

ZIEMANN HOLVRIEKA A/S

Kulholmsvej 24
8930 Randers NØ

Annual report
1 January 2015 - 31 December 2015

Approval of the annual report on the

30/05/2016

Arend Muggen
Chairman of general meeting

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Company information

Reporting company	ZIEMANN HOLVRIEKA A/S Kulholmsvej 24 8930 Randers NØ Phone number: 86428400 CVR-nr: 58976911 Reporting period: 01/01/2015 - 31/12/2015
Main financial institution	Danske Bank A/S Østervold 39 8900 Randers C Danmark
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr.Skous Vej 1 8000 Aarhus C DK Danmark CVR-nr: 33771231 P-number: 1016977795

Statement by Management

Statement by the Executive and Supervisory Boards

The Supervisory Board and the Executive Board have today discussed and approved the annual report for 2015 for Ziemann Holvrieka A/S.

The annual report has been presented in accordance with the Danish Financial Statements Act. We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the Company's assets, liabilities, and financial position at 31 December 2015 as well as of its financial performance for the accounting year from 1 January to 31 December 2015.

We are furthermore of the opinion that the statement by the Boards contains a fair view of the development in the Company's activities and financial conditions, of the result of the year, and of the Company's financial position.

We recommend the annual report for adoption at the Annual General Meeting.

Randers, the 30/05/2016

Executive board

Bo Mortensen
Managing Director

Board of directors

Ko Roelof Reint Brink

Arend Muggen

Bo Mortensen

Independent Auditor's Reports

Ziemann Holvrieka A/S

To the shareholders of Ziemann Holvrieka A/S

Report on financial statements

We have audited the Financial Statements of Ziemann Holvrieka A/S for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Executive and supervisory board's responsibility for 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 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 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 regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, 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 auditor considers 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 audit opinion.

Our audit has not resulted in any qualification.

Opinion on financial statements

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Reports on other legal and regulatory requirements

Statement on Management's review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Aarhus, 30/05/2016

Michael Nielsson
State Authorized Public Accountant
PricewaterhouseCoopers Statsautoriseret
Revisionspartnerselskab
CVR: 33771231

Peter Ulrik Faurschou
State Authorized Public Accountant
PricewaterhouseCoopers Statsautoriseret
Revisionspartnerselskab
CVR: 33771231

Management's Review

Primary activities

The major part of the company activities relates to selling tanks to the food and beverage industry as well as sale of process equipment and process lines especially for the brewing industry as well as tanks for the pharmaceutical industry.

Development in activities and financial matters

The operational activities of the company for 2015 did not reach our own expectations. As previous years the challenge was how we could keep the productivity level over the spring/summer period. Unfortunately the challenge was harder than expected by the end of 2014. The situation in our primary markets Russia and Ukraine had larger negative influence than expected. In the first part of 2015 we had Letter of Intent and agreements on several projects with our known customers in Russian and Ukraine, but the negotiations about the final conditions of the contracts took longer time than foreseen. Even with increased sales work in the non-brewery segment we did not manage to keep the level.

The order flow throughout most of the year was fluctuating and in the usual low productive season over spring/summer we took orders with lower or negative profit. Therefore it has not been possible to reach our estimated expectations. For a few of these projects we had great difficulties in maintaining our calculated prices.

The company activities throughout the year have been a reasonable mix of factory made tanks for the brewery and other food industry as well as on-site process installations for the brewery industry unfortunately less brewery tanks and less process installations than budgeted.

The crisis in Ukraine has caused sanctions against Russia resulting in a heavy depreciation of the rate of exchange of the RUR. As a result of this Russian customers still had to face payment problems, but this, however, is at the same time compensated through our additional sale of brewhouse renovations.

Particular risks

Currency risks

Activities abroad involve that the result, cash flow, and equity are influenced by the development in currency and interest rates for a number of currencies. The company's currency policy is to identify commercial currency risks in excess of EUR. Primarily, the identification takes place through currency forward transactions of specific projects. No speculative currency operations have been concluded.

Know-how resources

A continuous knowledge about the processes in the brewing industry is growing and by virtue hereof products are developed so the company is less dependent on acting on a stagnant market for tanks with increased competition from our neighbour countries.

