generating Equipment	Wuhan Sungreen	Total
Buildings	$ 13,192,892	$ 8,692,905	$ -	$ 21,885,797
Machinery & Equipment	1,908,216	12,343,760	2,020,846	16,272,822
Furniture & Fixtures	367,993	16,666	6,607	391,266
Auto	678,290	267,044	7,313	952,647
Other	74,933	-	-	74,933
	16,222,324	21,320,375	2,034,766	39,577,465
Less: Accumulated Depreciation				
Buildings	(2,237,889)	(165,239)	-	(2,403,128)
Machinery & Equipment	(811,808)	(2,352,315)	(219,212)	(3,383,335)
Furniture & Fixtures	(278,719)	(6,047)	(1,811)	(286,578)
Auto	(487,616)	(86,651)	(579)	(574,913)
Other	(21,245)	-	-	(21,245)
	(3,837,277)	(2,610,252)	(221,602)	(6,669,131)
Property, Plant, & Equipment, Net	$ 12,385,047	$ 18,710,123	$ 1,813,164	$ 32,908,334

At December 31, 2008 Category of Asset	Wuhan Blower	Wuhan Generating Equipment	Wuhan Sungreen	Total
Buildings	11,011,657	-	-	11,011,657
Machinery & Equipment	1,888,521	10,551,443	1,916,553	14,356,517
Furniture & Fixtures	362,007	13,781	-	375,788
Auto	776,312	260,951	-	1,037,263
Other	74,455	-	-	74,455
	14,112,952	10,826,175	1,916,553	26,855,680
Less: Accumulated Depreciation				
Buildings	(1,874,508)	-	-	(1,874,508)
Machinery & Equipment	(632,150)	(1,260,420)	(32,125)	(1,924,695)

Furniture & Fixtures	(221,068)	(3,826)	-	(224,894)
Auto	(501,132)	(49,070)	-	(550,202)
Other	(6,830)	-	-	(6,830)
	(3,235,688)	(1,313,316)	(32,125)	(4,581,129)
Property, Plant, & Equipment, Net	$ 10,877,264	$ 9,512,859	$ 1,884,428	$ 22,274,551

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The shared campus of Wuhan Blower and Wuhan Generating Equipment consists of approximately 440,000 square feet (44,233 square meters) of building floor space. The Company's new turbine manufacturing workshop will provide approximately 215,482 square feet (20,019 square meters) of floor space. A new office building will house the business operations of Wuhan Generating Equipment and will provide an additional 134,656 square feet (12,510 square meters) of floor space.

The acquired campus of Wuhan Sungreen will house the following buildings when fully built out and complete:

	Square Feet	Square Meters
Workshop 1	136,131	12,647.00
Workshop 2	90,363	8,395.00
Workshop 3	95,777	8,898.00
Dormitories	67,662	6,286.08
Commercial Shops	5,285	491.00
Warehouse	102,155	9,490.60
Office Buildings	152,994	14,213.64
	650,367	60,421.32

The local government has already approved the architectural plans for all of the buildings. Currently Workshop 1, Warehouse, Dormitories, and Commercial Shops have yet to be built. Workshop 2 and Workshop 3 are fully built. The Office Building is currently under construction but has yet to be completed.

In order to complete the campus of Wuhan Sungreen, the Company anticipates incurring approximately an additional $5.13 million (RMB 35,100,000), which is beyond the amount originally committed in the asset purchase agreement.

9. LAND USE RIGHTS

At December 31, 2009

Category of Asset	Wuhan Blower	Wuhan Generating Equipment	Wuhan Sungreen	Total
Land Use Rights	$ 2,199,372	$ -	$ 10,499,810	$ 12,699,182
Less: Accumulated Amortization	(276,049)	-	(349,994)	(626,043)
Land Use Rights, Net	$ 1,923,323	$ -	$ 10,149,816	$ 12,073,139

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At December 31, 2008 Category of Asset	Wuhan Blower	Wuhan Generating Equipment	Wuhan Sungreen	Total
Land Use Rights	$ 2,117,709	$ -	$ 10,473,768	$ 12,591,477
Less: Accumulated Amortization	(206,766)	-	(87,282)	(294,048)
Land Use Rights, Net	$ 1,910,943	$ -	$ 10,386,486	$ 12,297,429

The Company acquired through Wuhan Hi-Tech Blower Manufacturing Co. Ltd. (WBM) the Land Use Rights for three parcels of land totaling 1,170,000 square feet for a term of 50 years from March 1, 2004 to March 1, 2054 for $1,856,757 (RMB 14,515,200). The land has been used for the Company's facilities including the blower manufacturing facilities, turbine manufacturing facility, warehouses, testing facilities, dormitories, and administrative buildings for its Wuhan Blower and Wuhan Generating Equipment subsidiaries.

