

Uniscrap A/S

Stålvvej 6

6000 Kolding

CVR No. 53385613

Annual Report 2017

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 24 May 2018

Thomas Taagaard Christensen
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Uniscrap A/S for the financial year 1 January 2017 - 31 December 2017.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations and cash flow for the financial year 1 January 2017 - 31 December 2017.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Kolding, 24 May 2018

Executive Board

Thomas Taagaard Christensen
Man. Director

Supervisory Board

Mike Volker Greulich
Chairman

Markus Maier

Jan Hülsmann

Kim Buhl Larsen
Employee Representative

Sten Lønsgren Andersen
Employee Representative

Independent Auditor's Report

To the shareholders of Uniscrap A/S

Opinion

We have audited the financial statements of Uniscrap A/S for the financial year 1 January 2017 - 31 December 2017, which comprise an income statement, balance sheet, cash flows and notes. The financial statements are 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 2017 and of the results of its operations and cash flows for the financial year 1 January 2017 - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

In preparing the financial statements, Management is responsible for assessing 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 financial statements unless Management either intends to either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

Independent Auditor's Report

- * Obtain an understanding of internal control relevant to the audit 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.
- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit 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 audit, 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 Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24. maj 2018

Ernst & Young

Godkendt revisionspartnerselskab

CVR-no. 30700228

Peter Jensen

State Authorised Public Accountant

mne33246

Company details

Company	Uniscrap A/S Ståltej 6 6000 Kolding
email	info@uniscrap.dk
Website	www.uniscrap.dk
CVR No.	53385613
Registered office	Kolding
Financial year	1 January 2017 - 31 December 2017
Supervisory Board	Mike Volker Greulich, Chairman Markus Maier Jan Hülsmann Kim Buhl Larsen, Employee Representative Sten Lønsgrøn Andersen, Employee Representative
Executive Board	Thomas Taagaard Christensen, Man. Director
Auditors	Ernst & Young Godkendt revisionspartnerselskab Osvald Helmuths Vej 4 2000 Frederiksberg CVR-no.: 30700228

Management's Review

The Company's principal activities

With its 4 environmentally certified receiving stations and processing centres, Uniscrap A/S constitutes a national and leading environmental enterprise within waste management and recycling. Uniscrap A/S is also represented on the Swedish market with a scrap site in Skillingaryd south of Jönköping. The Swedish activities are aggregated in an independent company, Uniscrap Sverige AB, which is a fully-owned subsidiary of Uniscrap A/S. The Company's main fractions are iron and metal scrap that are collected and processed for resale as secondary raw materials.

Development in activities and financial matters

Uniscrap A/S' profit for the year after tax amounted to a profit at DKK 0,4m, which is a substantial improvement compared to previous years and according to Management this is satisfactory on a historical basis but on a long-term basis this is still not at a satisfactory level even the difficult market conditions.

Equity for the year amounted to DKK 19,8m.

In order to adapt to the current market conditions and to improve Uniscrap's profitability the company has for the past 2 years carried through a thorough restructuring process and a redefinition and focusing on Uniscrap's core competencies. These initiatives have had the anticipated effects and Uniscrap has provided positive earnings every month since these initiatives were implemented, and with the positive result end of 2017 the first part of the plan is successfully executed. From 2018 Uniscrap will focus on profitable growth.

Accounting estimates and uncertainty

When stating the accounting value of liabilities, estimates are required of how future events will affect the value of such liabilities at the balance sheet date. The estimates and assumptions are based on historical experience, contractual obligations and other factors which Management deems prudent in view of the circumstances, but which are uncertain and inaccurate and from which unexpected events may occur.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Expectations for the future

According to Management's expectations, the market conditions in general for 2018 will not change significantly and the initiatives in order to make Uniscrap profitable on a long-term basis will continue with positive impact and thus, the expectations for 2018 is that Uniscrap will make a positive result in the range 5-10 mDKK.

The total volume of iron and metal scrap offered on the Danish market is not expected to rise and thus focus on market shares and profitability is prioritised. Furthermore, the global demand and pricing on iron scrap is influenced negatively by the inflow of a substantial volume of low priced iron ore products which to some extent are marketed in competition with iron scrap.

