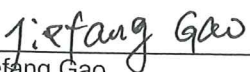


Dansk Energi og Jordvarme A/S
Agern Alle 24
2970 Hørsholm

CVR-nummer: 35466576

THE ANNUAL REPORT
The year 2016

Approved at the annual General Meeting of the Company on 27 June 2017



Jiefang Gao
Chairman of the meeting

TABLE OF CONTENTS

Management commentary and other company details	
Company information	3
Management commentary	4
Statements and reports	
Management's statement	5
Independent auditor's report	6
Financial statements 1. januar - 31. december 2016	
Accounting policies	9
Income statement	12
Balance sheet	13
Notes	15

COMPANY INFORMATION



The Company

Dansk Energi og Jordvarme A/S
Agern Alle 24
2970 Hørsholm

CVR-nr: 35 46 65 76

Executive board

Jiefang Gao

Auditor

Revisionsfirmaet Mentor Registreret Revisionsanpartsselskab
Registrerede Revisorer, medlem af FSR Danske Revisorer
Blokken 90, Postboks 87
3460 Birkerød

Kontaktperson: Niels Fisker-Andersen

Gao

Main activities of the Company

As in previous years, the main activities of the Company were sale and installation of energy-saving equipment.

Development in the activities and the financial situation of the Company

The development in the companies operations have not been satisfactory.

Material events after the reporting date

The company's management has changed the strategy for the future activity and expects earnings in the coming years. The company's management expects capital losses to be hedged through own earnings.

Gæw

MANAGEMENT'S STATEMENT



Today the Executive Board has discussed and approved the Annual Report of Dansk Energi og Jordvarme A/S for the period 1. januar - 31. december 2016.

The Annual Report has been prepared in conformity with the Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31. december 2016 and of its financial performance for the period 1. januar - 31. december 2016.

In my opinion the Management commentary includes a fair review of the matters described.

We recommend that the Annual Report be approved by the Annual General Meeting.

Hørsholm, 30/12/2017

Wu Chaolun

Jiefang Gao

Zhou Jia Lun

Jiefang Gao

Qualified conclusion

We have audited the Financial Statements of Dansk Energi og Jordvarme A/S for the period 1. januar - 31. december 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Financial Statements Act.

In our opinion, except for the possible effect of the matters described in the Basis for qualified opinion paragraph, the Financial Statements give a true and fair view of the financial position of the Company at 31. december 2016, and of the results of the Company operations flows for the period 1. januar - 31. december 2016 in accordance with the Financial Statements Act.

Basis for qualified conclusion

The company's owner has prepared financial statements under the assumption of continued operation. As mentioned in the financial statements Note 1, the owners of the company are in a process incorporating a new business plan. It is uncertain whether the business plan will succeed. The company's continued operation requires that the capital owners continue to support the company's operations. This also requires that granted loans from the owners be maintained.

The company's accounts are based on principles of going concern. Since we have not received documentary from the owner circle regarding continued support to the company or current business plans or budgets, we have not been able to determine whether the conditions for going concern are present in the company. We must therefore make reservations that there is going concern in the company and we are of the opinion that companies' accounts should be based on the principle of realization.

Our responsibility is to audit and express an opinion on the financial statements in accordance with International Standards on Auditing and relevant legal and regulatory requirements in Denmark. However, because of the matter described in the Basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the financial statements. We are independent of the company as set out in the IESBA Code of Ethics for Professional Accountants and relevant legal and regulatory requirements in Denmark, and we have complied with other ethical requirements under those rules and regulations.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of financial statements in conformity with the Danish Financial Statements Act. Management is also responsible for the internal control that it deems necessary for 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 liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor responsible for auditing the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of 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 one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may 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 auditor's report to the related disclosures in the company 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 auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent 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 that we identify during our audit.

Statement on Management commentary

Management is responsible for Management's Review

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Financial Statements Act.

Except for this matter and based on the procedures performed, it is our opinion that the management commentary is consistent with the financial statements and has been prepared in accordance with the criteria laid down in the Financial Statements Act.

As appears from the Basis for qualified opinion paragraph, our audit opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT



As appears from the Basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the financial statements. We therefore do not provide assurance on the management commentary.

Revisionsfirmaet Mentor, registreret revisionsanpartsselskab
CVR-nr 28136196

Copenhagen, *30 June* 2017

Niels Fisker-Andersen
Registered Public Accountant
Member of FSR - Danish Auditors

GENERAL INFORMATION

The financial statements of Dansk Energi og Jordvarme A/S for the financial year 2016 have been prepared in conformity with the provisions of the Financial Statements Act on class B enterprises.

The accounting policies applied in the financial statements are consistent with those of the previous year. The reporting currency is Danish kroner.

The comparative figures are covering the period January 1, 2015 - December 31, 2015

Recognition and measurement in general

The financial statements have been prepared under the historical cost convention.

Income is recognised in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are also recognised in the income statement. Costs incurred to generate the earnings for the year are also recognised in the income statement, including amortisation, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of the individual liabilities.

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

Anticipated losses and risks arising before the presentation of the financial statements and confirming or disconfirming facts and circumstances known at the reporting date are taken into consideration at recognition and measurement.

The functional currency used is Danish kroner. All other currencies are considered foreign currencies.

Foreign currency translation

Foreign currency transactions are translated at the exchange rates ruling at the transaction dates. Gains and losses arising from movements between the exchange rates at the date of the individual transaction and the date of payment are recognised in the income statement as financial income or financial expenses.

INCOME STATEMENT

General information

Certain income and expenses have been aggregated in the item designated 'Gross profit' with reference to section 32 of the Financial Statements Act.