The parcel of land purchased in the asset acquisition and now carried on the books of Wuhan Sungreen total 792,547 square feet (73,630.05 square meters). The land will be used for Wuhan Sungreen's office building, workshops, and dormitories. The land use right will be amortized over 30 years.

10. CONSTRUCTION IN PROGRESS

Construction in progress represents the direct costs of design, acquisition, building construction, building improvements, and land improvement. These costs are capitalized in the Construction-in-Progress account until substantially all activities necessary to prepare the assets for their intended use are completed. At such point, the Construction-in-Progress account is closed and the capitalized costs are transferred to their appropriate asset classification. No depreciation is provided until it is completed and ready for the intended use.

The assets reported under the construction in progress account relate to various projects at the Company's operating subsidiaries. All of the construction projects at Wuhan Blower have been substantially completed. The assets have been into use. Accordingly, the assets have been moved to the property, plant, and equipment account. Construction projects as Wuhan Generating include a new workshop, office building and the installation of equipment in the workshop. The workshop was completed in the beginning of 2009. All equipment will be fully installed and operational by the end of the second quarter of 2010. The structure of the office building has been substantially completed; however, the necessary construction of the interior to bring the building into use has been temporarily stopped. The Company is evaluating its current resources and will provide an expected completion date when it believes sufficient resources will be available to complete the construction. The construction projects at Wuhan Sungreen include a new workshop and office building. The Company expects construction on both the workshop and office building to be complete by the end of 2010.

Construction in progress increased by approximately $18.2 million from December 31, 2007 to December 31, 2008. Approximately $11.0 million of this increase was attributable to the acquisition of construction in progress accounts related to the purchase of Wuhan Sungreen in 2008. Approximately $7.2 million was attributable to investments in the turbine facility of Wuhan Generating. Also, during this same period, certain assets that were completed and put into use were moved from the construction in progress account to the property, plant and equipment account. From December 31, 2008 to December 31, 2009, Construction in Progress decreased by approximately $10.2 million which reflects those assets being moved from construction in progress account to the property, plant & equipment account.

The following table details the assets that are accounted for in the Construction-in-Progress account at December 31, 2009 and December 31, 2008:

Subsidiary	Description	At December 31, 2009	At December 31, 2008
Wuhan Blower	Blower Workshop	$ -	$ 631,839
Wuhan Blower	Bus Parking	-	4,377
Wuhan Blower	Dormitory	-	20,425
Wuhan Blower	Landscaping	-	4,934
Wuhan Blower	Office Building	-	471,959
Wuhan Blower	Other	-	391,533
Wuhan Blower	Security System	-	292
Wuhan Blower	Street	-	584
Wuhan Blower	Testing Facility	-	11,380
Wuhan Blower	Wall	-	320,468
Wuhan Blower	Warehouse	-	33,518
Wuhan Blower	Badminton Courts	24,133	-
Wuhan Generating	Capitalized Interest	67,561	131,622
Wuhan Generating	Equipment Requiring Installation	2,528,256	3,374,825
Wuhan Generating	Generating Workshop	-	5,745,581
Wuhan Generating	Generating Workshop-Materials	-	2,293,483
Wuhan Generating	Generating Office Building	3,427,899	3,346,449
Wuhan Generating	Miscellaneous	4,429	259
Wuhan Generating	Shipping Costs	-	10,213
Wuhan Sungreen	Landscaping	146,280	145,917
Wuhan Sungreen	Workshop	4,849,588	4,837,559
Wuhan Sungreen	Office Building	5,792,300	5,289,083
Wuhan Sungreen	Utility Systems Setup	1,023,811	1,021,272
		$ 17,864,257	$ 28,087,572

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11. INTANGIBLE ASSETS

The following categories of assets are stated at cost less accumulated amortization.