For 2018, Management expects a positive result from the Company's operations as 2018 should generate higher profits due to a continuous improvement of both business model and execution.

Uniscrap A/S is a part of the Scholz Group's structured bank agreement, and also a part of the Scholz Group's restructuring measures initiated to achieve improvements of net assets, the financial position and results of operations of the Scholz Group and Uniscrap A/S.

Scholz Group is now part of the Chinese Chiho Environmental Group and the Groups structured bank agreement has been renegotiated which has secured Uniscrap A/S' credit facility with Scholz Group until 2023.

Local management of Uniscrap A/S has prepared a forecast for 2018, which shows that the company has sufficient capital resources to support Uniscrap A/S' operations for the coming years.

Management's Review

Statement on Corporate Social Responsibility

Statutory account of corporate social responsibility 2017, in accordance with sections §99A and §99B of the Danish Financial Statements Act

At Uniscrap A/S we seek to ensure a responsible and sustainable business. In the following section of our annual report we account for the material sustainability aspects of our business that impact society and our stakeholders. Through our business focus on turning waste into valuable resources without causing negative harm to society or the environment in the process Uniscrap A/S contributes to the Danish society's resource economy. One of our key focus areas in 2017 was the restructuring of our core business processes. The operational transformation was done in order to ensure a more sustainable economic platform and reduce Uniscrap A/S' environmental impact. Environment and Climate Change Impact

Policy

In 1999, we introduced our environmental policy which structures the Company's efforts to reduce our environmental and climate change impact. Our policy is reviewed on a regular basis by both Management and the board.

In our view, waste is not just waste. When handled responsibly, waste does not need to burden society and the environment but can be transformed into a valuable resource. This is particularly true for recoverable materials, such as iron and metal waste, which can be reused in up to 75%-100%, depending on the material. Not only does recycling reduce harmful greenhouse gas emissions, it also conserves resources at a minimal cost compared to waste disposal and not least makes the economy less dependent on primary raw materials. Contributing to a better resource economy by ensuring sustainable resource management through the sorting and development of residual scrap for new raw materials is central to Uniscrap A/S' business. This implies that we handle materials responsibly and apply intelligent recycling systems. None of our recycling processes requires chemical treatment or the use of water.

Activities and results

Each year, Uniscrap A/S collects and processes considerable volumes of iron, metal and electronic scrap for reuse. In 2017, the total resources transferred through Uniscrap A/S amounted to a 6 digits' tons of residual scrap, recycled for reuse. Uniscrap A/S continuously aims to increase the reusable portion of scrap received. This requires close collaboration with local authorities. An outcome of our efforts is that we can now collect larger volumes of scrap at the collection sites. In 2015 Uniscrap A/S decided to outsource all transportation activities which means that Uniscrap no longer has fuel consumption or emissions from its own transportation activities.

Uniscrap A/S is subject to local supervisory authorities' environmental inspections. In addition to this, we conduct internal audits on an annual basis to ensure that we are always aligned with international standards and compliant with national environmental regulation. In 2017, external inspections were conducted at some yards while all yards were subject to an internal inspection. No significant outstanding environmental issues were found. Furthermore, in 2017 Uniscrap A/S completed tests and evaluation of a new upcoming environmental improvement project for release in 2018.

In 1999, Uniscrap A/S became DS/EN ISO 14001 certified, and this standard has since then directed the Company's approach to environmental management. In 2017, each of our departments was subject to an internal audit ensuring that all systems and processes are in accordance with ISO 14001, paying particularly attention to operating oil skimmers at the yards. No significant non-compliances were reported. Furthermore, we also had assessments of our operations conducted by certified third party auditors in 2017. These external reviews did not find any incidents of non-compliance. In 2017, Uniscrap was recertified according to the latest standard and all yards had external reviews and internal audits. Also in 2017 Uniscrap had its quality management system certified according to the DS/EN Standard ISO 9001

