

Shanghai Chenghui Certified Public Accountants Co., Ltd.

Audit Report

Chenghui Audit No. (2017) 0952-1

To the shareholders of Ningbo Beida New Energy Science & Technology Co., Ltd.:

We have audited the accompanying balance sheet of Ningbo Beida New Energy Science & Technology Co., Ltd. (the "Company") as of 31 December 2015, and the income statement, and the statement of change in owner's equity, and cash flow statement for the year then ended and notes to the financial statements.

Management's Responsibility for the Financial Statement

The Company's management is responsible for the preparation of these financial statements. This responsibility includes: (1) prepare the financial statements in accordance with International Financial Reporting Standards (IFRS), and realize the fair reflection; (2) designing, implementing and maintaining internal control relevant to 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 Financial Reporting Standards (IFRS) for the Certified Public Accountants. Those standards require 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 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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 statement.

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

Audit Opinion

In our opinion, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and present fairly, in all material respects, the financial position of the Company as of 31 December 2015 and of the results of its operations and its cash flows for the year then ended.

Attachments include:

1. Balance sheet as at 31 December 2015
2. Income statement for 2015 year
3. Cash flow statement for 2015 year
4. The statement of change in equity at 31 December 2015
5. Notes to the financial statements for 2015 year

Shanghai Chenghui Certified Public
Accountants Co., Ltd.

Shanghai, China



Chinese Certified Public Accountant

Chinese Certified Public Accountant



20 May 2017

Balance sheet

Company: Ningbo Beida New Energy Science & Technology Co., Ltd.

Currency: RMB

Company:NINGBO DEJIA NEW ENERGY SCIENCE & TECHNOLOGY CO., LTD.					
Assets			2015/12/31	2014/12/31	Equity and liabilities CURRENCY: CNY
CURRENCY: CNY			2015/12/31	2014/12/31	2015/12/31
Goodwill					
Intangible assets	2,394,040.18		736,802.37		Share capital 10,000,000.00
Tangible assets	14,062,827.10		13,125,703.57		Capital reserve 27,000,000.00
Other financial assets					Revenue reserves -
Companies accounted for using the equity method					Revaluation reserve -
Income tax receivables					Other comprehensive income -
Deferred tax assets					Undistributed Profits -31,913,996.75
Trade and other receivables	8,518,727.91		1,610,319.68		Non-controlling interests -
Non-current assets	24,975,295.19		15,472,825.62		Equity 5,086,003.25
Inventories	5,844,761.35		1,728,028.68		Provisions for pensions -
Biological assets					Other provisions -
Trade and other receivables	47,029,878.90		18,033,186.79		Financial liabilities -
Other financial assets					Trade payables 6,952,583.53
Income tax receivables					Other liabilities 1,404,000.00
Cash and cash equivalents	5,162,648.50		1,283,253.66		Deferred tax liabilities -
					Non-current liabilities 8,356,583.53
					Other provisions -
Current assets	58,037,288.75		21,044,469.13		Financial liabilities 14,000,000.00
					Trade payables 18,315,677.47
					Other liabilities 37,254,319.69
					Income tax liabilities 8,518,167.63
					-
					-
					-
					-
Total Assets	83,012,583.94		36,517,294.76		Current liabilities 69,569,997.16
					Total equity and liabilities 83,012,583.94
					36,517,294.76

Profit and loss account

Company: Ningbo Beida New Energy Science & Technology Co., Ltd. Currency: RMB

CURRENCY: CNY	2015/12/31	2014/12/31
Revenue	17,903,426.68	13,104,305.47
Changes in inventories		
Gross performance	17,903,426.68	13,104,305.47
Other operating income	1,217,490.72	4,937,734.81
Cost of materials	17,069,676.33	12,282,994.17
Personnel expenses	2,299,170.80	730,204.26
Other operating expenses	4,709,170.77	7,028,474.38
Earnings before interest, taxes, depreciation and amortization	-4,957,100.50	-1,999,632.53
Depreciation and amortisation	300,431.60	337,471.35
Earnings before interest and taxes (EBIT)	-5,257,532.10	-2,337,103.88
Result from companies accounted for under the equity method		
Interest income	49,338.15	16,589.11
Interest expenses	553,622.79	
Other financial income and expenses		
Net financial result	504,284.64	-16,589.11
Earnings before income taxes (EBT)	-5,761,816.74	-2,320,514.77
Income taxes		
Profit or loss for the period from continuing operations	-5,761,816.74	-2,320,514.77
Profit or loss for the period (EAT)	-5,761,816.74	-2,320,514.77
Profit or loss for the period from discontinued operations attributable to non-controlling interests		
attributable to owners of the parent	-5,761,816.74	-2,320,514.77