	At December 31, 2009	At December 31, 2008
Category of Asset		
Trademarks	$ 106,038	$ 145,896
Mitsubishi License	302,888	335,980
Tianyu CAD License	3,958	4,450
Sunway CAD License	16,820	16,778
Microsoft License	12,222	13,934
	441,926	517,038
Less: Accumulated Amortization		
Trademarks	(62,160)	(32,827)
Mitsubishi License	(152,862)	(113,599)
Tianyu CAD License	(2,287)	(1,391)
Sunway CAD License	(3,915)	(1,119)
Microsoft License	(7,904)	(4,528)
	(229,128)	(153,464)
Intangible Assets, Net	$ 212,798	$ 363,574

The weighted average amortization period for the Company’s intangible assets at December 31, 2009 and 2008 were 12.82 years and 12.82 years, respectively.

The weighted average amortization period for the Trademark is 20 years.

The weighted average amortization period for the Mitsubishi, CAD, and Microsoft technical licenses is 10 years.

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12. BANK LOANS AND NOTES

The following table provides the name of the lender, due date, interest rate, and amounts outstanding at December 31, 2009 and 2008 for the Company's bank loans and notes payable.

Subsidiary	Type	Name of Creditor	Due Date	Interest Rate Per Annum	At December 31, 2009	At December 31, 2008
Wuhan Blower	Bank Loans	Shanghai Pudong Development Bank	5/20/2009	8.96%	$ -	$ 729,479
Wuhan Blower	Bank Loans	Shanghai Pudong Development Bank	5/22/2009	8.96%	-	729,479
Wuhan Blower	Bank Loans	Shanghai Pudong Development Bank	5/25/2009	8.96%	-	729,480
Wuhan Blower	Bank Loans	Shanghai Pudong Development Bank	5/27/2009	8.96%	-	729,480
Wuhan Blower	Bank Loans	Shanghai Pudong Development Bank	5/29/2009	8.96%	-	729,480
Wuhan Blower	Bank Loans	Shanghai Pudong Development Bank	6/4/2009	8.96%	-	729,480
Wuhan Blower	Bank Loans	Shanghai Pudong Development Bank	6/23/2009	8.96%	-	583,584
Wuhan Blower	Bank Loans	Shanghai Pudong Development Bank	8/26/2009	8.96%	-	1,167,168
Wuhan Blower	Bank Loans	Shanghai Pudong Development Bank	8/24/2009	8.96%	-	1,167,168
Wuhan Blower	Bank Loans	China Citic Bank	4/19/2010	5.31%	3,656,467	-
Wuhan Blower	Bank Loans	Bank of China Ltd.	3/2/2010	5.40%	804,423	-
Wuhan Blower	Bank Loans	Guangdong Development Bank	6/15/2010	6.37%	1,608,846	-
Wuhan Blower	Bank Loans	Agricultural Bank of China	8/6/2010	5.84%	7,312,935	-
Wuhan Blower	Bank Loans	Hankou Bank	7/5/2010	4.425%	833,675	-
subtotal					14,216,346	7,294,798
Wuhan Blower	Notes Payable	China Minsheng Banking Corp., Ltd.	1/22/2009		-	1,458,959
Wuhan Blower	Notes Payable	Citic Industrial Bank	3/27/2009		-	3,647,399
Wuhan Blower	Notes Payable	Industrial Bank Co., Ltd.	2/28/2009		-	1,313,064
			3/2/2009		-	1,750,751

Wuhan Blower	Notes Payable	Industrial Bank Co., Ltd.			
Wuhan Blower	Notes Payable	Industrial Bank Co., Ltd.	2/28/2009	-	1,313,064
Wuhan Blower	Notes Payable	Shanghai Pudong Development Bank	2/10/2009	-	579,760
Wuhan Blower	Notes Payable	Shanghai Pudong Development Bank	2/18/2009	-	744,069
Wuhan Blower	Notes Payable	Standard Chartered Bank	4/21/2010	1,828,234	-

