

# **DP Cleantech Global Engineering Services ApS**

Marielundvej 43 A

2730 Herlev

CVR No. 35140492

## **Annual Report 2016**

4. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 23 May 2017

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Jens Schaltz Bertelsen  
Chairman

## DP Cleantech Global Engineering Services ApS

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## **Management's Statement**

Today, Management has considered and adopted the Annual Report of DP Cleantech Global Engineering Services ApS for the financial year 1 January 2016 - 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Herlev, 23 May 2017

### **Executive Board**

Jens Schaltz Bertelsen  
CEO

## Independent Auditor's Report

### To the shareholders of DP Cleantech Global Engineering Services ApS

#### Opinion

We have audited the financial statements of DP Cleantech Global Engineering Services ApS for the financial year 1 January 2016 - 31 December 2016, which comprise an income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our 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 its operations for the financial year 1 January 2016 - 31 December 2016 in accordance with the Danish Financial Statements Act.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

#### The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- \* Identify and assess the risk of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Independent Auditor's Report

- \* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which we identify during our audit.

### Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Kongens Lyngby, 23 May 2017

**Fetterlein registreret revisionsanpartsselskab**

CVR-no. 36081848

Claus Jørn Fetterlein

Registered Public Accountant

## DP Cleantech Global Engineering Services ApS

### Company details

<b>Company</b>	DP Cleantech Global Engineering Services ApS Marielundvej 43 A 2730 Herlev
CVR No.	35140492
Date of formation	13 March 2013
Financial year	1 January 2016 - 31 December 2016
<b>Executive Board</b>	Jens Schaltz Bertelsen, CEO
<b>Auditors</b>	Fetterlein registreret revisionsanpartsselskab Bagsværdvej 82 2800 Kongens Lyngby CVR-no.: 36081848
<b>Bank</b>	Jyske Bank Herlev Hovedgade 108 2730 Herlev

## Management's Review

### **The Company's principal activities**

The Company's material activities comprise sales, project, and engineering activities related to biomass power plant solutions in the renewable energy sector.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 1 January 2016 - 31 December 2016 shows a result of DKK 1.659.241 and the Balance Sheet at 31 December 2016 a balance sheet total of DKK 2.925.972 and an equity of DKK 2.181.352.

### **Expectations for the future**

The Company complies with the prepared budget for 2017 and Management expects a positive result for the financial year 2017.

### **Risks**

The Company is not exposed to any particular business or financial risk apart from, to a small extent, being exposed to changes in currency levels on transactions in foreign currency.

## **Accounting Policies**

### **Reporting Class**

The Annual Report of DP Cleantech Global Engineering Services ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

### **Reporting currency**

The Annual Report is presented in Danish kroner.

## **General Information**

### **Basis of recognition and measurement**

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## **Income Statement**

### **Gross profit/loss**

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

### **Revenue**

Income from delivery of services is recognised as revenue as the service is delivered.

### **Other external expenses**

Other external expenses comprise expenses regarding sale and administration.



## Accounting Policies

### Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

### Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

## Balance Sheet

### Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

### Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest

**Accounting Policies**

expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

**Current tax liabilities**

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

**Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## Income Statement

	Note	2016 kr.	2015 kr.
<b>Gross profit</b>		<b>6.011.914</b>	<b>8.067.582</b>
Employee benefits expense	1	-4.235.062	-7.454.368
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-49.996	-58.323
<b>Profit from ordinary operating activities</b>		<b>1.726.856</b>	<b>554.891</b>
Other finance income	2	269.211	59.239
Finance expenses	3	-336.826	-192.019
<b>Profit from ordinary activities before tax</b>		<b>1.659.241</b>	<b>422.111</b>
<b>Profit</b>		<b>1.659.241</b>	<b>422.111</b>
<b>Proposed distribution of results</b>			
Retained earnings		1.659.241	422.111
<b>Distribution of profit</b>		<b>1.659.241</b>	<b>422.111</b>

