

Xunda Science & Technology Group Denmark ApS

Langelinie Allé 35
2100 København Ø

Central Business Registration No. 34 57 81 92

Annual report for 2016

No audit or review has been performed

The Annual Report was presented and
approved at the Annual General Meeting
of the Company on 12/05 2017

Yi Wu
Chairman

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Company details

The Company

Xunda Science & Technology Group Denmark ApS
Langelinie Allé 35
2100 København Ø

CBR no.: 34 57 81 92
Reporting period: 1 January - 31 December
Domicile: Copenhagen

Executive Board

Yi Wu, CEO

Auditors

Roesgaard & Partners
Statsautoriseret Revisionspartnerselskab
Sønderbrogade 16
8700 Horsens

Statement by Management on the annual report

The Executive Board has today discussed and approved the annual report of Xunda Science & Technology Group Denmark ApS for the financial year 1 January - 31 December 2016.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

In my opinion, Management's review includes a fair review of the matters dealt with in the Management's review.

The financial statements have not been audited. Management declares that the criteria for omission of audit are met.

Management recommends that the annual report be approved at the annual general meeting.

Xiangtan City, 12 May 2017

Executive Board

Yi Wu
CEO

Auditor's report on compilation of financial statements

To the shareholder of Xunda Science & Technology Group Denmark ApS

We have compiled the financial statements for the financial year 1 January - 31 December 2016 of Xunda Science & Technology Group Denmark ApS based on the Company's bookkeeping and other information the you have provided.

The financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Auditor Regulation and FSR – Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Horsens, 12 May 2017

Roesgaard & Partners

Statsautoriseret Revisionspartnerselskab
CBR no. 37 54 31 28

Lars Dam Østergaard
State Authorised Public Accountant

Management's review

Business activities

The Company's purpose is investments and management of assets as well as related advisory in this respect.

Business review

The Company's income statement for the year ended 31 December shows a loss of DKK 7,026, and the balance sheet at 31 December 2016 shows negative equity of DKK 7,208.

Financing and capital resources

Reference is made to note 1 in the financial statements.

Accounting policies

The annual report of Xunda Science & Technology Group Denmark ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

Certain reclassifications have been made in the comparative figures without affecting profit/loss or equity.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross loss

In pursuance of section 32 of the Danish Financial Statements Act, the Company does not disclose its revenue.

Gross loss comprises other external expenses.

Other external expenses

Other external expenses include expenses related to administration, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses as well as surcharges and allowances under the advance-payment-of-tax scheme, etc.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the Group's accounting policies, less or plus unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill made up according to the purchase method.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Xunda Science & Technology Group Denmark ApS is adopted are not taken to the net revaluation reserve.

Acquisitions are accounted for using the purchase method, cf. the description of the statement of goodwill above.

Receivables

Receivables are measured at amortised cost.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Income statement 1 January 2016 - 31 December 2016

	<u>Note</u>	<u>2016</u> DKK'000	<u>2015</u> DKK'000
Gross loss		(33)	(44)
Income from investments in subsidiaries		(6.996)	0
Financial income	2	11	0
Financial expenses		(8)	0
Profit/loss before tax		(7.026)	(44)
Tax on profit/loss for the year		0	0
Net profit/loss for the year		(7.026)	(44)
Retained earnings		(7.026)	(44)
		(7.026)	(44)

Balance sheet at 31 December 2016

	<u>Note</u>	<u>2016</u> DKK'000	<u>2015</u> DKK'000
Assets			
Investments in subsidiaries	3	0	1.488
Fixed asset investments		<u>0</u>	<u>1.488</u>
Total fixed assets		<u>0</u>	<u>1.488</u>
Receivables from subsidiaries		3.190	0
Other receivables		3	1
Receivables		<u>3.193</u>	<u>1</u>
Cash at bank and in hand		<u>62</u>	<u>94</u>
Total current assets		<u>3.255</u>	<u>95</u>
Total assets		<u>3.255</u>	<u>1.583</u>

Balance sheet at 31 December 2016

	<u>Note</u>	<u>2016</u> DKK'000	<u>2015</u> DKK'000
Equity and liabilities			
Share capital		100	100
Retained earnings		(7.308)	(282)
Equity		<u>(7.208)</u>	<u>(182)</u>
Provisions relating to investments in group entities		2.711	0
Total provisions		<u>2.711</u>	<u>0</u>
Trade payables		10	0
Payables to group companies		7.742	1.765
Short-term debt		<u>7.752</u>	<u>1.765</u>
Total debt		<u>7.752</u>	<u>1.765</u>
Total equity and liabilities		<u>3.255</u>	<u>1.583</u>
Financing and capital resources	1		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2016	100	(282)	(182)
Net profit/loss for the year	0	(7.026)	(7.026)
Equity at 31 December 2016	100	(7.308)	(7.208)

Notes to the annual report

1 Financing and capital resources

Management expects that equity will be restored through earnings in subsidiaries or through a partial or full conversion of the debt to the Parent Company.

	2016 DKK'000	2015 DKK'000
2 Financial income		
Interest received from subsidiaries	11	0
	11	0
3 Investments in subsidiaries		
Cost at 1 January 2016	1.488	1.488
Additions for the year	2.797	0
Cost at 31 December 2016	4.285	1.488
Revaluations at 1 January 2016	0	0
Revaluations for the year	(6.996)	0
Equity investments with negative net asset value transferred to provisions	2.711	0
Revaluations at 31 December 2016	(4.285)	0
Carrying amount at 31 December 2016	0	1.488

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Place of registered office</u>	<u>Votes and ownership</u>	<u>Equity</u>	<u>Net profit/loss for the year</u>
Passat Energy A/S	Viborg	75 %	(2.711)	(4.030)