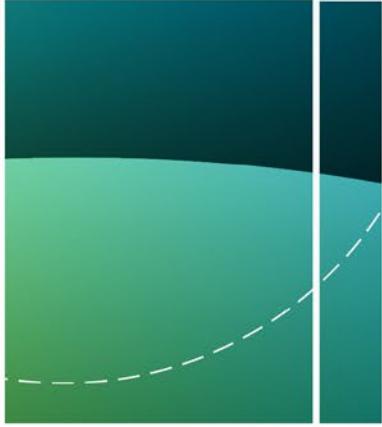


ANNUAL **REPORT** 2015





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for the year ended 31 December 2015

1.

SELECTED FINANCIAL INDICATORS

(Only EKOL, spol. s r.o.)

Indicator (CZK '000)	2015	2014	2013
Production and sale of goods	817,374	587,612	1,207,045
Of which: Sales	894,077	618,666	1,037,632
Purchased consumables and services	721,101	486,430	991,395
Added value	96,273	101,182	215,650
Net profit	25,591	4,479	49,597
Total assets	1,210,126	855,534	1,176,761
Current assets	993,007	619,435	921,608
Liabilities	431,166	229,015	476,525
Equity	634,387	608,732	620,899

Development of Basic Indicators in the 24 Years of the Company's History (Consolidated Data)

Indicator (CZK '000)	1996	2001	2008	2015
Number of employees	48	129	246	299
Turnover	218,749	737,501	1,063,427	1,024,401
Profit	23,044	79,837	30,575	15,209
Equity	34,827	258,536	519,160	875,957
Total assets	114,448	581,504	1,108,466	1,437,712

2.

**COMMENTARY
OF THE GENERAL
MANAGER**

Dear Ladies and Gentlemen,

In 2015, a strategic partner, ShaanGu, entered EKOL by taking over a 75% equity investment in the Company. This entry brings possibilities to participate in deliveries to the Chinese market. So far, they include three steam turbines for driving compressors, but it is expected that the Company will also be able to take part in the maintenance, renovations and modernisations of steam turbines in China.

In 2015, the Company started the UNIFICATION programme for steam turbines for mechanical drives, specifically with an output range up to 70 MW. Our intention is to create a range of turbines to be delivered primarily to China. In Europe, the market of power engineering products unfortunately continues to

stagnate. In the area of steam turbines, even the traditionally good Polish market has slowed down. In terms of industrial boilers, the Company completed orders focused on the decrease in emissions, especially in Romania and the Czech Republic. The Company focused on EPC projects in the area of the power industry, especially biomass incineration. In this area, the investors' decision times for initiating investments have become longer, but the market in Croatia has now recovered and we expect to build at least one biomass power plant there. Additionally, the market in Poland is opening and its development is supported by new legislation. Business activities in Ukraine and South America are expanding.

In 2015, the Company did

not manage to achieve the planned turnover and profit. Nevertheless, the Company ended the year with a profit. It is necessary to continue lowering production costs in all areas of pre-production as well as production. The same applies for business activities, where things need to be done with more initiative and more aggressively.

I would like to thank all business partners and employees for their cooperation in the previous year. I wish you all success in your personal and professional lives.