Cash Flow Statement

Caltrans (Kia) Table 03

Currency: BMB

ITEM	LIN E	YEAR 2015		PREVIOUS AMOUNT
		CURRENT AMOUNT		
I. CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Sale of Goods or Rendering of Services	1	25,178,434.59		26,206,381.65
Refund of Tax and Levies	2	624,441.53		277,851.16
Other Cash Received Relating to Operating Activities	3	30,729,491.10		654,666.32
Sub-total of Cash Inflows	4	56,532,367.22		27,138,899.13
Cash Paid for Goods and Services	5	31,606,581.53		2,001,146.66
Cash Paid to and on behalf of Employees	6	5,067,145.63		5,989,987.50
Payments of All Types of Taxes	7	36,625.37		111,677.37
Other Cash Paid Relating to Operating Activities	8	25,664,454.47		34,990,999.81
Sub-total of Cash Outflows	9	62,374,807.00		43,093,811.34
Net Cash Flows From Operating Activities	10	-5,842,439.78		-15,954,912.21
II. CASH FLOWS FROM INVESTING ACTIVITIES	11			
Cash Received from Disposal of Investments	12	-		-
Cash Received from Returns of Investments	13	-		-
Net Cash Received from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets	14	-		-
Net Cash Received from Subsidiary Company and Other Business Units	15	-		-
Other Cash Received Relating to Investing Activities	16	-		-
Net Cash Flows From Investing Activities	17	-		-
Cash Paid to Acquire Fixed Assets, Intangible Assets and Others	18	3,695,311.65		15,261,507.33
Cash Paid to Acquire Investments	19	-		-
	20	-		-

Cash Flow Statement

CalKuan(Nasdaq) Table 03

Currency: RMB

ITEM	LINE	YEAR 2015	
		CURRENT AMOUNT	PREVIOUS AMOUNT
Other Cash Payments Relating to Subsidiary Company and Other Business	21	-	-
Other Cash Payments Relating to Investing Activities	22	-	-
Sub-total of Cash Outflows	23	3,695,311.65	15,261,507.33
Net Cash Flows from Investing Activities	24	-3,695,311.65	-15,261,507.33
III. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Received from Capital Contribution	25	-	-
Including: Cash Received from Minority Shareholders Invested to the S	26	-	32,000,000.00
Borrowed Cash	28	19,000,000.00	-
Other Cash Received Relating to Financing Activities	29	-	-
Sub-total of Cash Inflows	30	19,000,000.00	32,000,000.00
Cash Repayments of Amounts Borrowed	31	5,000,000.00	-
Cash Payments for Interest Expenses and Distribution of Dividends	32	553,622.79	-
Includes: the Subsidiary Company pay the Dividend and Interest to	33	-	-
Other Cash Payments Relating to Financing Activities	34	-	-
Sub-total of Cash Outflows	35	5,553,622.79	-
Net Cash Flows from Financing Activities	36	13,446,377.21	32,000,000.00
IV.Exchange Rate Change's Affect to the Cash	37	-29,230.94	-164,282.15
V.Net Increasing of Cash or Cash Equivalents	38	3,879,394.84	619,298.31
VI.Opening Balance of Cash or Cash Equivalents	39	1,283,253.66	663,955.35
VII.Closing Balance of Cash or Cash Equivalents	40	5,162,648.50	1,283,253.66

Statement Of Changes In Equity

Company: Ningbo Beida New Energy Science & Technology Co., Ltd.