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Wuhan Blower	Notes Payable	Standard Chartered Bank	3/3/2010		417,047	
Wuhan Blower	Notes Payable	Standard Chartered Bank	3/18/2010		1,462,587	
Wuhan Blower	Notes Payable	Standard Chartered Bank	2/11/2010		731,294	
Wuhan Blower	Notes Payable	Bank of Communications	1/24/2010		892,178	-
subtotal					5,331,340	10,807,067
Wuhan Generating	Bank Loans	Citic Industrial Bank	3/2/2009	8.22%	-	2,917,919
Wuhan Generating	Bank Loans	Shanghai Pudong Development Bank	1/7/2009	7.47%	-	1,458,959
Wuhan Generating	Bank Loans	Hankou Bank	10/13/2010	5.31%	1,462,587	-
Wuhan Generating	Bank Loans	Bank of Communications	12/23/2010	5.67%	1,462,587	-
Wuhan Generating	Bank Loans	Bank of Communications **	12/23/2010	5.67%	1,462,587	1,458,959
subtotal					4,387,761	5,835,837
Wuhan Generating	Long Term Loan	Standard Chartered Bank	12/17/2012	9.40%	2,925,714	-
Wuhan Blower	Long Term Loan	Standard Chartered Bank	12/16/2013	9.40%	7,094,145	-
Wuhan Sungreen	Notes Payable	Various vendors and individuals	On Demand		13,066	-
Wuhan Generating	Notes Payable	Bank of Communications	6/26/2009		-	2,480,231
Wuhan Generating	Notes Payable	Bank of Communications	1/15/2009		-	1,458,958
Wuhan Generating	Notes Payable	Bank of Communications	1/16/2009		-	4,376,878
Wuhan Generating	Notes Payable	Bank of Communications	6/24/2009		-	4,376,878
Wuhan Generating	Notes Payable	Bank of Communications	1/6/2010		1,462,587	-
Wuhan Generating	Notes Payable	Bank of Communications	1/12/2010		1,462,587	-
			1/17/2010		1,462,587	-

Wuhan Generating	Notes Payable	Bank of Communications			
Wuhan Generating	Notes Payable	Bank of Communications	1/22/2010	1,462,587	-
Wuhan Generating	Notes Payable	Hankou Bank	4/13/2010	1,462,587	-
Wuhan Generating	Notes Payable	Hankou Bank	4/21/2010	530,188	-

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Wuhan Generating	Notes Payable	Hankou Bank	4/26/2010	917,773	-
Wuhan Generating	Notes Payable	Bank of Communications	4/8/2010	3,948,985	-
subtotal				12,789,881	12,692,947
total				$ 46,758,253	$ 36,630,649

** In 2008, loan was classified as long-term loan

Banking facilities extended by the CITIC Industrial Bank, Bank of Communication, Guangdong Development Bank and Agricultural Bank of China were secured by the Company's mortgage of real property.

The Bank of China Loan is collateralized by the technical license with Mitsubishi.

Certain notes payable, as indicated above, do not have a stated rate of interest. These notes are payable on demand to the Company's creditors. The creditors have given extended credit terms secured by pledge of the Company's restricted cash.

In 2009, Standard Chartered Bank granted the Company credit facilities in the amount of $50,181,361. The Company may borrow at a fixed rate set by the bank. The credit facilities are secured by the Company's mortgage of real property, property, plant and equipment, land use rights, assignment of accounts receivable, and trademarks.

Credit Facilities from Standard Chartered Bank at December 31, 2009:

	Used	Unused	Total Facility
Tranche A	$ 10,019,319	$ 20,929,022	$ 30,948,341
Tranche B	-	13,382,671	13,382,671
Notes Payable	4,439,162	1,411,186	5,850,348
Total	$ 14,458,481	$ 35,722,880	$ 50,181,361

Subsequent to December 31, 2009, Standard Chartered Bank disbursed funds under its loan agreement to the Company's subsidiaries as detailed in the table below:

Additional Amount Disbursed under Tranche A

Borrowing Subsidiary	Disbursement Date	USD Amount
Wuhan Blower	1/29/2010	$ 4,255,530
Wuhan Blower	1/29/2010	7,312,935
Wuhan Generating	1/29/2010	1,462,587
		$ 13,031,052

As of January 29, 2010, the Company's outstanding principal and repayment schedule under its loan agreement with Standard Chartered Bank are detailed below:

Principal Due	Blower	Generating	Sungreen	Total
2010	$ 4,439,162	$ -	$ -	$ 4,439,162
2011	3,732,522	877,552	-	4,610,074
2012	14,930,088	3,510,209	-	18,440,297
	$ 23,101,772	$ 4,387,761	$ -	$ 27,489,533

The Company's loan agreement with Standard Chartered Bank contains covenants, which include, among others: limitation on the incurrence of additional indebtedness; limitation on guarantees, liens, investments, sale of assets, mergers, change of control and capital expenditures; and maintenance of specified financial ratios. The Company filed a copy of this loan agreement with the U.S. Securities and Exchange Commission on November 17, 2009.