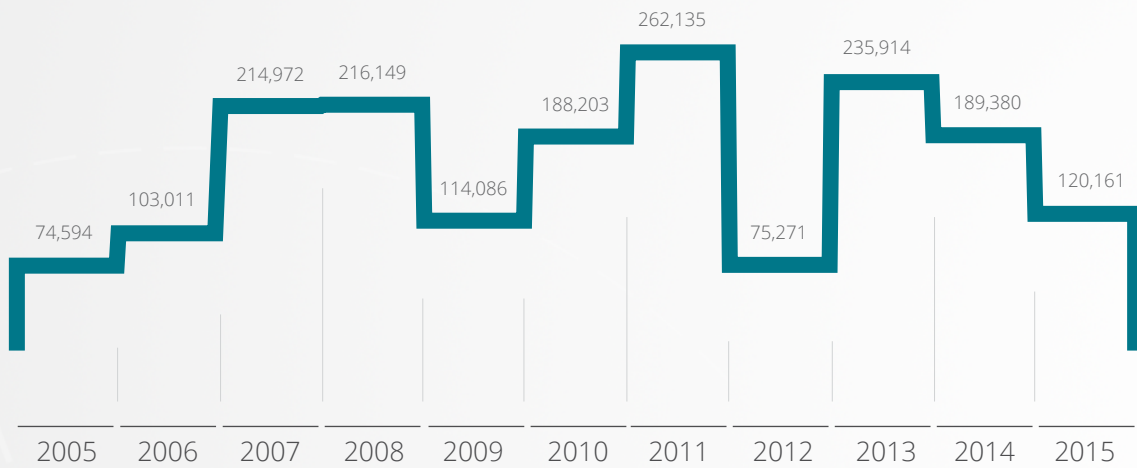
Jaromír Kříž
General Manager

3.

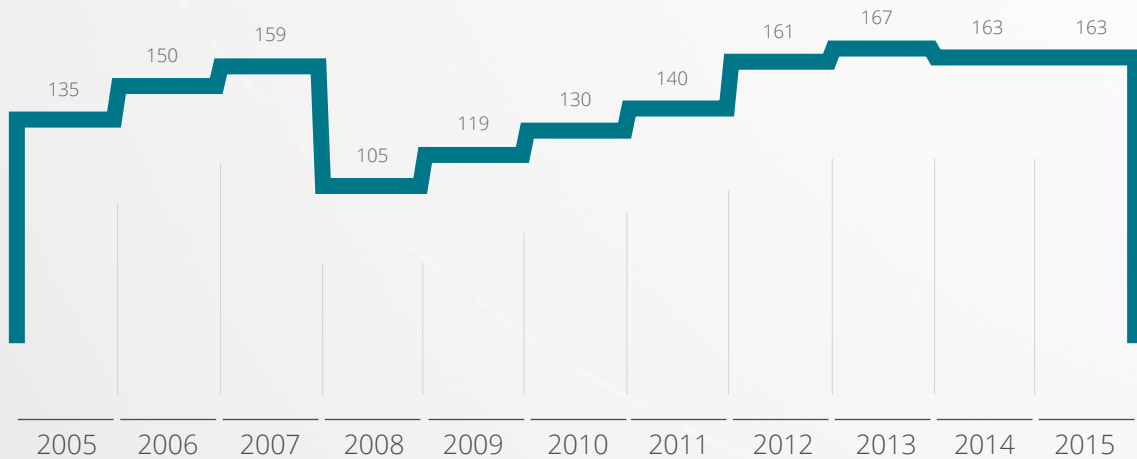
DEVELOPMENT IN 2005 - 2015

(Only EKOL, spol. s r.o.)

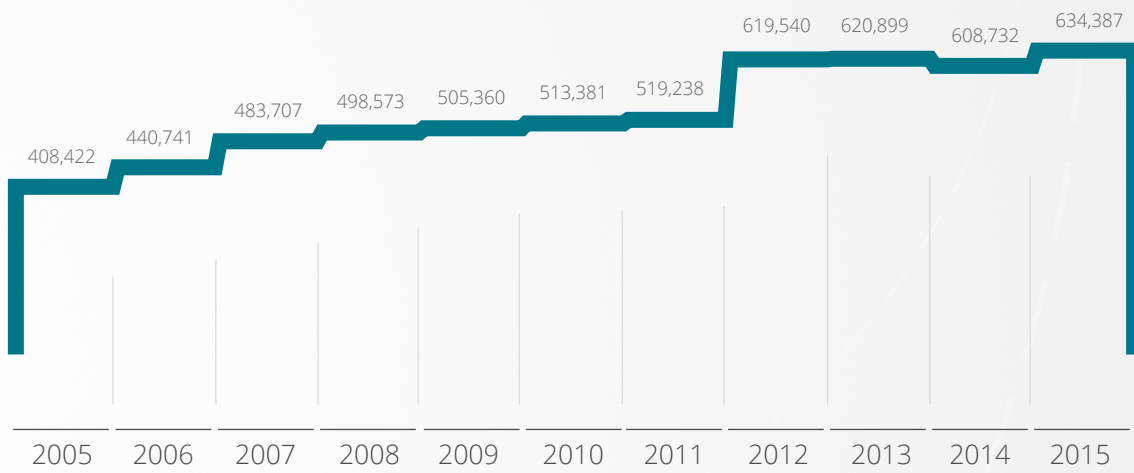
Inventory Including Work in Progress (CZK '000)



