

GL-Turbo International ApS

Dr Neergaards Vej 5 A
2970 Hørsholm

CVR no. 37 13 54 10

Annual report for the period 30 September 2015 – 31 December 2016

The annual report was presented and approved at the
Company's annual general meeting on

28 April 2017

Huaming Jin
chairman



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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 GL-Turbo International ApS for the financial period 30 September 2015 – 31 December 2016.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act. The Board of Directors considers the requirements for omitting an audit to have been met.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial period 30 September 2015 – 31 December 2016 in accordance with the Danish Financial Statements Act.

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

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

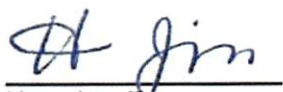
Hørsholm, 28 April 2017

Executive Board:



Martin Carlsen

Board of Directors:



Huaming Jin
Chairman



Auditor's report on the compilation of financial statements

To the Management in GL-Turbo International ApS

We have compiled the financial statements of GL-Turbo International ApS for the financial period 30 September 2015 – 31 December 2016 on the basis of the Company's bookkeeping records for 2015/16 and other information provided by you. The financial statements comprise income statement, balance sheet, statement of changes in equity and notes.

We conducted our work in accordance with ISRS 4410 *Engagements to compile financial information*.

We have applied our expertise to assist you in preparing and presenting the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Auditors Act and FSR – Danish auditors' ethical rules, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by you for the compilation of the financial statements. Consequently, we do not express an audit opinion or a review conclusion as to whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 28 April 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Klaus Rytz
State Authorised
Public Accountant

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Management's review

Company details

GL-Turbo International ApS
Dr Neergaards Vej 5 A
2970 Hørsholm

CVR no.: 37 13 54 10
Established: 30 September 2015
Financial period: 30 September 2015 – 31 December 2016

Board of Directors

Huaming Jin, Chairman

Executive Board

Martin Carlsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

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Management's review

Operating review

Principal activities

The Company's principal activity is promotion and sales of technical solutions for the treatment of water worldwide.

Financial statements 30 September 2015 – 31 December 2016

Income statement

DKK	Note	2015/16
Gross loss		<u>-1,395,249</u>
Staff costs	2	-1,362,541
Depreciation, amortisation and impairment losses		<u>-12,875</u>
Operating profit/loss		-2,770,665
Financial income		667
Financial expenses		<u>-15,144</u>
Loss before tax		-2,785,142
Tax on profit/loss for the year		<u>0</u>
Loss for the year		<u><u>-2,785,142</u></u>
Proposed distribution of loss		
Retained earnings		<u>-2,785,142</u>
		<u><u>-2,785,142</u></u>

Financial statements 30 September 2015 – 31 December 2016

Balance sheet

DKK	Note	2015/16
ASSETS		
Fixed assets		
Property, plant and equipment		
Fixtures and fittings, tools and equipment		<u>20,067</u>
		20,067
Total fixed assets		<u>20,067</u>
Current assets		
Receivables		
Accounts receivable		48,022
Other receivables		<u>309,558</u>
		357,580
Cash at bank and in hand		<u>466,591</u>
Total current assets		<u>824,171</u>
TOTAL ASSETS		<u><u>844,238</u></u>

Financial statements 30 September 2015 – 31 December 2016

Balance sheet

DKK	Note	2015/16
EQUITY AND LIABILITIES		
Equity		
Share capital		600,000
Retained earnings		<u>-110,142</u>
Total equity		<u>489,858</u>
Liabilities other than provisions		
Current liabilities other than provisions		
Trade payables		218,243
Other payables		<u>136,137</u>
		<u>354,380</u>
Total liabilities other than provisions		<u>354,380</u>
TOTAL EQUITY AND LIABILITIES		<u>844,238</u>
Related parties	3	

Financial statements 30 September 2015 – 31 December 2016

Statement of changes in equity

DKK	Share capital	Share premium	Retained earnings	Total
Equity at 30 September 2015	50,000	0	0	50,000
Capital increase	550,000	2,675,000	0	3,225,000
Loss for the year	0	0	-2,785,142	-2,785,142
Transferred over the distribution of loss	0	-2,675,000	2,675,000	0
Equity at 31 December 2016	<u>600,000</u>	<u>0</u>	<u>-110,142</u>	<u>489,858</u>

The changes in the share capital can be specified as follows:

	<u>2015/16</u>
Balance at 30 September 2015	50,000
Cash capital increase	<u>550,000</u>
Balance at 31 December 2016	<u>600,000</u>

Financial statements 30 September 2015 – 31 December 2016

Notes

1 Accounting policies

The annual report of GL-Turbo International ApS for 2015/16 has been prepared in accordance with the provisions applying to reporting class B with additions from reporting class C under the Danish Financial Statements Act.

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 the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, 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 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

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss

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Notes

1 Accounting policies (continued)

for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Equity

Dividend

The expected dividend payment for the year is disclosed as a separate item under equity.

Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Corporation tax and deferred 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.

2 Staff costs

	<u>2015/16</u>
DKK	
Wages and salaries	1,345,792
Pensions	7,693
Other social security costs	<u>9,056</u>
	<u>1,362,541</u>
Average number of full-time employees	<u>2</u>

3 Related parties

Control

GL-Turbo International ApS is included in the consolidated financial statements of Jiangsu GL-Turbo Corp., registered office 38, Lianqian Road, XiShan Economic Development Zone, Wuxi, Jiangsu, China, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Jiangsu GL-Turbo Corp. can be obtained by contacting the Company.