The company involves all employees in the process of adapting the company to meet the challenge in a market where the demands to the suppliers are constantly increasing - both with regards to products, price, quality, and flexibility.

Expected development

Overall, the market is expected to stay at the present level; however, with a minor change in the mix of the product groups. With our cooperation on Group level we expect to increase our market share outside general tank production.

The company has implemented a number of activities in order to improve the operating result. These activities are primarily in the following areas:

- production technology
- logistic and planning
- flexible employees
- process technology
- quality level

The company's cash position is highly impacted by financing of work in progress and debtors. Measures have been taken to improve payment terms in order to achieve cash flow neutral payment conditions in customer contracts.

2016 is expected to be a year when the company will continue to build on its strengths to ensure that both the short- and longer term opportunities in the markets are captured. The company expects operating profit to grow organically with a double-digit percentage. This is supported by a stable order intake with good prospects for the year 2016 in our primary segment (brewery) and increased activity in our secondary segments (non-brewery and process installations).

Incidents after the closing of the financial statement

After the end of the financial year, no incidents of essential importance to the financial year 2015 have occurred.

Key figures and Financial Ratios

	2015	2014	2013	2012	2011
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Gross profit or loss	38.492	37.812	43.343	40.894	33.039
Profit (loss) from ordinary operating activities	2.530	2.513	6.102	5.624	960
Net financials	941	1.186	1.388	(63)	1.323
Profit (loss)	2.682	2.838	5.612	4.174	1.705
Total assets	65.953	58.867	68.900	70.789	84.152
Investment in property, plant and equipment	241	506	850	723	211
Equity	31.916	29.234	26.396	20.783	16.609
Financial ratios					
Return on assets	4.0 %	3.9 %	8.7 %	7.5 %	1.2 %
Solvency ratio	48.4%	49.7%	38.3%	29.4%	19.7%
Return on equity	8.8%	10.2%	23.8%	22.3%	10.8%
Average number of employees	66	69	72	65	64

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class C, medium-size enterprise.

According to Danish Financial Statements Act § 32, article 1 Ziemann Holvrieka A/S has decided to make a summarizing of the net turnover, material consumption etc. in the entry "gross profit".

Generally about inclusion in calculations and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the company as a result of a prior event has a legal or actual obligation, and it is probable that future financial benefits will flow out of the company, and the value of the liabilities can be measured reliably.

On initial inclusion in calculations assets and liabilities are measured at cost price. Measurement subsequent to initial inclusion is effected as described below for each item.

Foreseeable risks and losses arising before the presentation of the annual report and which confirm or invalidate conditions existing at the balance sheet date are considered at inclusion in calculations and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recorded in the income statement as financial income or financial expenses.

Conversion of foreign currency

On initial inclusion in calculations, foreign currency transactions are converted by applying the exchange rate of the transaction date. Receivables, liability commitment and other monetary items in foreign currencies that have not been settled at the balance sheet date are converted using the exchange rate of the balance sheet date.

Exchange differences arising between the rate of the transaction date and the rate of the payment date respectively the rate of the balance sheet date, are recognised in the income statement as financial items. Fixed assets purchased in foreign currencies are translated using historical rates.

Income statement**Gross profit**

The gross profit comprises net turnover less consumption of goods and external costs as well as added other operating income.

The net turnover for sales of finished goods is included in the income statement when the delivery and transfer of risk to the purchaser have taken place. The net turnover is indicated without VAT, taxes, and discounts in connection with the sale.

Work in progress on behalf of third parties is included in net turnover based on the stage of completion, whereby net turnover corresponds to the performed work's sales value in the financial year (the percentage-of-completion method).

The costs for raw materials and auxiliaries show the consumption of raw materials and auxiliaries used in order to reach the net turnover of the year.

Other external costs show costs for distribution, sales, advertising, administration, premises and loss on debtors.

Staff expenses show wages and salaries as well as costs related to salaries.

Depreciation shows the depreciation of fixed assets of intangible and tangible nature.

Financial items

Financial items comprise interest income and expenses, liability commitments and transactions in foreign currency, cash discounts etc. as well as additions and compensations under the system of taxation on account.

Taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year, and classified directly as equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised and measured applying the liability method on all temporary differences between the amortized book value and tax-based value of assets and liabilities. The tax-based value of the assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry-forward, are recognised in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Balance sheet

Property plant and equipment

Buildings, production plants and machinery as well as other plants, operating equipment as well as furnitures are measured at cost price after deducting of accumulated write-off and depreciation.

The cost price comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost price less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	20 years
Plants and machinery	8 years
Other plants, operating equipment and furnitures	3-5 years

For assets with a cost price of less than TDKK 15 per unit depreciation is booked immediately at the time of acquisition.

Property, plant and equipment are written down to the recoverable amount if this is lower than the amortized book value.

Profits and losses from the sale of property plant and equipment are calculated as the difference between sales price less the sales costs and amortized book value at the time of sale. Profits or losses are recognised in the income statement together with write-off and depreciations or under other operating income if the sales price exceeds original cost price.

Inventories

Inventories are measured at cost price, balanced according to the FIFO method, or the net realizable value, when this is lower.

Cost price of goods for resale, raw materials and consumables consists only of purchase. Cost price of manufactured goods and work in progress comprises costs of raw materials, consumables and direct wages as well as indirect production costs or the net realizable value, when this is lower.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of and depreciation and impairment losses on machinery, factory buildings and equipment applied for the manufacturing process, costs of factory administration as well as management.

The net realizable value of inventories is calculated as the estimated sales price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost price, usually corresponding to nominal value less provisions for countering of expected losses and not paid prepayment invoices on sales for account of a third party.

Work in progress on behalf of third parties

Work in progress on behalf of third parties (construction contracts) is measured as the sales value of the work carried out at the balance sheet date. The sales value is measured based on the stage of completion

and the total estimated income from the individual work in progress. Usually, the stage of completion is determined as the ratio between actual and total budgeted consumption of resources.

If the sales value of a construction contract cannot be made up reliably, the sales value is measured as costs incurred or as net realizable value, if this is lower.

Each work in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs in connection with sales work and securing contracts as well as financing costs are recognised in the income statement when incurred.

Prepayments and accrued income

Prepayments and accrued income included under assets comprise paid costs relating to the subsequent financial years. Prepayments and accruals income are measured as amortised cost price, which usually corresponds to the nominal value.

Equity

The proposed dividend yield for the accounting year is shown as a separate debt item.

Accrued expenses and deferred income

Accrued expenses and deferred income comprise received income for inclusion in calculations in subsequent financial years. Deferred income is measured at amortised cost price, which usually corresponds to nominal value.

Ratios

$$\text{Return of assets} = \frac{\text{Operating profit/loss} \times 100}{\text{Average Assets}}$$

$$\text{Return of equity} = \frac{\text{Net profit/loss for the year} \times 100}{\text{Average equity}}$$

$$\text{Solvency ratio} = \frac{\text{Equity} \times 100}{\text{Balance sheet total}}$$

Financial obligations

Financial obligations are measured at amortised cost, which substantially corresponds to their nominal value.

Income statement 1 Jan 2015 - 31 Dec 2015

	Disclosure	2015 kr.	2014 kr.
Gross Result		38,491,500	37,812,131
Employee expense	1	-34,701,358	-34,056,120
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	2	-1,260,219	-1,242,669
Profit (loss) from ordinary operating activities		2,529,923	2,513,342
Other finance income	3	1,111,778	1,749,102
Other finance expenses	4	-170,832	-563,489
Profit (loss) from ordinary activities before tax		3,470,869	3,698,955
Tax expense	5	-788,947	-860,674
Profit (loss)		2,681,922	2,838,281
Proposed distribution of results			
Retained earnings		2,681,922	2,838,281
Proposed distribution of profit (loss)		2,681,922	2,838,281