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

Numbers appear in thousands

	2017	2016	2015	2014	2013
Key figures					
Revenue	326.400	238.441	268.878	333.160	477.220
Gross profit/loss	28.107	25.402	24.187	40.785	10.971
Operating profit/loss	3.374	-5.541	-17.083	832	-42.337
Net financials	-3.004	-2.497	-4.949	-1.975	-3.985
Profit/loss for the year	370	-8.038	-24.120	-1.143	-47.520
Total assets	96.249	104.359	114.746	145.048	161.476
Investments in property, plant and equipment	1.847	257	1.386	137	2.199
Equity	19.793	19.422	27.460	51.580	52.723
Cash flows from (used in) operating activities	-28.408	-6.913	32.921	-2.930	71.130
Cash flows from (used in) investing activities	9.493	5.016	876	6.557	-2.091
Cash flows from (used in) financing activities	-738	-1.386	-1.786	-3.589	-4.885
Employees in average	39	64	74	86	106
Ratios					
Gross margin (%)	8,61	10,65	9	12,24	2,3
Net margin (%)	0,11	-3,37	-8,97	-0,34	-9,96
Return on equity (%)	1,89	-34,29	-61,03	-2,19	-180,26
Equity ratio (%)	20,56	18,61	23,93	35,56	32,65

For definitions of key ratios, see Accounting and Valuation Principles

Accounting Policies

Reporting Class

The Annual Report of Uniscrap A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

Consolidated financial statements is not prepared with reference to the Danish Financial Statements section 112 Act. 1. Thus the key figures and financial ratios are presented for the parent company for 2017 and with adjusted comparatives.

Besides that, the accounting policies applied by the Company are consistent with those of last year.

Consolidated Financial Statements

With reference to the Danish Financial Statements section 112 Act. 1, consolidated financial statements is not prepared. The annual accounts of Uniscrap A / S and its affiliates are included in the consolidated financial statements for Chiho Environmental Group Limited, 48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Properties	8-50 years	0%
Plant and machinery	3-13 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	3-10 years	0%

Land is not amortised.

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Income from equity investments in group enterprises and associates

Income from equity investments comprises dividends received from group enterprises and associates in so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital

Accounting Policies

gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Merchandise are measured at cost comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Accounting Policies

Other provisions

Other provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when, at the balance sheet date, the company has a legal or actual obligation and it is likely that settlement will result in the company spending financial resources.

Provisions that are expected to be settled later than a year from the balance sheet date are measured at the present value and the expected payments. Other provisions are measured at net realisable value.

Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Lease commitments

Lease commitments are measured at the present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the individual leases.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Accounting policies Cash Flow Statement

The Cash Flow Statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Methods of determining financial ratios that are included in the Management's Review

Key figures and financial ratios are determined based on the "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts.

Accounting Policies

Explanation of financial ratios

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts.

Gross margin (%)	=	$\frac{\text{Gross profit X 100}}{\text{Revenue}}$
Net margin (%)	=	$\frac{\text{Profit/loss for the year X 100}}{\text{Revenue}}$
Return on equity (%)	=	$\frac{\text{Profit/loss for the year X 100}}{\text{Avg. equity}}$
Solvency ratio (%)	=	$\frac{\text{Equity X 100}}{\text{Total equity and liabilities at year end}}$

Income Statement

	Note	2017 DKK`000kr.	2016 DKK`000kr.
Revenue	1	326.400	238.441
Change in inventories of finished goods, work in progress and goods for resale		2.704	-2.915
Other operating income		6.692	5.098
Raw materials and consumables used		-269.839	-176.200
Other external expenses		-37.850	-39.022
Gross result		28.107	25.402
Employee benefits expense	2	-18.436	-23.217
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-6.297	-7.726
Profit from ordinary operating activities		3.374	-5.541
Other finance income	3	449	512
Finance expenses	4	-3.453	-3.009
Profit from ordinary activities before tax		370	-8.038
Profit		370	-8.038
Proposed distribution of results	5		
Retained earnings		370	-8.038
Distribution of profit		370	-8.038

