

GL-Turbo International ApS

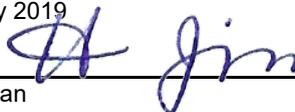
Dr Neergaards Vej 5 A
2970 Hørsholm
Denmark

CVR no. 37 13 54 10

Annual report for the period 1 January – 31 December 2018

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

27 May 2019



chairman

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GL-Turbo International ApS
Annual report 2018
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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 year 1 January – 31 December 2018.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

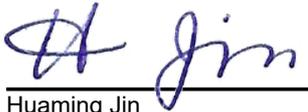
We recommend that the annual report be approved at the annual general meeting.

Hørsholm, 27 May 2019
Executive Board:



Martin Carlsen

Board of Directors:



Huaming Jin
Chairman

Management confirms that the Company fulfills the requirements to be exempt of audit.



Auditor's report on the compilation of financial statements

To the Management of GL-Turbo International ApS

We have compiled the financial statements of GL-Turbo International ApS for the financial year 1 January – 31 December 2018 based on the Company's bookkeeping records and other information provided by you. The financial statements comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 *Engagements to Compile Financial Statements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these 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 requirements, including principles of integrity, objectivity, professional competence and due care.

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

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

Copenhagen, 27 May 2019

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Klaus Nytz
State Authorised
Public Accountant
mne33205

GL-Turbo International ApS
Annual report 2018
CVR no. 37 13 54 10

Company details

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

CVR no.:	37 13 54 10
Established:	30 September 2015
Financial year:	1 January – 31 December

Board of Directors

Huaming Jin, Chairman

Executive Board

Martin Carlsen

Annual general meeting

The annual general meeting will be held on 27 May 2019

Financial statements 1 January – 31 December

Income statement

DKK	Note	2018	2017
Gross profit/loss		-1,230,861	53,329
Staff costs	3	-1,929,955	-1,433,834
Depreciation, amortisation and impairment		-9,085	-10,981
Operating loss		-3,169,901	-1,391,486
Financial income		76,398	42,210
Financial expenses		-40,340	-66,678
Loss before tax		-3,133,843	-1,415,954
Tax on loss for the year		0	0
Loss for the year		-3,133,843	-1,415,954
Proposed distribution of loss			
Retained earnings		-3,133,843	-1,415,954
		-3,133,843	-1,415,954

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2018	2017
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment		0	9,085
Total fixed assets		0	9,085
Current assets			
Receivables			
Trade receivables		1,253,247	781,484
Other receivables		983,843	212,171
		2,237,090	993,655
Cash at bank and in hand		1,099,057	914,395
Total current assets		3,336,147	1,908,050
TOTAL ASSETS		3,336,147	1,917,135

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2018	2017
EQUITY AND LIABILITIES			
Equity			
Contributed capital		600,000	600,000
Retained earnings		-1,434,941	-1,526,098
Total equity		-834,941	-926,098
Liabilities			
Current liabilities			
Prepayments received from customers		1,129,328	149,127
Trade payables		2,243,160	198,747
Payables to associates		422,732	2,513,648
Other payables		375,868	-18,289
		4,171,088	2,843,233
Total liabilities		4,171,088	2,843,233
TOTAL EQUITY AND LIABILITIES		3,336,147	1,917,135
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2018	600,000	-1,526,098	-926,098
Transferred over the distribution of loss	0	-3,133,843	-3,133,843
Contribution from group	0	3,225,000	3,225,000
Equity at 31 December 2018	600,000	-1,434,941	-834,941

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of GL-Turbo International ApS for 2018 has been prepared in accordance with the provisions applying to reporting class B with additions from reporting class C entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

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 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 loss 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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

Dividends

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 Principal activities

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

Financial statements 1 January – 31 December

Notes

3 Staff costs

DKK	2018	2017
Wages and salaries	1,823,388	1,422,060
Pensions	93,530	8,236
Other staff costs	13,037	3,538
	<u>1,929,955</u>	<u>1,433,834</u>
Average number of full-time employees	<u>3</u>	<u>2</u>

4 Disclosure of material uncertainties regarding going concern

At 31 December 2018, the Company had lost its entire share capital. Jiangsu GL-TURBO Corp. has issued a letter of support in which it is confirmed that the Parent Company will provide the necessary cash for the Company to meet its obligations until the presentation of the annual report for 2019.

5 Related parties

Consolidated financial statements

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.