Balance sheet 31 December 2015

Assets

	Disclosure	2015 kr.	2014 kr.
Land and buildings		816,268	1,115,642
Plant and machinery		1,227,686	1,802,512
Fixtures, fittings, tools and equipment		284,930	430,019
Prepayments for property, plant and equipment			0
Property, plant and equipment	6	2,328,884	3,348,173
Total non-current assets		2,328,884	3,348,173
Raw materials and consumables		17,184,595	5,082,639
Inventories	7	17,184,595	5,082,639
Trade receivables		18,614,687	34,004,397
Contract work in progress	8	14,200,513	9,130,864
Receivables from group enterprises		1,552,489	1,104,295
Tax receivables		0	0
Other receivables		191,081	404,559
Deferred income assets		930,789	747,666
Receivables		35,489,559	45,391,781
Cash and cash equivalents		10,949,830	5,044,322
Current assets		63,623,984	55,518,742
Total assets		65,952,868	58,866,915

Balance sheet 31 December 2015

Liabilities and equity

	Disclosure	2015 kr.	2014 kr.
Contributed capital	9	1,000,001	1,000,001
Retained earnings		30,915,832	28,233,910
Total equity		31,915,833	29,233,911
Provisions for deferred tax		1,202,106	939,637
Other provisions		80,000	563,159
Provisions, gross		1,282,106	1,502,796
Prepayments received for work in progress		12,426,621	903,517
Trade payables		11,786,977	9,192,515
Payables to group enterprises		1,178,756	9,317,754
Tax payables		186,478	767,640
Other payables, including tax payables, liabilities other than provisions		7,176,097	7,948,782
Short-term liabilities other than provisions, gross		32,754,929	28,130,208
Liabilities other than provisions, gross		32,754,929	28,130,208
Liabilities and equity, gross		65,952,868	58,866,915

Statement of changes in equity 1 Jan 2015 - 31 Dec 2015

	Contributed capital	Retained earnings	Total
	kr.	kr.	kr.
Equity, beginning balance	1,000,001	28,233,910	29,233,911
Profit (loss)		2,681,922	2,681,922
Equity, ending balance	1,000,001	30,915,832	31,915,833

Cash flow

	2015	2014
	kr.	kr.
Profit (loss)	2,681,922	2,838,281
Adjustments		
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	1,260,219	1,242,669
Interest received and similar income	-875,268	-1,593,095
Interest payable and similar charges	170,832	563,489
Tax expense	526,478	1,609,640
Adjustments for deferred tax	262,469	-748,966
Decrease (increase) in other provisions	-483,159	371,082
Adjustments for decrease (increase) in working capital		
Decrease (increase) in inventories	-12,101,956	1,234,656
Decrease (increase) in receivables	9,902,222	10,966,100
Decrease (increase) in trade payables	-6,317,220	-10,039,533
Other adjustments for decrease (increase) in working capital .	11,523,104	-3,222,004
<i>Cash flow from operating activities before finance income (expenses)</i>	<i>6,549,643</i>	<i>-1,060,781</i>
Short-term debt to banks	875,268	1,593,095
Interest paid, classified as operating activities	-170,832	-563,489
<i>Cash flow from ordinary operating activities</i>	<i>7,254,079</i>	<i>4,251,925</i>
Income taxes paid	-1,107,640	-829,089
Cash flows from operating activities	6,146,439	3,422,836
Purchase of property, plant and equipment, classified as investing activities	-240,931	-506,069
Cash flows from investing activities	-240,931	-506,069
Net increase (decrease) in cash and cash equivalents	5,905,508	2,916,767
Cash and cash equivalents (beginning balance)	5,044,322	2,127,555
Cash and cash (beginning balance)	5,044,322	2,127,555
Cash and cash (ending balance)	10,949,830	5,044,322
<i>Specification of cash and cash equivalents ending period</i>		
Cash and cash equivalents (ending balance)	10,949,830	5,044,322
Cash and cash (ending balance)	10,949,830	5,044,322

Disclosures

1. Employee expense

	2015	2014
	DKK	TDKK
Wages and salaries	31,671,593	30,761
Pension contributions	2,277,745	2,537
Other social security costs and staff costs	752,020	758
	<u>34,701,358</u>	<u>34,056</u>

The management's remuneration is not disclosed separately according to the Danish Financial Statements Act § 98b, article 3.

2. Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets

	2015	2014
	DKK	TDKK
Properties	299,375	312
Production plant and Machinery	743,824	803
Other plant, fixtures and fittings, tools and equipment	217,020	128
Profit on sale of tangible fixed assets	0	0
	<u>1,260,219</u>	<u>1,243</u>

3. Other finance income

	2015	2014
	DKK	TDKK
Interest from trade debtors	874,168	1,590
Exchange rate adjustments	236,510	156
Other financial income	1,100	3
	<u>1,111,778</u>	<u>1,749</u>

4. Other finance expenses

	2015	2014
	DKK	TDKK
Interest to affiliated companies	104,119	518
Other financial costs	66,713	45
	<u>170,832</u>	<u>563</u>

5. Tax expense

	2015	2014
	DKK	TDKK
Current tax	526,478	1,610
Changes in deferred tax	262,469	(748)
Prior year adjustments	0	(1)
	<u>788,947</u>	<u>861</u>

6. Property, plant and equipment

	Properties	Production plant and Machinery	Other plant, fixtures etc.
	TDKK	TDKK	TDKK
Cost, beginning of year	25,723	16,049	2,407
Increase	0	169	72
Decrease	0	(1,310)	(709)
Cost, end of year	25,723	14,908	1,770
Depreciation, beginning of year	24,608	14,248	1,977
Increase	299	744	217
Decrease	0	(1,312)	(709)
Depreciation, end of year	24,907	13,680	1,485
Book value, end of year	816	1,228	285

7. Inventories

	2015 DKK	2014 TDKK
Raw materials and consumables	6,921,475	5,083
Partial payment-Sub supplier	10,263,120	0
	17,184,595	5,083

8. Contract work in progress

	2015	2014
	DKK	TDKK
Sales value of completed works	39,400,587	15,189
Less invoiced in advance and on account	(37,626,695)	(6,962)
	<u>1,773,892</u>	<u>8,227</u>

Net value is recognised in the balance sheet as follows:

	2015	2014
	DKK	TDKK
Work in progress on behalf of third parties	14,200,513	9,131
Less prepayments received from customers	(12,426,621)	(904)
	<u>1,773,892</u>	<u>8,227</u>

9. Contributed capital

Share capital consists of 23 shares of

14 shares of 33,333 DKK
 7 shares of 33,334 DKK
 1 share of 300,000 DKK
 1 share of 1 DKK

Shares are not divided into classes.

	DKK
Changes in share capital the last 5 years:	
Share capital 31.12.2010.	1,000,001
No changes in the share capital during the period	<u>0</u>
Share capital, end of year	<u>1,000,001</u>

10. Disclosure of other arrangements not recognised in balance sheet

Trade receivables

In our trade receivables the Russian customers count for TDKK 14,645, out of which rates due for payment after 1 year DKK 3,657,674. The Russian financing orders amounts to TDKK 12,068 and are covered politically and commercially by Danish Export Credit Fund guarantees. The rest is expected to be paid according to the contracts.

11. Disclosure of mortgages and collaterals

Surety commitments and contingent liabilities

The company has entered lease contracts on the addresses Kulholmsvej 24, 28 and 38. The lease is irrevocable from the part of the lessor until the 01.04.2028. Lessee has a notice of 6 months (K24 and K38) and 12 months (K28) to the dates 01.04 or 01.10. At present, the annual lease for 21.108 m² land is TDKK 696. The ground rent is adjusted once a year per 1 January.

Through Nationale Borg the company has guarantees for customers issued for totally TDKK 3.596.

12. Disclosure of ownership

Ownership

The company has registered the following shareholders holding more than 5% of the voting rights or nominal value:

CIMC Enric Tank and Process B.V.
Kapt. Grantstraat 8
P.O. Box 2044
NL-7801 CA EMMEN

Group relations

Included in the consolidated financial statements of the group for the primary parent company CIMC Enric Tank and Process B.V, who is included in the consolidated financial statements of the group for the overall parent company CIMC (Group) Co. Ltd.

The financial statements of the group can be requested at:

CIMC Enric Tank and Process : Kamer van Koophandel Noord Nederland
P.O.Box 134, 9700 AC Groningen
The Netherlands

Coöperatie Vela Holding U.A. : Kamer van Koophandel Den Haag
P.O. Box 29718, 2502 LS DEN HAAG
The Netherlands

CIMC Group Co. Ltd. : No. 2 Gangwan Avenue
Shekou Industrial Zone, Shenzhen, Guangdong P.R.C.
China