Gross profit

Gross profit is a combination of the items of 'Revenue', 'Change in inventories of finished goods, work in progress and goods for resale', 'Other operating income', 'Cost of raw materials and consumables' and 'Other external costs'.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end. Revenue is recognised exclusive of VAT and net of sales discounts.

Cost of raw materials and consumables

Cost of raw materials and consumables includes the cost of goods purchased less discounts and changes in inventories for the year.

Other external expenses

Other external expenses include costs for sales, advertising, administration, premises, bad debts, rental expenses under operating leases, etc.

Staff costs

Staff costs include wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement from the Government.

Financial income and expenses

Financial income and expenses are recognised in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses on securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme. Dividends from other equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognised in the income statement, and the share attributable directly to equity is recognised directly in equity.

There is uncertainty about the company's operations and there is not enabled tax value of the tax loss. Tax from previous years are expensed in the income statement.

BALANCE SHEET**Intangible assets****Property, plant and equipment**

Property, plant and equipment is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued. Land is not depreciated.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of a composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:



	<u>User time</u>	<u>Residual value</u>
Plant and machinery	5-10 år	0 %
Tools and equipment	3 år	0 %
Leasehold improvements	5 år	0 %

Investments**Deposits**

Deposits are measured at cost.

Receivables

Receivables are measured at amortised cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

Impairment of accounts receivable past due is established on individual assessment of receivables.

Payables

Other payables, comprising trade payables and amounts owed to Group enterprises and associates and other accounts payable, are measured at amortised cost, which normally corresponds to the nominal value.

Deferred income

Where income that relates to subsequent years is received, the income is treated as deferred income.

Cash and cash equivalents

Cash and cash equivalents comprise the items of 'Cash' recognised under current assets and 'Bank overdrafts' recognised under short-term debt.



INCOME STATEMENT
1. JANUAR - 31. DECEMBER 2016



	2016 DKK	2015 TDKK
GROSS PROFIT	-2.474.238	-1.658
2 Staff costs.....	-3.602.313	-4.881
Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment	-91.153	-91
OPERATING PROFIT OR LOSS	-6.167.704	-6.630
Other financial expenses.....	-1.480.095	-1.379
PROFIT OR LOSS BEFORE TAX	-7.647.799	-8.009
Tax on net profit for the year	0	-1.683
PROFIT OR LOSS FOR THE YEAR	-7.647.799	-9.692
 PROPOSED DISTRIBUTION OF NET PROFIT		
Retained earnings	-7.647.799	-9.692
SETTLEMENT OF DISTRIBUTION TOTAL	-7.647.799	-9.692

BALANCE SHEET AT 31. DECEMBER 2016

ASSETS

	2016 DKK	2015 TDKK
Plant and machinery.....	355.981	412
Other plant, fixtures and operating equipment.....	1.037	8
Leasehold improvements	60.615	88
Property, plant and equipment	417.633	508
Other receivables	430.275	421
Investments	430.275	421
NON-CURRENT ASSETS	847.908	929
Other receivables	151.311	188
Accruals.....	0	31
Receivables.....	151.311	219
Cash.....	235.812	1.042
CURRENT ASSETS	387.123	1.261
ASSETS	1.235.031	2.190



BALANCE SHEET AT 31. DECEMBER 2016
EQUITY AND LIABILITIES



	2016 DKK	2015 TDKK
Contributed capital	500.000	500
Retained earnings	-22.454.916	-14.807
EQUITY	-21.954.916	-14.307
Subordinated loan capital.....	4.500.000	4.500
Other accounts payable	17.650.441	11.710
3 Long-term payables	22.150.441	16.210
Trade creditors	775.613	95
Other accounts payable	263.893	192
Short-term payables.....	1.039.506	287
PAYABLES	23.189.947	16.497
EQUITY AND LIABILITIES.....	1.235.031	2.190
4 Contractual obligations and contingent items, etc.		
5 Charges and securities		
6 Related parties		
7 Ownership		

Gaw

	2016 DKK	2015 TDKK
1 Uncertainty regarding the going concern status		
The company's management has changed the strategy for the future activity and expects earnings in the coming years. The company's management expects capital losses to be hedged through own earnings.		
2 Staff costs		
Wages and salaries.....	3.481.095	4.761
Pensions.....	92.000	72
Other social security costs	29.218	48
	<u>3.602.313</u>	<u>4.881</u>

There have been 3 employees in the year. The previous year there were an average of 4 employees.

	Total liabilities at beginning of period	Total liabilities at end of period	Outstanding balance after 5 years
3 Long-term payables			
Subordinated loan capital.....	4.500.000	4.500.000	0
Other accounts payable	11.710.250	17.650.441	0
	<u>16.210.250</u>	<u>22.150.441</u>	<u>0</u>

4 Contractual obligations and contingent items, etc.

There lease agreement is non- terminable until 1 of october 2017. The amount represents T.DKK 746.

In addition there is a lease obligatiione of a car and other smaller rental / service contracts concerning office equipment, software etc..

5 Charges and securities

None.

6 Related parties

Eastern Weill Holding Limited has subordinated a loan as loan capital of DKK 4.500.000

Noboa Renewable Energy Holdings Limited have give a long-tem loan for the company of USD 1.675.000.

Eastern Weill Holdings LTD have give a long-tem loan for the company of USD 670.000

7 Ownership

The following shareholders are entered in the Company's Register of Shareholders as owners of at least 5% of the voting rights or at least 5% of the share capital:

Eastern Well Holding Limited, Hong Kong

Gao