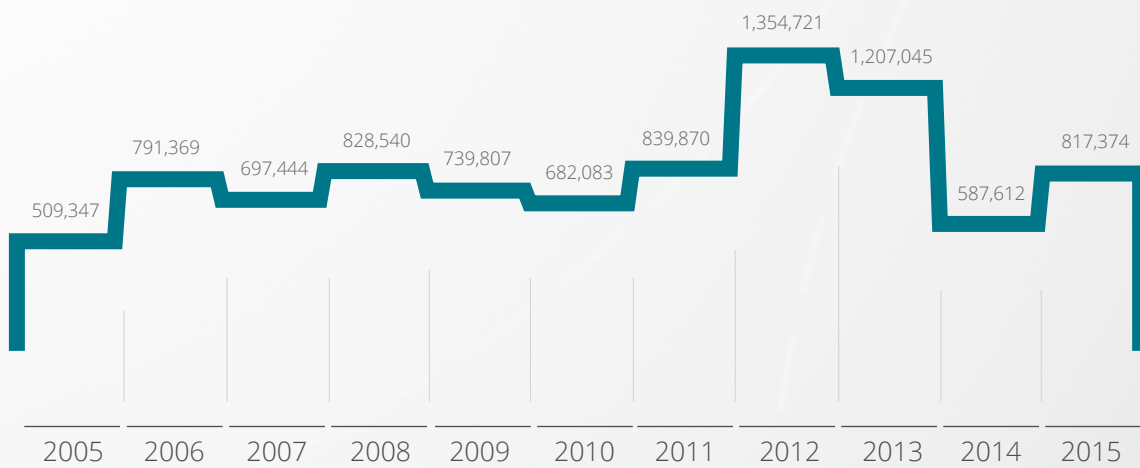
Average Number of Employees



Equity (CZK '000)



Production and Sale of Goods (CZK '000)



4.

COMMENTARY OF THE FINANCIAL MANAGER



Dear Business Partners,

2015 was a historical milestone for EKOL, as it turned from a purely Czech company into a company with a foreign majority owner. This long-term process was completed in the middle of the year and EKOL was formally taken over by the Chinese company ShaanGu.

However, the past year was also a year of unmet financial expectations. The Company's turnover may be higher than in the previous period, but it is still below the level of 2012 or 2013. Although we achieved higher turnover and a lower absolute amount of overhead costs, their proportion is still high. The Company achieved profit, but this was caused by the tax effect of research and development performed in 2011-2013 that had a retrospective impact this year. Without this influence,

the Company is in deep loss primarily for the following reasons:

- Continued war in countries where the Company's deliveries were concentrated in previous years and which were not replaced by new markets;
- Inability to keep the planned order calculations due to internal (production and pre-production efficiency, planning, technical changes) as well as external factors (market changes, a highly competitive environment where price is often the only deciding factor with no regard to the quality of the supply);
- Lower support of export from the state, restrictions and the impossibility of export financing in countries such as Ukraine, Russia or Iran; and
- Ancillary costs related to the entry of the new owner.

Usually we cannot affect the external influences, thus we have no option but to adapt to them and make better use of opportunities than the competition. In the internal areas, we still have a lot of work to do.

The expectations for the future are considerable, but achievable. One of the key factors of our success will certainly be integration with our strategic partner. EKOL and ShaanGu want to continue to develop their activities, mutually supplement their product portfolios and profit from their cooperation in taking over new territories of the global market. One of the aims and means of improvement of the Company's current financial situation is the endeavour to expand the supplies of EPC projects worldwide.

Dear business partners, I would like to thank you on behalf of the Company for your cooperation in previous years, and I hope that we will be able to continue to cooperate on your investment projects. To conclude my commentary, I would like to offer sincere thanks to all employees of the EKOL group for their work and wish them success in their personal and professional lives.

Václav Heža
Financial Manager

5.