Balance Sheet as of 31 December

	Note	2016 kr.	2015 kr.
<b>Assets</b>			
Fixtures, fittings, tools and equipment	4	47.371	92.554
Leasehold improvements	5	30.483	35.296
<b>Property, plant and equipment</b>		<b>77.854</b>	<b>127.850</b>
Deposits, investments		79.959	78.009
<b>Investments</b>		<b>79.959</b>	<b>78.009</b>
<b>Fixed assets</b>		<b>157.813</b>	<b>205.859</b>
Short-term trade receivables		95.435	95.435
Short-term receivables from group enterprises		1.832.338	6.577.484
Other short-term receivables		432.644	291.612
<b>Receivables</b>		<b>2.360.417</b>	<b>6.964.531</b>
<b>Cash and cash equivalents</b>		<b>407.742</b>	<b>205.897</b>
<b>Current assets</b>		<b>2.768.159</b>	<b>7.170.428</b>
<b>Assets</b>		<b>2.925.972</b>	<b>7.376.287</b>

**Balance Sheet as of 31 December**

	Note	2016 kr.	2015 kr.
<b>Liabilities and equity</b>			
Contributed capital	6	100.000	100.000
Retained earnings	7	2.081.352	422.111
<b>Equity</b>		<b>2.181.352</b>	<b>522.111</b>
Payables to group enterprises		0	5.856.793
<b>Long-term liabilities other than provisions</b>		<b>0</b>	<b>5.856.793</b>
Trade payables		17.910	96.463
Other payables		726.710	900.920
<b>Short-term liabilities other than provisions</b>		<b>744.620</b>	<b>997.383</b>
<b>Liabilities other than provisions within the business</b>		<b>744.620</b>	<b>6.854.176</b>
<b>Liabilities and equity</b>		<b>2.925.972</b>	<b>7.376.287</b>
Contingent liabilities	8		
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Notes

	2016	2015
<b>1. Employee benefits expense</b>		
Wages and salaries	3.992.656	7.228.601
Social security contributions	39.646	79.494
Other employee expense	202.760	146.273
	<b>4.235.062</b>	<b>7.454.368</b>
<b>2. Finance income</b>		
Other finance income	269.211	59.239
	<b>269.211</b>	<b>59.239</b>
<b>3. Finance expenses</b>		
Other finance expenses	336.826	192.019
	<b>336.826</b>	<b>192.019</b>
<b>4. Fixtures, fittings, tools and equipment</b>		
Cost at the beginning of the year	226.222	226.222
<b>Cost at the end of the year</b>	<b>226.222</b>	<b>226.222</b>
Depreciation and amortisation at the beginning of the year	-133.668	-80.158
Amortisation for the year	-45.183	-53.510
<b>Impairment losses and amortisation at the end of the year</b>	<b>-178.851</b>	<b>-133.668</b>
<b>Carrying amount at the end of the year</b>	<b>47.371</b>	<b>92.554</b>
<b>5. Leasehold improvements</b>		
Cost at the beginning of the year	48.131	48.131
<b>Cost at the end of the year</b>	<b>48.131</b>	<b>48.131</b>
Depreciation and amortisation at the beginning of the year	-12.835	-8.022
Amortisation for the year	-4.813	-4.813
<b>Impairment losses and amortisation at the end of the year</b>	<b>-17.648</b>	<b>-12.835</b>
<b>Carrying amount at the end of the year</b>	<b>30.483</b>	<b>35.296</b>
<b>6. Contributed capital</b>		
	<b>2016</b>	<b>2015</b>
Balance at the beginning of the year	100.000	90.000
Additions during the year	0	10.000
<b>Balance at the end of the year</b>	<b>100.000</b>	<b>100.000</b>

The Company was established on 13 March 2013 with a capital of DKK 80,000

**Notes**

	2016	2015
<b>7. Retained earnings</b>		
Balance at the beginning of the year	422.111	0
Additions during the year	1.659.241	422.111
<b>Balance at the end of the year</b>	<b>2.081.352</b>	<b>422.111</b>

**8. Contingent liabilities**

A contingent liability exists regarding the rental. At the balance sheet date it amounts to 6 months lease or DKK 80,000 plus VAT.

**9. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.

**10. Ownership**

The Company has registered the following shareholder to hold more than 5% of the voting share capital:  
DP Clean Tech (Hong Kong) Limited, 33/F Shui On Centre, No 6-8 Harbour Road, Wanchai, Hong Kong.

**11. Related parties**

DP Clean Tech (Hong Kong) Limited, Hong Kong - Immediate Parent  
Silverrock Group Limited, British Virgin Islands - Ultimate Parent