The Company was in compliance with all loan covenants as of December 31, 2009, except that the Company did not comply with the days accounts receivable ratio covenant in its loan agreement with Standard Chartered. This ratio is calculated by dividing the Company's 2009 revenue by 360 and then dividing that number into accounts receivable. At December 31, 2009, the Company's days account receivable ratio was 209, which was above the maximum of 180 provided in the Standard Chartered loan agreement. The Company has requested a waiver from Standard Chartered for this noncompliance. Based on the Company's conversations with Standard Chartered, the Company does not believe that Standard Chartered will take any adverse action against the Company for noncompliance with this financial covenant.

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13. OTHER PAYABLE

The Company included certain accruals in "Other Payable" for value added tax invoices yet to be received from vendors, who have already delivered the goods or services. The following table details the Company's Other Payable line items at December 31, 2009:

Vendor	Description	Amount
Hubei Gong Chuang	Purchase of Sukong Assets	777,475
Hubei Delisen Technology Co., Ltd.	Transportation costs	585,034
Wuhan Xiuma Technology Co., Ltd.	Transportation costs	585,034
Yu, Shijing	Regular business expenses that have yet to be reimbursed	438,776
Qiao, Cunwu	Regular business expenses that have yet to be reimbursed	201,402
Wuhan Pengmai Motor Transport Co., Ltd.	Transportation costs	192,147
Wuhan Sanhe Vehicle Service Co., Ltd.	Transportation costs	140,969
Wuhan Longyang Logistics Co., Ltd	Transportation costs	112,624
Various Vendors	Miscellaneous cost and expenses of amounts less than $100,000	1,194,581
		$ 4,228,042

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14. WARRANTY LIABILITY

Warranty liability is accrued and carried on the balance sheet under Accrued Liabilities. The Company makes its warranty accrual based on individual assessment of each contract because terms and conditions vary. The Company's typical sales contracts provide for a warranty period of 12-24 months following product installation.

The following table summarizes the activity related to the Company's product warranty liability for the years ended December 31 2009 and 2008:

	December 31, 2009	December 31, 2008
Balance at beginning of period	$ 1,154,613	$ 1,541,771
Adjustment		-
Accruals for current & pre-existing warranties issued during period	371,764	469,586
Less: Settlements made during period	(57,019)	(60,291)
Less: Reversals and warranty expirations	-	(796,453)
Balance at end of year	$ 1,469,358	$ 1,154,613

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15. CAPITALIZATION

At December 31, 2009, the Company's outstanding securities are shown in the following table:

Type of Security	Number	Issuance Date	Expiration Date
Common Stock	25,351,950	N/A	N/A
Series A Preferred	6,241,453	2/7/2007	N/A
Series B Preferred	6,354,078	9/5/2009	N/A
Series A Warrants	6,172,531	2/7/2007	2/6/2012
Series B Warrants	3,821,446	2/7/2007	2/6/2012
Series C Warrants	635,710	2/7/2007	2/6/2017
Series AA Warrants	617,253	2/7/2007	2/6/2017
Series BB Warrants	382,145	2/7/2007	2/6/2017
Series JJ Warrants	636,908	2/7/2007	2/6/2017
Series J Warrants	-	2/7/2007	11/7/2008
Options Issued to Directors	40,000	11/30/2007	11/30/2017
Options Issued to Directors	40,000	1/2/2008	1/2/2018
Total Shares on Fully Diluted Basis	50,293,474		

Series A Convertible Preferred Stock

The Preferred Stock is convertible into shares of the Company's common stock on a one-for-one basis. Holders of Preferred Stock are entitled to a dividend equal to 5% per annum of the amount invested, subject to adjustment. These dividends are payable quarterly. In the event of a voluntary or involuntary liquidation, holders of preferred stock are entitled to a liquidation preference of $2.33 per share. This amount is in excess of the stock's par value of $0.0001. The convertible preferred stock is cumulative, non-participating, and non-redeemable, and as such, there is no related sinking fund. On or after February 5, 2010, the Series A Convertible Preferred Stock will be mandatorily converted into common stock if the Company's common stock achieves certain price and volume requirements.

Series B Convertible Preferred Stock

On September 5, 2008, the Company entered into an Agreement to Amend Series J Warrants of the Company with holders of warrants exercisable for a majority of the shares of warrant stock issuable under the Company's Series A, B and J warrants. This agreement amended the Series J Warrants so that such warrants are exercisable for shares of the Company's Series B Convertible Preferred Stock, par value $0.0001 per share (the "Series B Preferred Stock"). Prior to this agreement, such warrants were exercisable for shares of the Company's common stock.