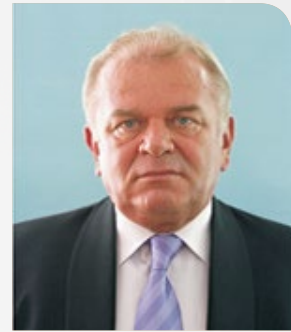
**COMPANY
MANAGEMENT**



Jan Saňka



Martin Fotr



Vratislav Goj



Zdeno Pozorčíak



Václav Janišťin



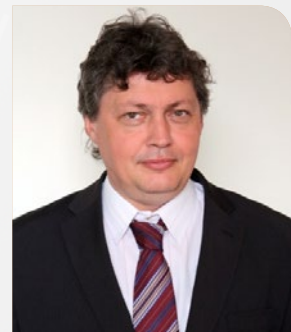
Miloš Vavříčka



Bohumil Krška



Zdeněk Smejkal



Jiří Bedáň

6.

ORGANISATIONAL STRUCTURE OF THE COMPANY

MANAGEMENT OF EKOL, spol. s r. o.

Jaromír Kříž – General Manager
Stanislav Veselý – Statutory Executive
Jiang Guodong – Statutory Executive

Technical Department

Jan Saňka
 – Director –

Divisions

Steam Turbine Division - Sales

Jiří Bedáň
 – Director –

Gas Turbine Division

Václav Janišťin
 – Director –

Technical Service Division

Bohumil Krška
 – Director –

Boiler Division

Miloš Vavříčka
 – Director –

Automation & Control Division

Zdeněk Smejkal
 – Director –

Financial Department

Václav Heža
 – Financial Manager –
Martin Fotr
 – Chief Economist –

Subsidiaries

EKOL energo s. r. o.

Brno
 – 100% equity investment –

AEZ, s. r. o.

Brno
 – 100% equity investment –

EKOL GmbH *

Berlin
 – 70% equity investment –

EKOL, spol. s r. o. Martin

Martin
 – 100% equity investment –

ETE OOO *

S. Peterburg, Russia
 – 33% equity investment –

EKOL TURBO a. s.

Brno
 – 100% po equity investment díl –

BIOVAL Rumunsko *

Valea lui Mihaj, Romania
 –99,9% equity investment –

POWER ELECTRIC

Bielsko Biala, Poland
 – 51% equity investment –

(*) not included in the consolidated group

In 2001, a permanent establishment was opened in Kazakhstan. The establishment is managed by Stanislav Parýzek.

7.

**COMPANY
PROFILE****I. GAS TURBINES**

EKOL purchases gas turbines for its deliveries for heat and power plant projects as well as individual supplies from world turbine manufacturers. Gas turbines are delivered to customers on a skid with an acoustic hood. The delivery also includes design, assembly and commissioning. For ensuring air supply in chemical plant technology, EKOL offers the EGT 700-8.5 gas turbine of its own design and manufacture.

**Repairs and Modernisation of Gas Turbines:**

■ **Increase in thermic efficiency and output:**

- Installation of regenerative tube heat exchangers
- Reconstruction of rotors and turbine blade carriers

■ **Increase in safety and decrease in the energy efficiency of operation:**

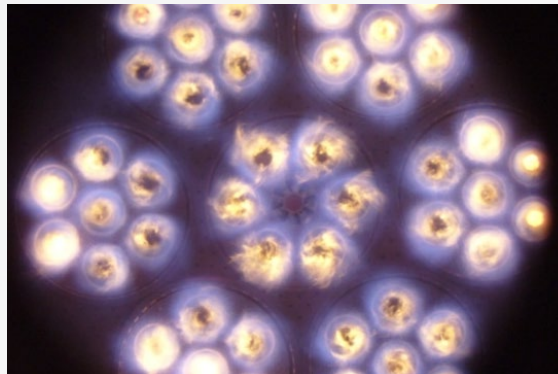
- Installation of an electronic control system
- Optimisation of lube oil cooling systems
- Optimisation of seal oil pumping systems

■ **Environmental protection:**

- Substantial reduction in NOx and CO emissions by reconstructing combustion chamber burners
- Supply of an electrical starting device system (complete removal of methane emissions)
- Substantial reduction in oil vapour leakage by reconstructing the oil system
- Reduction in noise emissions by installing noise suppressors and acoustic hoods

Gas Turbine Spare Parts and Accessories:

- Manufacture of spare parts for repairs and reconstruction of old turbine types
- Design and manufacture of turbine accessories (intake and exhaust tracts, combustion chambers, regenerative exchangers, control systems, oil systems etc)
- Supply of fuel amount preparation and control systems for gas turbines



7.1.