Balance Sheet as of 31 December

	Note	2017 DKK`000kr.	2016 DKK`000kr.
Assets			
Land and buildings	6	27.098	30.918
Plant and machinery	7	705	1.787
Fixtures, fittings, tools and equipment	8	2.578	2.067
Leasehold improvements	9	108	1.644
Property, plant and equipment		30.489	36.416
Long-term investments in group enterprises	10, 11	1.043	1.043
Investments		1.043	1.043
Fixed assets		31.532	37.459
Manufactured goods and goods for resale		12.962	10.259
Inventories	12	12.962	10.259
Short-term trade receivables		21.398	14.880
Short-term receivables from group enterprises		17.856	10.261
Other short-term receivables		2.538	2.204
Prepayments	13	579	269
Receivables		42.371	27.614
Cash and cash equivalents		9.384	29.037
Current assets		64.717	66.910
Assets		96.249	104.369

Balance Sheet as of 31 December

	Note	2017 DKK`000kr.	2016 DKK`000kr.
Liabilities and equity			
Contributed capital	14	20.003	20.003
Retained earnings		-210	-581
Equity	15	19.793	19.422
Other provisions	16	450	10.484
Provisions		450	10.484
Payables to group enterprises		47.238	50.851
Lease commitments		0	68
Long-term liabilities other than provisions	17	47.238	50.919
Short-term part of long-term liabilities other than provisions		4.080	2.735
Trade payables		19.140	13.252
Payables to group enterprises		810	41
Other payables		4.371	6.562
Lease commitments		0	670
Deposits, liabilities other than provisions		367	284
Short-term liabilities other than provisions		28.768	23.544
Liabilities other than provisions within the business		76.006	74.463
Liabilities and equity		96.249	104.369
Contingent liabilities	18		
Ownership	19		
Related parties	20		

Uniscrap A/S

Statement of changes in Equity

	Contributed capital	Revaluation reserve	Total
Equity 1 January 2017	20.003	-580	19.423
Profit (loss)		370	370
Equity 31 December 2017	20.003	-210	19.793

The share capital has remained unchanged for the last 5 years.

Cash Flow Statement

	2017 DKK`000kr.	2016 DKK`000kr.
Operating Profit/Loss	3.374	-5.541
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	6.278	7.495
Adjustments of profit on realisations of fixed assets	-1.304	-1.582
Other provisions	-10.033	-1.247
Other adjustments for decrease (increase) in working capital	-12.911	-3.541
Cash flow from operating activities before financial items	-14.596	-4.416
Interest received	449	512
Interest paid	-3.453	-3.009
Cash flows from operating activities	-17.600	-6.913
Purchase of property, plant and equipment	-1.847	-257
Sales of property, plant and equipment	2.800	5.273
Cash flows from investing activities	953	5.016
Reduction of lease commitments	-738	-1.386
Repayment of debt to group enterprises	-2.268	0
Cash flows from financing activities	-3.006	-1.386
Net increase (decrease) in cash and cash equivalents	-19.653	-3.283
Cash and cash equivalents, beginning balance	29.037	32.320
Cash and cash equivalents, ending balance	9.384	29.037

Notes

1. Revenue

	2017	2016
Denmark	73.398	48.623
Other EU countries	245.504	189.806
Other 3. countries	7.498	12
	326.400	238.441

2. Employee benefits expense

	2017	2016
Wages and salaries	16.957	21.428
Post-employment benefit expense	1.390	1.660
Social security contributions	89	129
	18.436	23.217

Average number of employees	39	64
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Pursuant to the Danish Financial Statements Act section 98 B (3 no 2) remuneration of the Company's Management is not disclosed.

3. Finance income

	2017	2016
Other finance income from group enterprises	220	256
Other finance income	229	256
	449	512

4. Finance expenses

	2017	2016
Finance expenses arising from group enterprises	2.480	2.335
Other finance expenses	973	674
	3.453	3.009

5. Distribution of profit

	2017	2016
Retained earnings	370	-8.038
	370	-8.038

Notes

6. Land and buildings

	2017	2016
Cost at the beginning of the year	98.606	107.509
Addition during the year, incl. improvements	484	0
Disposal during the year	-9.965	-8.903
Cost at the end of the year	89.125	98.606
Depreciation and amortisation at the beginning of the year	-67.688	-70.011
Amortisation for the year	-2.808	-2.889
Reversal of impairment losses and amortisation of disposed assets	8.469	5.212
Impairment losses and amortisation at the end of the year	-62.027	-67.688
Carrying amount at the end of the year	27.098	30.918