31st. Dec. 2015

Currency:
RMB

ITEMS		LINE	Previous amount							equity belong to parent company's shareholders'	Sub Total	Equity belong to minority shareholders	Last closing balance	TOTAL Owner/Shareholders' Equity
			Share capital	Capital Reserves	Less: Treasury Stock	Surplus Reserve	General Risks Reserve	Retained Earnings	Others					
I Previous Closing Balance			1	5,000,000.00	-	-	-	-	-13,584,983.89	-	-8,584,983.89	-	-	-8,584,983.89
II Add/Changes in Accounting Policies			2											
Previous correction			3											
III Beginning Balance for Current Year			4	5,000,000.00	-	-	-	-	-10,778,470.12		-10,778,470.12			-10,778,470.12
III.1 Increase or Decrease of the amount for Current Year (Increase expressed with "+")			5	5,000,000.00	27,000,000.00	-	-	-	-24,363,454.01	-	-19,363,454.01	-	-	-19,363,454.01
(II) Net Profit			6						-2,320,314.77	-	29,679,485.23			29,679,485.23
(II.1) Profits and Losses Directly into the Owner's Equity			7	-	-	-	-	-	-2,320,314.77	-	-2,320,314.77	-	-	-2,320,314.77
1. Net Change on Fair Value of Financial Assets Available-for-sale			8											
2. The Impact of Changes of the Owner's Equity of the Invested Companies under the Equity Method			9											
3. The Income Tax Impact Related to the Items Included in Owner's Equity			10											
4. Others			11											
Subtotal of (II) and (II.1)			12	-	-	-	-	-	-2,320,314.77	-	-2,320,314.77	-	-	-2,320,314.77
(III) The Capital Invested and Reduced by the Owners			13	5,000,000.00	27,000,000.00	-	-	-	-	-	32,000,000.00	-	-	32,000,000.00
1. The Capital Invested by the Owners			14	5,000,000.00	27,000,000.00						32,000,000.00			32,000,000.00
2. The Amount of the Shares Pledged Included in the Owner's Equity			15											
3. Others			16											
(IV) Profit Distribution			17	-	-	-	-	-	-	-	-	-	-	-
1. Surplus Reserve Extraction			18				-	-	-	-	-	-	-	-
2. Extraction of the Provision of General Risks			19				-	-	-	-	-	-	-	-
3. Distribution to Owners/Shareholders			20				-	-	-	-	-	-	-	-
4. Others			21				-	-	-	-	-	-	-	-
(V) Internal Gains Forward of the Owners' Equity			22	-	-	-	-	-	-	-	-	-	-	-
1. Capital Surplus to Capital/Equity			23				-	-	-	-	-	-	-	-
2. Surplus Reserve to Capital/Equity			24				-	-	-	-	-	-	-	-
3. Surplus Reserve made up for losses			25				-	-	-	-	-	-	-	-
4. Others			26				-	-	-	-	-	-	-	-
Closing Balance for Current Year			27	10,000,000.00	27,000,000.00	-	-	-	-26,681,968.78	-	10,316,031.22	-	-	10,316,031.22

Ningbo Beida New Energy Science & Technology Co., Ltd.

Notes to financial statement for 2015 year

1. Background of Company

Ningbo Beida New Energy Science & Technology Co., Ltd. ("the Company") is invested by Ningbo Beida Hose Manufacturing Co., Ltd., Huang Yuyun, Qiu Yanhong, and Zheng Guoan. The Company exchanged its Legal Entity Business License with unified social credit code No. 913302006982407342 issued by Ningbo Administration for Industry and Commerce on 12 January 2017. The Company was established on 19 January 2010 and the legal representative is Zeng Hong. Company Type: joint stock limited company (unlisted). Address: RYuxie Village Hengxi Town Yinzhou District, Ningbo. The registered capital of the Company is RMB 10,000,000.00.

Business scope: research and development, manufacturing and processing of solar cell module; design, installation and maintenance of solar photovoltaic project; manufacturing and processing of solar photovoltaic inverter, self-operating or acting as agents for import and export of goods and technologies, excluding goods and technologies restricted or prohibited operation or import and export by government.

2. Instructions on situations at variance with accounting premise

There is no situation at variance with accounting premise.

3. Accounting premise following declaration

The financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), and present fairly, in all material respects.

4. Significant accounting policies

4.1 Accounting standard and accounting system

The Company adopts International Financial Reporting Standards (IFRS).

4.2 Accounting year

The accounting year of the Company is from 1 January to 31 December.

4.3 Reporting currency

The accounting currency of the company is Renminbi (RMB).

4.4 Basis of accounting

Accrual basis, assets are recorded at actual cost when they are acquired. When the assets recorded at actual cost, after that it happened decrease in value, should be accrual the corresponding impairment according to the enterprises accounting system.

4.5 Foreign currency transactions

The Company's reporting currency is the Renminbi ("Rmb"). Foreign currency transactions are translated into the reporting currency at the exchange rates quoted by the People's Bank of China prevailing on the beginning of current month. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are restated into the reporting currency using the exchange rates at that date. The exchange gains or losses are dealt as financial expenses for the year.

4.6 Cash equivalents

Cash equivalents represent short term (usually refer to within 3 months from the purchasing date), highly liquid investments which are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

4.7 Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present

Trade and other receivables are presented as current assets unless payment is not due within 12 months from the reporting date.

4.8 Inventories

Inventories mainly include materials in transit, finished good.

Inventories are accounted for using the actual costing method. In determining the cost of inventories transferred out or issued for use, the actual costs are determined by method of individual means.