II. STEAM TURBINES

Supplies of new steam turbines of own design including accessories, or of the entire turbine hall as requested by the customer. Cooperation with customers in designing the project and optimisation of the calculation of the turbine size and type based on the conditions at the customer's premises.



Technical Assistance, Approach to the Customer

Our goal is not only to implement projects based on the customer's requirements but also to actively cooperate with the customer during the proposal. We strive to provide the customer with a solution that will ensure the most economical operation.

Based on the customer's requirements, we offer technical solutions that optimise the parameters, turbine type, output and manner of operation. Optimisation is performed in connection with other technologies, namely the steam source

(steam boiler) and the heat and power demand. As part of the technical solution, the project economy is also assessed.

Steam Turbines - Power Output up to 60 MW for Generator Drive

Our turbine generators are supplied with back-pressure as well as condensing turbines. Depending on the customer's needs, the turbine generator can either be provided with controlled or non-controlled steam extraction.

The speed of turbines with lower outputs is up to 10,000 min⁻¹ and a gearbox is provided. Turbines with the highest outputs are directly coupled to a double-pole generator.

Steam Turbines - Power Output up to 60 MW for Mechanical Drives

The concept of turbines for driving compressors, pumps etc, is based on verified steam turbine solutions. The turbine speed is specified based on the demand of the driven machine.

The scope of supply complies with the customer's request, be it the supply of the turbine proper or the supply of the entire functioning whole.

Supply of Spare Parts

We supply spare parts for the entire power generating centre with steam turbines. We primarily supply steam turbine spare blades

(both rotor and stator blades); radial and thrust bearings; control system parts; oil system parts, etc.

Inspections and Assessment of Unit Condition and Life

We perform complete inspections of turbine generators from disassembly of the unit, measuring, assessment of the condition of the unit, inspection report, procurement of necessary

spare parts, repairs resulting from the inspection report, reassembly and re-commissioning of the unit.

Repairs

We provide both scheduled and emergency repairs of steam turbines of our own design as well as steam turbines made by other manufacturers. The scope of repairs encompasses everything

from standard repairs, including for example diagnostics, to general overhauls. We also perform repairs on all related turbine devices.

Retrofits to Achieve New Operational Parameters

At the operator's request for changing turbine operating parameters, we perform turbine modification encompassing the calculation and design of new blading and the modification of the turbine flow channel with optimisation to

the newly defined parameters. This concerns, for example, increase in the absorption capacity of the unit, increase or decrease in the extraction pressure, increase or decrease of steam quantity in the extraction system, etc.

Modernisation

We perform the modernisation of turbine generators in order to approximate them to the state-of-the-art technology (from replacement

of individual components, increase in efficiency to adjustment of demands for a fully automated operation).

Servicing and Repairs

The main activities include comprehensive services in power engineering. The basic principle is to provide the customer with the optimum operating version of the respective solution. The technologies currently preferred in the power industry are cogeneration and trigeneration; however, at the same time, conventional boiler technologies and heat exchanger stations are being upgraded and following the accession

to the EU there has been a boom in biomass technologies. In our business activities, we strive to follow the latest trends and thus offer comprehensive services in capital investment. Therefore, our division has extended its activity also to the building sector – especially the construction of industrial halls including technological equipment.

7.2.

III. POWER ENGINEERING UNITS

**Conceptual Decisions**

Preparation of technical-economic studies and analyses of co-generation and steam gas power plants.

Work Preparation

Preparation of all stages of the design documentation.

Work Implementation

Comprehensive EPC contract- or subcontract-based supplies of technology equipment.

Cogeneration Units

Supply of units with electric output from 10 to 5,000 kW, including all accessories.

Instrumentation and Control; Extraction of Electric Output

Supply of switchboards, cable lines, transformer stations.

7.3.

IV. BOILER DIVISION

7.3.1.

**7.3.1. BOILERS AND BOILER HOUSES
- COMPREHENSIVE DELIVERIES**

EKOL provides comprehensive **general steam, hot water and warm water boiler house / boiler supplies** using the following fuels as **energy sources**:

- Wood chips and wood waste
- Straw and biomass
- Bagasse
- Liquid and gaseous fuels
- Brown and bituminous coal
- Technological gases
- Waste heat (waste heat recovery boilers)
- Sludge from wastewater treatment plants

We offer the following range of general supplies:

- Design for building permission
- Boiler / boiler house planning and construction
- Manufacture including supervision as part of the Quality Assurance System
- Equipment supply and assembly
- Commissioning
- Warranty and after-warranty service

Steam boilers for power plants or heat & power plants combined with a steam turbine for combined power and heat generation are the key products of the boiler division.

