

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

CVR-nummer: 35466576

**THE ANNUAL REPORT
The year 2020**

Approved at the annual General Meeting of the Company on 18/5 2021

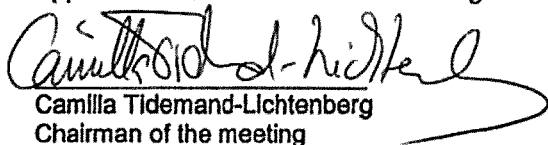

Camilla Tidemand-Lichtenberg
Chairman of the meeting

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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
3460 Birkerød

Kontaktperson: Niels Fisker-Andersen

Main activities of the Company

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

The company has used the year for developing new business strategy. The strategy is not complete yet.

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.

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 2020.

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 2020 and of its financial performance for the period 1. januar - 31. december 2020.

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, 18/5 2021

Wenli Lu


Jiefang Gao

Zhou Jia Lun

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Hørsholm, 18/5 2021

Wenli Lu

Jiefang Gao

Zhau Jia Lun

Adverse conclusion

We have performed an extended review of the financial statements of Dansk Energi og Jordvarme A/S for the financial period from 1. januar to 31. december 2020, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in conformity with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements, due to the significance of the matter described in the Basis for adverse review conclusion paragraph, do not give a true and fair view of the Company's financial position at 31. december 2020 and of the results of the Company's operations for the financial period from 1. januar to 31. december 2020 in conformity with the Danish Financial Statements Act.

Basis for adverse 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.

We have carried out our extended review in accordance with the Danish Business Authority's declaration standard for small companies and the FSR - Danish auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities in accordance with these standards and requirements are described in more detail in the section "Auditor's responsibility for the extended review of the financial statements". We are independent of the company in accordance with international ethical rules for auditors (IESBA's ethical rules) and the additional requirements that apply in Denmark, just as we have fulfilled our other ethical obligations in accordance with these rules and requirements. It is our view that the evidence obtained is sufficient and appropriate as a basis for our adverse conclusion.

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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the Company financial statements, Management is responsible for assessing the group's and 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 consolidated financial statements and the Company financial statements unless Management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required

supplementary procedures as well as an evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's review

Management is responsible for the 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.

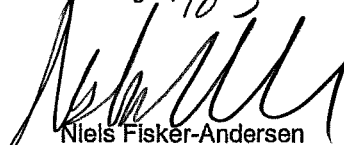
In connection with our extended review of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise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

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

As stated in the section "Basis for invalid conclusion", our conclusion on the financial statements has been modified as a result of the financial statements being prepared on the assumption of continued operations, even though it is not possible to continue operations as a result of events occurring after the balance sheet date. In connection with our reading of the management's review, we have found that the management's review is flawed for the same reason, as it does not contain information that it is not possible for the company to continue operations.

Revisionsfirmaet Mentor, registreret revisionsanpartsselskab
CVR-nr 28136196

Copenhagen, 18/5 2021



Niels Fisker-Andersen
Registered Public Accountant
mne10825

Member of FSR - Danish Auditors

GENERAL INFORMATION

The financial statements of Dansk Energi og Jordvarme A/S for the financial year 2020 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, 2019 - December 31, 2019

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

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 includes the cost of goods purchased less discounts and changes in inventories for the year.

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 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.

	<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 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.

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 2020



	2020 DKK	2019 TDKK
GROSS PROFIT	-643.222	-563
2 Staff costs	-1.584.996	-1.588
Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment	-46.378	-56
OPERATING PROFIT OR LOSS	-2.274.596	-2.207
Other financial income	2.780.597	23
Other financial expenses	-2.022.182	-1.831
PROFIT OR LOSS BEFORE TAX	-1.516.181	-4.015
Tax on net profit for the year	0	-2
PROFIT OR LOSS FOR THE YEAR	-1.516.181	-4.017
 PROPOSED DISTRIBUTION OF NET PROFIT		
Retained earnings	-1.516.181	-4.017
SETTLEMENT OF DISTRIBUTION TOTAL	-1.516.181	-4.017

BALANCE SHEET AT 31. DECEMBER 2020
ASSETS



	2020 DKK	2019 TDKK
Plant and machinery.....	146.736	193
Property, plant and equipment	146.736	193
Other receivables	168.530	169
Investments.....	168.530	169
NON-CURRENT ASSETS	315.266	362
Other receivables	159.547	72
Accruals.....	67.172	67
Receivables.....	226.719	139
Cash.....	66.143	41
CURRENT ASSETS	292.862	180
ASSETS	608.128	542

BALANCE SHEET AT 31. DECEMBER 2020
EQUITY AND LIABILITIES



regnskab revision rådgivning

	2020 DKK	2019 TDKK
Contributed capital	500.000	500
Retained earnings	-34.336.747	-32.821
EQUITY	-33.836.747	-32.321
Subordinated loan capital.....	4.500.000	4.500
Other accounts payable	29.570.659	28.052
3 Long-term payables	34.070.659	32.552
Trade creditors	43.500	44
Other accounts payable	330.716	267
Short-term payables.....	374.216	311
PAYABLES	34.444.875	32.863
EQUITY AND LIABILITIES.....	608.128	542

- 4 Contractual obligations and contingent items, etc.
- 5 Charges and securities
- 6 Related parties
- 7 Ownership

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NOTES



2020
DKK

2019
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.

Due to the situation with the Corona virus, the company's earnings and capital raising in the financial year have not been on a par with previous years. There is uncertainty about how - and for how long - the Corona virus will affect the future.

In a normal year, the company is expected, as before, to be able to present a sufficient result and liquidity surplus to ensure continued operations. In a year of imposed restrictions due to the Corona virus, the company must expect significant reductions in both profit and liquidity.

The company's management has therefore initiated negotiations with the company's bank and other creditors with a view to ensuring sufficient liquidity to ensure the company's continued operations. These negotiations have not yet been concluded. It is management's expectation that the company will obtain a commitment for the necessary liquidity to finance continued operations.

The company's annual report has therefore been presented with continued operations in mind.

2 Staff costs

Number of people employed	2	2
Wages and salaries.....	1.491.347	1.493
Pensions.....	76.800	77
Other social security costs	16.849	18
	<u>1.584.996</u>	<u>1.588</u>

3 Long-term payables

	Total liabilities at beginning of period	Total liabilities at end of period	Outstanding balance after 5 years
Subordinated loan capital.....	4.500.000	4.500.000	0
Other accounts payable	28.051.293	29.570.659	0
	<u>32.551.293</u>	<u>34.070.659</u>	<u>0</u>

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NOTES



regnskab revision rådgivning

2020
DKK

2019
TDKK

4 Contractual obligations and contingent items, etc.

The lease on office facilities can be terminated with 6 month warning.

In addition there is a lease obligation of 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 has given a long-term loan for the company of USD 1.675.000.

Eastern Weill Holdings LTD has given a long-term loan for the company of USD 670.000

Zhenwei Int'L Inv and Mgt, Co., Limited have given a long-term loan for the company of USD 129.000

Zhang Jun has given a long-term loan for the company of USD 323.000.

Zhang Jun has given a long-term loan for the company of HKD 1.037.500.

Lau Tsz Man has given a long-term loan for the company of USD 650.000. And a long-term loan of USD 148.000 which has not been effected as of 31 December 2020

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

Jiefang Gao

Jiefang Gao