4.9 Fixed assets

Fixed assets refer to buildings, plant and other equipment related to the production and operation of the company with useful lives of over one year.

Fixed assets are recorded at costs on acquisition. Depreciation is calculated with the straight-line method.

The depreciation rates are as follows:

Category of fixed assets	Estimated residual value	Useful life	Annual depreciation rate
buildings	5%	20	4.75%
machinery	5%	10	9.50%
transportation equipment,	5%	4	23.75%
Office and electronic equipment	5%	3	31.67%

4.10 Intangible Assets

Intangible assets refer to land tenure, industrial property and goodwill, ect related to the production and operation of the company without physical form non-monetary lont-term assets.

Intangible Assets are recorded at costs on acquisition. Depreciation is calculated with the straight-line method.

4.11 Trade payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

4.12 Revenue recognition

Revenue from the sales of goods is recognized when significant risks and rewards of ownership of the goods have been transferred to the buyer, the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control the goods sold, and it is probable that the economic benefit associated with the transaction will flow to the company and the relevant amount of revenue and costs can be measured reliably.

Revenue from provision of services is recognized when the services is provided and finished within 1 year and the revenue is received or the evidence of the receipt of the revenue is obtained. And on the basis of percentage of completion, the revenue is recognized when the total amount of the contract, the percentage of completion, the cost occurred and the cost occurred in the future can be measured reliably, and at the same time, the economic benefit associated with the transaction will flow into the company.

4.13 Income tax

The Company adopt tax payable method

5. Tax rate:

Items	Rate%	Calculation Base
Value-added tax	17%	VAT payable
Corporate income tax	25%	The taxable corporate income
City and Construction fee	7%	The circulation tax
Education surcharge (including local)	3%	The circulation tax
Local education surcharge	2%	The circulation tax
River management fee	1%	The circulation tax

6. Notes to financial statement

6.1 Intangible Assets

Items	Opening Balance	Increase	Amortization	Closing balance
software	19,003.25		7,591.00	11,412.25
patent	717,799.12	1,871,494.66	206,665.85	2,382,627.93
Total	736,802.37	1,871,494.66	214,256.85	2,394,040.18

6.2 Tangible assets

(1) Fixed assets

Original value

Fixed assets	Opening Balance	Increase	Decrease	Closing balance
buildings	429,250.00			429,250.00
machinery	13,907,605.84	1,291,929.92		15,199,535.76
transportation equipment,	1,029,894.00			1,029,894.00
Office and electronic equipment	173,951.90	19,905.98		193,857.88
Total	15,540,701.74	1,311,835.90		16,852,537.64

Depreciation

Fixed assets	Opening Balance	Increase	Decrease	Closing balance
buildings	73,290.76	20,389.44		93,680.20
machinery	3,664,340.32	1,404,589.23		5,068,929.55
transportation equipment,	978,399.30			978,399.30
Office and electronic equipment	120,468.29	40,296.67		160,764.96
Total	4,836,498.67	1,465,275.34		6,301,774.01

(2) construction in process

Items	Opening Balance	Increase	Amortization	Closing balance
construction project	85,125.00	1,181.00		86,306.00
installation project	2,213,894.87	1,116,813.43		3,330,708.30
Total	2,299,019.87	1,117,994.43		3,417,014.30

(3) Deferred Assets

Items	Opening Balance	Increase	Amortization	Closing balance
Decoration fees	122,480.63		27,731.46	94,749.17
Total	122,480.63		27,731.46	94,749.17

6.3 Inventories

	Closing balance
Items	

	Closing balance	Provision for inventories
raw material	588,091.98	
Finished goods	2,014,707.30	
producing cost	3,241,962.07	
Total	5,844,761.35	

6.4 Trade and other receivables

(1) Account aging analysis

Account aging	Closing balance			
	Closing balance	Proportion%	Bad debt provisions proportion (%)	Bad debt provisions
Within 1 year	47,029,878.90	83.59%		
1-2 years	6,968,253.38	12.38%		
2-3 years	1,265,495.90	2.25%		
Over 3 years	1,000,949.93	1.78%	71.53%	715,971.30
Total	56,264,578.11	100.00%		715,971.30

(2) Major clients

Name of company	Amounts	Proportion%
Italy E NOVASOLAR SRL	614,660.72	1.09%
Kunshan Solar-Key Technology Co., Ltd.	216,560.31	0.39%
Bank acceptance bill	1,330,000.00	2.36%
Ningbo Jinrui Machinery Co., Ltd.	13,000,000.00	23.11%
Total	15,161,221.03	26.95%

