

Danwind Service ApS

Havnen 23, 7620 Lemvig

CVR no. 35 63 07 67



Annual report 2015

Approved at the annual general meeting of shareholders on 8 June 2016

Chairman:



.....
Jacob Berg Vendelbo



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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Danwind Service ApS for the financial year 1 January - 31 December 2015.

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

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

I recommend that the annual report be approved at the annual general meeting.

Lemvig, 8 June 2016
Executive Board:

A handwritten signature in blue ink, appearing to read 'Jacob Berg Vendelbo', written over a horizontal line. The signature is stylized and cursive.

Jacob Berg Vendelbo

Independent auditors' report

To the shareholders of Danwind Service ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Danwind Service ApS for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are 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 and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

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

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Herring, 8 June 2016

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR No. 30 70 02 28



Niels J. Jørgensen
state authorised public accountant



Management's review

Company details

Name	Danwind Service ApS
Address, Postal code, City	Havnen 23, 7620 Lemvig
CVR No.	35 63 07 67
Established	6 January 2014
Registered office	Lemvig
Financial year	1 January - 31 December
Executive Board	Jacob Berg Vendelbo
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Industrivej Nord 9, P O Box 360, 7400 Herning, Denmark

Management's review

Operating review

The Company's business review

The company's main activity is selling wind turbine spare parts in China and for this purpose a subsidiary, which located in China has been established in 2015.

Financial review

The income statement for 2015 shows a profit of DKK 145,279 against a loss of DKK 67,254 last year, and the balance sheet at 31 December 2015 shows equity of DKK 478,025.

The company is satisfied with the result.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Outlook

The company expect a positive result in 2016.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	<u>2015</u>	<u>2014</u>
	Gross profit/loss	92,136	-61,640
	Income from investments in group entities	87,719	0
	Financial income	3,057	7,249
	Financial expenses	<u>-19,302</u>	<u>-13,874</u>
	Profit/loss before tax	163,610	-68,265
2	Tax for the year	<u>-18,331</u>	1,011
	Profit/loss for the year	<u>145,279</u>	<u>-67,254</u>
	 Proposed profit appropriation/distribution of loss		
	Retained earnings/accumulated loss	<u>145,279</u>	<u>-67,254</u>
		<u>145,279</u>	<u>-67,254</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2015</u>	<u>2014</u>
	ASSETS		
	Non-current assets		
3	Investments		
	Investments in group entities, net asset value	830,304	0
	Other receivables	<u>0</u>	<u>19,400</u>
		<u>830,304</u>	<u>19,400</u>
	Total non-current assets	<u>830,304</u>	<u>19,400</u>
	Current assets		
	Inventories		
	Finished goods and goods for resale	<u>45,361</u>	<u>0</u>
		<u>45,361</u>	<u>0</u>
	Receivables		
	Trade receivables	151,819	1,040,695
	Receivables from group entities	994,266	0
	Receivables from associates	0	100,000
	Deferred tax assets	0	1,011
	Other receivables	161,000	15,468
	Deferred income	<u>0</u>	<u>10,576</u>
		<u>1,307,085</u>	<u>1,167,750</u>
	Cash	<u>170,826</u>	<u>65,278</u>
	Total current assets	<u>1,523,272</u>	<u>1,233,028</u>
	TOTAL ASSETS	<u><u>2,353,576</u></u>	<u><u>1,252,428</u></u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2015</u>	<u>2014</u>
	EQUITY AND LIABILITIES		
	Equity		
4	Share capital	400,000	400,000
	Retained earnings	78,025	-67,254
	Total equity	<u>478,025</u>	<u>332,746</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	0	509,476
	Trade payables	0	274,940
	Payables to associates	1,100,231	0
	Income taxes payable	17,320	0
	Other payables	758,000	135,266
		<u>1,875,551</u>	<u>919,682</u>
	Total liabilities other than provisions	<u>1,875,551</u>	<u>919,682</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>2,353,576</u></u>	<u><u>1,252,428</u></u>

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

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	400,000	-67,254	332,746
Profit/loss for the year	0	145,279	145,279
Equity at 31 December 2015	400,000	78,025	478,025

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Danwind Service ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Foreign 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.

Foreign group entities

On recognition of foreign subsidiaries which are integral enterprises, monetary items are translated at closing rates. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Income statement

Revenue

Income from the sale of goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit/loss

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

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, premises, bad debts, payments under operating leases, etc.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates.

Tax

Tax for the year includes current tax 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

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

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.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other payables

Other payables are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	2015	2014
2 Tax for the year		
Estimated tax charge for the year	17,320	0
Deferred tax adjustments in the year	1,011	-1,011
	<u>18,331</u>	<u>-1,011</u>

3 Investments

DKK	Investments in group entities, net asset value	Other receivables	I alt
Cost at 1 January 2015	0	19,400	19,400
Additions in the year	745,000	0	745,000
Cost at 31 December 2015	<u>745,000</u>	<u>19,400</u>	<u>764,400</u>
Value adjustments at 1 January 2015	0	0	0
Exchange adjustment	-2,415	0	-2,415
Share of the profit/loss for the year	87,719	0	87,719
Revaluations for the year	0	-19,400	-19,400
Value adjustments at 31 December 2015	<u>85,304</u>	<u>-19,400</u>	<u>65,904</u>
Carrying amount at 31 December 2015	<u>830,304</u>	<u>0</u>	<u>830,304</u>

	Domicile	Interest
Subsidiaries		
Danwind Technology Service Co., Ltd.	Beijing (China)	100.00 %

4 Share capital

Analysis of changes in the share capital over the past 2 years:

DKK	2015	2014
Opening balance	400,000	0
Capital increase	0	400,000
	<u>400,000</u>	<u>400,000</u>

5 Collateral

As security for the Company's debt to banks the Company has placed assets as security, worth a total of DKK 7 million. The total carrying amount of the assets having been put up as security is DKK 197 thousand.

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

Other contingent liabilities include the Company's liability together with other stakeholder and sister company.