In connection with this agreement, the Company designated 9,358,370 shares of preferred stock as "Series B Convertible Preferred Stock, par value $0.0001 per share" with those rights and preferences as set forth in the Certificate of Designation of the Relative Rights and Preferences of the Series B Preferred Stock of the Company. The Series B Preferred Stock ranks senior to the Company's common stock and junior to the Company's Series A Convertible Preferred Stock, par value $0.0001 per share. The shares of Series B Preferred Stock are convertible on a one-for-one basis into shares of the Company's common stock. Except with respect to specified transactions that may affect the rights, preferences, privileges or voting power of the Series B Preferred Stock and except as otherwise required by Nevada law, the Series B Preferred Stock has no voting rights. The Series B Preferred Stock is non-redeemable and is not entitled to dividends. When accounting for the Series B Preferred Stock, the Company determined that they qualified as equity because the aforementioned characteristics made them akin to common stock.

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Investors holding the amended Series J Warrants exercised their right to purchase Series B Preferred Stock at $2.33 per share. For the year ended December 31, 2008, certain investors exercised their amended Series J Warrants for a total of 6,369,078 shares of Series B Preferred Stock. The Company received gross proceeds of $14,839,952 for the issuance of those shares in connection with the exercise of the Series J Warrants. The total amount of commission paid to the placement agent, 1st Bridgehouse Securities, was 10% of the gross proceeds, or $1,483,995. The Company also paid a total of $274,480 for other financing related expenses. The net proceeds from the transactions, after accounting for placement agent commissions and other related financing expenses, was $13,081,477.

Simultaneously with the exercise of a portion of the Series J Warrants, a corresponding portion of the Series B and Series JJ Warrants became exercisable. Accordingly, the Company accounted for the net proceeds of this issuance by allocating to Par Value, Additional Paid in Capital attributable to Series B Preferred Stock, and Additional Paid in Capital attributable to Series B and JJ Warrants. The Company determined that the Series B Preferred Stock had a beneficial conversion feature (BCF). Accordingly, the Company accounted for this BCF as a constructive preferred dividend, which is a charge that reduces retained earnings and increases additional paid in capital attributable to the Series B Preferred Stock. The Company also transferred a prorated portion of proceeds previously recorded under Warrants A, J, B, and C to the Additional Paid in Capital of Series B Preferred Stock to reflect the exercise of the amended Series J Warrants.

In accordance to EITF 00-27 and EITF 98-5, the Company accounted for the modification of the Series J warrants as capital transaction because the modification of the warrants was concurrent with the Company's investors contributing more working capital to the Company through the exercise of the Series J warrants. In consideration of SFAS 123(R), the Company does not believe there is additional incremental value that should be charged to earnings because the fair value assigned to the Series B Convertible Preferred Stock was less than the fair value of the Company's common stock based on the market's closing price on September 5, 2008 and the valuation provided by investment bankers on September 3, 2008. The Series J warrant holders did not receive any additional value as a result of the amendment.

Penalty Shares

Certain investors were issued shares of common stock as a penalty for the Company's failure to achieve listing status on NASDAQ by a predetermined date, which was a term stipulated in the Stock Purchase Agreement dated February 7, 2007. During the years ended December 31, 2009 and 2008, certain investors were awarded an aggregate of 529,787 and 863,894 shares of common stock, respectively. The Company recorded expenses to its statements of income for the issuance of these shares totaling $1,153,439 and $5,355,233, respectively. The Company used a price of $2.30 for the 312,891 shares issued on April 8, 2009 and used a price of $2.00 for the 216,896 shares that were issued on April 16, 2009. These prices were the quoted closing market prices for the Company's common stock on those corresponding dates. Spring House Capital provided the valuation of the shares for the expenses recorded in the year ended December 31, 2008. The prices used in determining the amount of expense was $6.35, $7.83, and $5.30, which relate to March 18, 2008, May 30, 2008, and September 3, 2008, respectively. These were the dates of issuance of the penalty shares.

Exercise of Series C Warrants

During the year ended December 31, 2009, holders of Series C Warrants exercised the right to purchase 187,294 shares of common stock. The transaction was a cashless exercise. Accordingly, the Company issued to the holder 69,361 shares of common stock and cancelled warrants with the rights to purchase 117,933 of common stock.

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16. COMMITMENTS OF STATUTORY RESERVE

In compliance with PRC laws, the Company is required to appropriate 10% of its net income to its statutory reserve up to a maximum of 50% of an enterprise's registered Paid-in capital. The Company had future unfunded commitments, as provided below.