6.5 Cash and Cash equivalent

Item	Closing balance		
	Currency amount	Exchange rate	RMB
Cash on hand	1,927.88		1,927.88
CNY	1,927.88	1	1,927.88
Bank deposits			5,160,720.62

CNY	5,160,720.62	1	5,160,720.62
USD			
EURO			
Total			5,162,648.50

6.6 Share capital

Name of company	Opening Balance	Inrease	Decrease	Closing balance
Ningbo Beida Hose Manufacturing Co., Ltd.	8,000,000.00			8,000,000.00
Huang Yuyun	1,400,000.00			1,400,000.00
Qiu Yanhong	300,000.00			300,000.00
Zheng Guoan.	300,000.00			300,000.00
Total	10,000,000.00			10,000,000.00

6.7 Capital reserve

Items	Opening balance	Increase	Decrease	Closing balance
capital premium	27,000,000.00			27,000,000.00
Total	27,000,000.00			27,000,000.00

6.8 Undistributed profit

项 目	金 额
1.Closing undistributed profit for previous year	-26,683,968.78
Add: : Major accounting errors	
Other adjustment factors	531,788.77
2.Opening undistributed profit	-26,152,180.01
3.Profits for the year	-5,761,816.74
4.Profit distribution	
Included: Surplus reserves extraction	
The owners (shareholders) distribution	
Other decrease	
5. Closing undistributed profit	-31,913,996.75

6.9 Financial liabilities

Items	Opening balance	Increase	Decrease	Closing balance
Bank loan		19,000,000.00	5,000,000.00	14,000,000.00
Total		19,000,000.00	5,000,000.00	14,000,000.00

6.10 Trade payables

(1) Account aging analysis

Account aging	Closing balance	
	Closing balance	Proportion%
Within 1 year	18,315,677.47	72.48%
1-2 years	6,782,633.53	26.84%
2-3 years	169,950.00	0.67%
Total	25,268,261.00	100.00%

(2) Major clients

Name of company	Amounts	Proportion%
Ningbo Weikete Solar Technology Co. Ltd.	71,671.00	0.28%
Salary	1,032,493.60	4.09%
Notes payable	9,800,000.00	38.78%
Total	10,904,164.60	43.15%

6.11 Other liabilities

(1) Account aging analysis

Account aging	Closing balance	
	Closing balance	Proportion%
Within 1 year	37,254,319.69	96.37%
1-2 years	1,404,000.00	3.63%
Total	38,658,319.69	100.00%

(2) Major clients

Name of company	Amounts	Proportion%
Changzhou Demo-Solar Technology Co., Ltd.	422,950.00	1.09%
Ningbo Fusile Machinery Manufacturing Co., Ltd.	2,760,194.09	7.14%
Total	3,183,144.09	8.23%

6.12 Revenue

Items	Amounts
Sale revenue	17,903,426.68
Gross profit	17,903,426.68

6.13 Other operating income

Primary items	Amounts
Processing income	645,576.92
government subsidiaries	542,963.80
unpayable debts	
Sell junk	28,950.00
Total	1,217,490.72

6.14 Other operating expenses

¥ 4,709,170.77

Primary items	Amounts
transportation	23,706.89
consultation	2,500.00
Administrative expenses	166,889.84
Vehicle expenses	23,031.88
R&D	703,290.50
Appraisal fee	94,339.62
Rental	1,628,200.00

7. Significant events

7.1 Contingent events

No important contingencies to be stated.

7.2 Commitments

No important commitments to be stated.

7.3 Post balance sheet events

No significant unadjusted post balance sheet events to be stated.

7.4 Other significant events

No other significant events to be stated.

Ningbo Beida New Energy Science & Technology Co., Ltd.

20 May 2017



营业执照

统一社会信用代码 913101137561196850

证照编号 13000000201611230267

名称 上海诚汇会计师事务所有限公司
类型 有限责任公司(国内合资)
住所 上海市宝山区杨泰路 386 号 C-78

法定代表人 张德华

注册资本 人民币 30.0000 万元整

成立日期 2003 年 11 月 11 日

营业期限 2003 年 11 月 11 日至 2033 年 11 月 10 日

经营范围 审查企业会计报表、出具审计报告；验证企业资本、出具验资报告；办理企业合并、分立、清算事宜中的审计业务、出具有关的报告；办理法律、行政法规规定的其他审计业务；出具相应的审计报告；担任会计顾问、提供会计、财务、税务和其他经济管理咨询；投资咨询；企业登记代理。

【依法须经批准的项目，经相关部门批准后方可开展经营活动】



登记机关



2016 年 11 月 23 日