7. Plant and machinery

	2017	2016
Cost at the beginning of the year	47.470	47.470
Addition during the year, incl. improvements	94	0
Cost at the end of the year	47.564	47.470
Depreciation and amortisation at the beginning of the year	-45.683	-44.099
Amortisation for the year	-1.176	-1.584
Impairment losses and amortisation at the end of the year	-46.859	-45.683
Carrying amount at the end of the year	705	1.787
Asset held under financial leasing	0	10

8. Fixtures, fittings, tools and equipment

	2017	2016
Cost at the beginning of the year	86.421	86.439
Addition during the year, incl. improvements	1.269	257
Disposal during the year	0	-275
Cost at the end of the year	87.690	86.421
Depreciation and amortisation at the beginning of the year	-84.354	-82.660
Amortisation for the year	-758	-1.969
Reversal of impairment losses and amortisation of disposed assets	0	275
Impairment losses and amortisation at the end of the year	-85.112	-84.354
Carrying amount at the end of the year	2.578	2.067

Notes

9. Leasehold improvements

	2017	2016
Cost at the beginning of the year	10.432	10.432
Disposal during the year	-9.844	0
Cost at the end of the year	588	10.432
Depreciation and amortisation at the beginning of the year	-8.788	-7.735
Amortisation for the year	-1.036	-1.053
Reversal of impairment losses and amortisation of disposed assets	9.344	0
Impairment losses and amortisation at the end of the year	-480	-8.788
Carrying amount at the end of the year	108	1.644

10. Long-term investments in group enterprises

	2017	2016
Cost at the beginning of the year	1.043	1.043
Cost at the end of the year	1.043	1.043
Carrying amount at the end of the year	1.043	1.043

11. Disclosure in long-term investments in group enterprises and associates*Group enterprises*

Name	Registered office	Share held in	Equity	Profit
		%		
Uniscrap Sverige AB	Sweden	100,00	471	63
			471	63

12. Inventories

	2017	2016
<i>Inventories are stated as follows:</i>		
Manufactured goods and goods for resale	12.962	10.259
Inventories in total	12.962	10.259

13. Prepayments

	2017	2016
Prepayments	579	269
	579	269

Notes

14. Contributed capital

	Number	Par value	Nominal value DKK'000
Class A shares	20.000	500	10.000
Class B shares	20.006	500	10.003
	<u>40.006</u>		<u>20.003</u>

15. Share capital

The share capital has developed as follows:

	2017	2016	2015	2016	2017
Contributed capital	20.003	20.003	20.003	20.003	20.003
	<u>20.003</u>	<u>20.003</u>	<u>20.003</u>	<u>20.003</u>	<u>20.003</u>

16. Other provisions

	2017	2016
Provision for loss-making contract	450	10.484
Balance at the end of the year	<u>450</u>	<u>10.484</u>

17. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	47.238	4.020	31.158
	<u>47.238</u>	<u>4.020</u>	<u>31.158</u>

18. Contingent liabilities

The Company's lease liabilities total rent amount until 2021. DKK 4.371t (2016 DKK 5.807t). The annual rent amounts to approximately net DKK 1.536t.

19. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Scholz Recycling GmbH, Am Bahnhof, 73457 Essingen, Germany

Notes

20. Related parties

Related parties with a controlling interest in the Uniscrap A/S Group:

- Scholz Recycling GmbH, Germany

Related party transactions in the financial year:

- Loan provided from Scholz Recycling GmbH DKK 51.258t
- purchase from Uniscrap Sverige AB DKK 6.811t
- Receivable from Uniscrap Sverige AB DKK 4853t

Trade made with the parent company in 2017 with the following transactions:

- Sales of goods to parent companies DKK 71.708t
- interest costs paid to parent company DKK 2.480t
- Trade receivable from parent company DKK 13.012t

The company is included in the consolidated financial statements for:

- Scholz Holding GmbH Betchworth House, 57-65 Station Road, Redhill Surrey RH1 1DL, UK
- Chiho Environmental Group Limited, 48 Wang Lok Street, Yuen Long Industrial Estate, Hong Kong