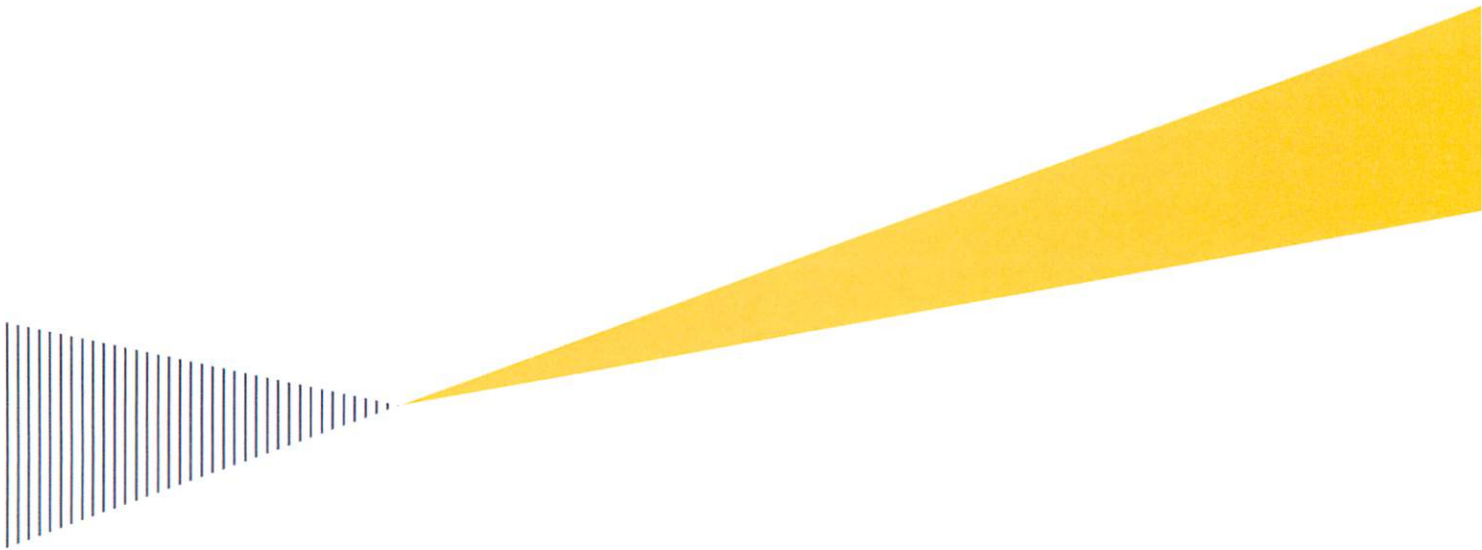


Muyang Europe (Denmark) Research & Development Center ApS

Kokholm 3B st. th., 6000 Kolding

CVR no. 35 52 58 90



Annual report 2015

Approved at the annual general meeting of shareholders on 19 April 2016

Chairman:



Hans Ludvig Westh



Building a better
working world



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Muyang Europe (Denmark) Research & Development Center ApS for the financial year 1 January - 31 December 2015.

The annual report is 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 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend the adoption of the annual report at the annual general meeting.

Kolding, 19 April 2016
Executive Board:



Hans Ludvig Westh

Board of Directors:



Fan Tianming
Chairman



Chen Zhengjun



Liu Guangdao

Independent auditors' reports

To the shareholders of Muyang Europe (Denmark) Research & Development Center ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Muyang Europe (Denmark) Research & Development Center ApS for the financial year 1 January - 31 December 2015. The financial statements, comprising income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, have been prepared in accordance with the Danish Financial Statements Act.

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. Further, management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the financial statements. We have conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act.

This requires us to comply with the ethical requirements of the Danish Auditors Act and FSR - Danish Auditors and plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required additional 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 specifically required additional procedures as well as evaluation of the evidence obtained.

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

Our extended review has not given rise to any qualification.

Opinion

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31. december 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the management's review

On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Kolding, 19 April 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28



Claus E. Andreasen
state authorised public accountant



Management's review

Company details

Name	Muyang Europe (Denmark) Research & Development Center ApS
Address, Postal code, City	Kokholm 3B st. th., 6000 Kolding
CVR No.	35 52 58 90
Registered office	Kolding
Financial year	1 January - 31 December
Board of Directors	Fan Tianming, Chairman Chen Zhengjun Liu Guangdao
Executive Board	Hans Ludvig Westh
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Kolding Åpark 1, 3. sal, 6000 Kolding, Denmark

Operating review

The Company's business review

The company's objective is to carry on researching and developing technology to produce feed machinery, biomass machinery, feed processing technology, animal farming equipment and related business primarily for the parent company.