		December 31, 2009		December 31, 2008
Unadjusted Registered Capital in PRC	$	52,575,256	$	43,826,004
50% maximum thereof		26,287,628		21,913,001
Less: Amounts Appropriated to Statutory Reserve		(4,563,593)		(3,271,511)
Unfunded Commitment	$	21,724,035	$	18,641,490

17. INCOME TAXES

On February 7, 2007, income from the Company's foreign subsidiaries became subject to U.S. income tax liability; however, this tax is deferred until foreign source income is repatriated to the Company from earnings and profits after foreign income taxes, which has not yet occurred.

The Company has engaged a U.S. CPA firm to prepare its U.S. income tax returns in order to maintain a high level of compliance with U.S. tax laws.

All of the Company's operations are in the PRC, and in accordance with the relevant tax laws and regulations of PRC, the corporate income tax rate is 25%. As a business incentive, the Company was approved as a foreign investment enterprise in March 2007, and in accordance with the relevant regulations regarding the favorable tax treatment for a foreign investment enterprise, the Company was entitled to a two-year tax exemption followed by a three-year half exemption. For the years ended December 31, 2008 and 2007, the Company was still within the two year tax exemption period, and accordingly, made no provision for income taxes. For the year ended December 31, 2009, Wuhan Blower and Wuhan Generating were subject to a 12.5% tax rate and Wuhan Sungreen was subject to a 25% tax rate.

Effective January 1, 2008, the PRC income tax rules were changed. The PRC government implemented a new 25% tax rate for all enterprises whether domestic or foreign enterprise, and abolished the tax holiday. However, the PRC government has established grandfathering transition rules that permit enterprises that had received an income tax exemption prior to January 1, 2008 to continue to enjoy the exemption until the original expiration date.

The provision for income taxes in the PRC for China sourced net income amounted to $1,502,884 and $0 for the years ended December 31, 2009 and 2008, respectively.

Income before taxes and the provision for taxes consists of the following:

	December 31, 2009	December 31, 2008

Income (loss) before taxes:				
US	$	(2,475,455)	$	-
BVI		(27,927)		-
PRC		12,412,787		16,148,092
Total income before taxes	$	9,909,405	$	16,148,092
Provision for taxes:				
Current:				
U.S. Federal		-		-
State		-		-
China		2,195,828		-
Currency effect		403		
	$	2,196,231	$	-
Deferred:				
U.S. Federal		-		-
China		(749,031)		-
		(749,031)		-
Total provision for taxes	$	1,447,200	$	-
Effective tax rate		14.60%		N/A

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Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts for income tax purposes. Significant components of our deferred tax assets and liabilities at December 31, 2009 and December 31, 2008 are as follows:

	December 31, 2009	December 31, 2008
Deferred tax assets		
Bad debt expense & accrual expense	$ 749,031	$ -
	749,031	-
Valuation allowance	-	-
Total deferred tax assets	749,031	-
Deferred tax liabilities		
Total deferred tax liabilities	-	-
Net deferred tax assets	749,031	-
Reported as:		
Current deferred tax assets	749,031	-
Non-current deferred tax assets	-	-
Non-current deferred tax liabilities	-	-
Net deferred taxes	$ 749,031	$ -

The differences between the U.S. federal statutory income tax rates and the Company's effective tax rate for the years ended December 31, 2009 and 2008 are shown in the following table:

	2009	2008
U.S. federal statutory income tax rate	34.00%	35%
Lower rates in PRC, net	-9.00%	-10%
Accruals in foreign jurisdictions	2.10%	0%
Tax holiday	-12.50%	-25%
Effective tax rate	14.60%	0.00%

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18. EARNINGS PER SHARE

Components of basic and diluted earnings per share were as follows:

	12 months ended December 31, 2009	12 months ended December 31, 2008
Basic Earnings Per Share Numerator		
Net Income	$ 8,462,206	$ 16,148,092
Less:		
Preferred Dividends	727,129	927,102
Series A Constructive Preferred Dividend	-	-
Series B Constructive Preferred Dividend	-	4,032,656
Income Available to Common Stockholders	$ 7,735,077	$ 11,188,334
Diluted Earnings Per Share Numerator		
Income Available to Common Stockholders	$ 7,735,077	$ 11,188,334
Add:		
Preferred Dividends	727,129	927,102
Income Available to Common Stockholders on Converted Basis	$ 8,462,206	$ 12,115,436
Original Shares:		
Additions from Actual Events		
-Issuance of Common Stock	24,752,802	19,712,446
-Conversion of Series A Preferred Stock into Common Stock	-	2,329,527
-Conversion of Series B Preferred Stock into Common Stock	-	2,219
-Issuance of Common Stock resulting from the Exercise of Warrants	40,355	115,361
-Issuance of Penalty Shares	382,869	515,979
Basic Weighted Average Shares Outstanding	25,176,026	22,675,532
Dilutive Shares:		
Additions from Potential Events		
-Conversion of Series A Preferred Stock	6,241,453	7,958,027
-Conversion of Series B Preferred Stock	6,354,078	1,507,851
-Exercise of Investor Warrants & Placement Agent Warrants	38,881	14,943,638
-Exercise of Employee & Director Stock Options	-	-
Diluted Weighted Average Shares Outstanding:	37,810,439	47,085,048
Earnings Per Share		
- Basic	$ 0.31	$ 0.49
- Diluted	$ 0.22	$ 0.26
Weighted Average Shares Outstanding		
- Basic	25,176,026	22,675,532

- Diluted	37,810,439	47,085,048

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19. OPERATING SEGMENTS

The Company individually tracks the performance of its three operating subsidiaries: Wuhan Blower, Wuhan Generating Equipment, and Wuhan Sungreen. Wuhan Blower is primarily engaged in the design, manufacture, installation, and service of blowers. Wuhan Generating Equipment is primarily engaged in the design, manufacture, installation, and service of power generating equipment. Wuhan Sungreen is in the business of design, production, and sale of blower silencers, connectors, and other general spare parts for blowers and electrical equipment. Below is a presentation of the Company's results of operations and financial position for its operating subsidiaries at December 31, 2009 and 2008, and for the years then ended.

Results of Operations For the year ended December 31, 2009	Wuhan Blower	Wuhan Generating Equipment	Wuhan Sungreen	Company, UFG, Adjustments	Total
Sales	$ 48,160,348	$ 44,176,236	$ 743,171	$ -	$ 93,079,755
Cost of Sales	36,981,602	32,127,881	611,145	-	69,720,628
Gross Profit	11,178,746	12,048,356	132,026	-	23,359,128
Operating Expenses	5,467,358	1,918,573	838,357	1,349,943	9,574,231
Other Income (Expenses)	(2,080,210)	(495,027)	(146,816)	(1,153,439)	(3,875,492)
Earnings before Taxes	3,631,178	9,634,756	(853,147)	-	9,909,405
Taxes/(Deferred Tax Benefit)	453,897	1,204,345	(211,042)	-	1,447,200
Net Income	$ 3,177,281	$ 8,430,412	$ (642,105)	$ (2,503,382)	$ 8,462,206

Financial Position At December 31, 2009	Wuhan Blower	Wuhan Generating Equipment	Wuhan Sungreen	Company, UFG, Adjustments	Total
Current Assets	$ 76,072,289	$ 58,026,006	$ 1,606,646	$ (26,049,354)	$ 109,655,587
Non Current Assets	48,160,407	24,738,269	23,774,958	(32,511,993)	64,161,641
Total Assets	124,232,696	82,764,275	25,381,604	(58,561,347)	173,817,228
Current Liabilities	39,083,033	41,069,298	1,279,778	(21,760,479)	59,671,630
Total Long Term Liabilities	7,094,145	4,387,761	-	-	11,481,906
Total Liabilities	46,177,178	45,457,059	1,279,778	(21,760,479)	71,153,536
Net Assets	78,055,518	37,307,216	24,101,826	(36,800,868)	102,663,692
Total Liabilities & Net Assets	$ 124,232,696	$ 82,764,275	$ 25,381,604	$ (58,561,347)	$ 173,817,228

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Results of Operations For the year ended December 31, 2008	Wuhan Blower	Wuhan Generating Equipment	Wuhan Sungreen	Company, UFG, Adjustments	Total
Sales	$ 58,820,320	$ 59,813,513	$ -	$ -	$ 118,633,833
Cost of Sales	41,372,480	43,069,798	-	-	84,442,278
Gross Profit	17,447,840	16,743,715	-	-	34,191,555
Operating Expenses	6,292,955	3,469,376	117,553	1,689,451	11,569,335
Other Income (Expenses)	(742,736)	(416,748)	-	(5,314,644)	(6,474,128)
Earnings before Taxes	10,412,149	12,857,591	(117,553)	(7,004,095)	16,148,092
Taxes	-	-			