Financial review

The income statement for 2015 shows a profit of DKK 685,760 against a profit of DKK 630,351 last year, and the balance sheet at 31 December 2015 shows equity of DKK 2,816,111. Management considers the company's financial performance for the year satisfactory.

Future

The company expects profit for 2016.

Post balance sheet events

No significant events have occurred subsequent to the financial year.



Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2015	2014
	Gross profit	11,533,238	7,423,235
2	Staff costs	-10,319,556	-6,327,655
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-282,583	-247,314
	Other operating expenses	0	-4,931
	Operating profit	931,099	843,335
	Financial income	3,203	0
	Financial expenses	-15,948	-16,114
	Profit before tax	918,354	827,221
	Tax for the year	-232,594	-196,870
	Profit for the year	685,760	630,351
	Proposed profit appropriation		
	Retained earnings	685,760	630,351
		685,760	630,351



Financial statements for the period 1 January - 31 December

Balance sheet

Notes	DKK	2015	2014
ASSETS			
Non-current assets			
Intangible assets			
	Acquired intangible assets	214,176	425,438
		<u>214,176</u>	<u>425,438</u>
Property, plant and equipment			
	Other fixtures and fittings, tools and equipment	103,693	175,014
		<u>103,693</u>	<u>175,014</u>
	Total non-current assets	<u>317,869</u>	<u>600,452</u>
Current assets			
Receivables			
	Receivables from group entities	1,600,379	486,115
	Other receivables	340,563	459,101
	Prepayments	125,301	123,633
		<u>2,066,243</u>	<u>1,068,849</u>
	Cash	<u>2,295,764</u>	<u>3,604,983</u>
	Total current assets	<u>4,362,007</u>	<u>4,673,832</u>
	TOTAL ASSETS	<u>4,679,876</u>	<u>5,274,284</u>



Financial statements for the period 1 January - 31 December

Balance sheet

Notes	DKK	<u>2015</u>	<u>2014</u>
	EQUITY AND LIABILITIES		
	Equity		
3	Share capital	80,000	80,000
	Retained earnings	<u>2,736,111</u>	<u>2,050,351</u>
	Total equity	<u>2,816,111</u>	<u>2,130,351</u>
	Provisions		
	Deferred tax	<u>26,444</u>	<u>74,100</u>
	Total provisions	<u>26,444</u>	<u>74,100</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	0	74,551
	Trade payables	242,734	209,024
	Income taxes payable	280,250	122,770
	Other payables	1,314,337	1,235,102
	Deferred income	<u>0</u>	<u>1,428,386</u>
		<u>1,837,321</u>	<u>3,069,833</u>
	Total liabilities other than provisions	<u>1,837,321</u>	<u>3,069,833</u>
	TOTAL EQUITY AND LIABILITIES	<u>4,679,876</u>	<u>5,274,284</u>

- 1 Accounting policies
- 4 Collateral
- 5 Contractual obligations and contingencies, etc.
- 6 Related parties



Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2015	80,000	2,050,351	2,130,351
Profit/loss for the year	0	685,760	685,760
Equity at 31 December 2015	<u>80,000</u>	<u>2,736,111</u>	<u>2,816,111</u>



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Muyang Europe (Denmark) Research & Development Center ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

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

Reporting currency

The financial statements are presented in Danish kroner.

Currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is recognized in line with the R&D is performed and is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration and premises, ect.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Software	3 years
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The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Other fixtures and fittings, tools and equipment	3 years
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Tax

Tax for the year includes current tax (23,5 %) on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Other intangible assets include acquired intangible rights, including software licences.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation. Cost includes the acquisition price and costs directly related to the acquisition until the date at which the asset is ready for use.

Gains or losses arising from the sale of items of other fixtures and fittings, tools and equipment are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the date of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	<u>2015</u>	<u>2014</u>
2 Staff costs		
Wages/salaries	9,783,257	5,986,675
Pensions	414,227	262,732
Other social security costs	66,790	46,529
Other staff costs	55,282	31,719
	<u>10,319,556</u>	<u>6,327,655</u>
3 Share capital		
The share capital consists of the following:		
800 shares of DKK 100.00 each	<u>80,000</u>	<u>80,000</u>
	<u>80,000</u>	<u>80,000</u>

The Company's share capital has remained DKK 80,000 over the past 2 years.

4 Collateral

The company has not placed any assets, etc. as security for loans at 31/12 2015.

5 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	<u>365,076</u>	<u>701,792</u>
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6 Related parties

Muyang Europe (Denmark) Research & Development Center ApS' related parties comprise the following:

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent's consolidated financial statements</u>
Win Success Investment Limited	People's Republic of China	By enquiry to Win Success Investment Limited