7.3.2.

BOILER MODERNISATION AND ECOLOGISATION

We offer and perform modernisation and ecologisation of boilers for existing heat and power sources.

We provide the design and supply of supplementary heat exchanging surfaces of the existing equipment to improve their efficiency or modifications initiated by the change in the fuel base of the heat source.

7.3.3.

PARTIAL SUPPLIES / BOILER HOUSE AND BOILER ACCESSORIES

As part of the comprehensive or partial supplies of boiler houses, boilers and their accessories, we will design and implement the following supplies:

- Instrumentation and control (I&C)
- Condensate systems for steam boiler houses
- Devices for thermal liquidation of waste gases or liquids from technological processes
- Water, steam, hot water and warm water piping
- Heat exchanger plants
- Technology of thermal feed water treatment plants
- Storage tanks and expansion tanks

Through cooperation as part of our comprehensive supplies we also provide the design, delivery and assembly of:

- Boiler house fuel systems (both internal and external)
- Clinker removal
- Dust and soot collection
- Power circuit wirings
- I&C master systems for technological units including links to existing equipment
- Construction parts of final deliveries

7.3.4.

SUPPLIES OF SPARE PARTS

We **supply spare parts**:

- For our own boilers
- For boilers made by other manufacturers according to original or new documentation

V. TECHNICAL SERVICES DIVISION (TSD) - DESIGN OF STEAM AND GAS TURBINES

The TSD is primarily engaged in the design and optimisation of turbine equipment or the entire power plant heat cycle in line with the customer's requirements. As a process, the development from the customer's - often unique - requirement to the output in the form of production documentation, including the external output in the form of a protected internal activity output, is formed by and comprises specialised calculation and design units as well as activities of test technicians.

Turbine generators are designed not only to meet the

customer's requirements but also to optimise the entire heat cycle. This helps us shorten the payback period of initial investments and optimise the total amount of the initial investment.

At present, we are experiencing a considerable increase in requirements to shorten the delivery period for turbine generators, which can only be met with a high rate of unification. Following the involvement of a strategic partner, the activities of the unification group aimed at unifying and standardising individual steam turbine components have intensified.

Another area of EKOL's focus concerns the supply of complete power plants - known as the EPC projects - where the Company can make use of its potential in terms of heat cycle optimisation, the possibility to supply boilers and steam turbines of its own design, and its experience from reference projects.

EKOL's Technical Services Division is not only able to design steam turbines for generator drive (for generating power), but also turbines for driving other devices such as industrial compressors or pumps. These turbines primarily differ by the manner of operation and their design has its specifics.

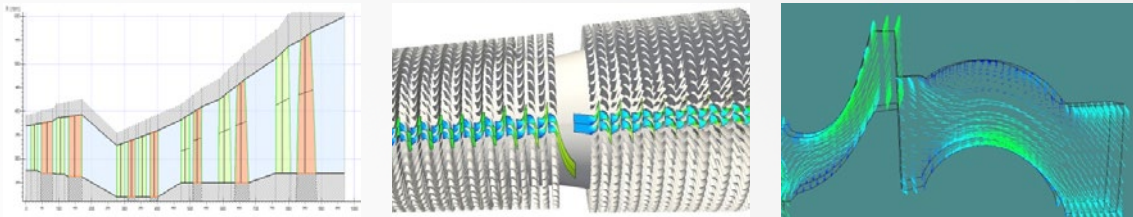
Range of Technical Parameters of EKOL Steam Turbines from the Perspective of Design:

Turbine types:	Back-pressure	- R
	Condensing	- K
	Extraction	- P, T, PP, PT, PR
Output classes:	1 - 4 - 6 - 10 - 15 - 20 - 25 - 30 - 40 - 50 - 60 MW	
Speed:	3,000 - 15,000 min ⁻¹	
Admission steam reference parameters:	3.5 MPa	435°C
	6.4 MPa	480°C
	9 MPa	535°C
	13 MPa	535°C

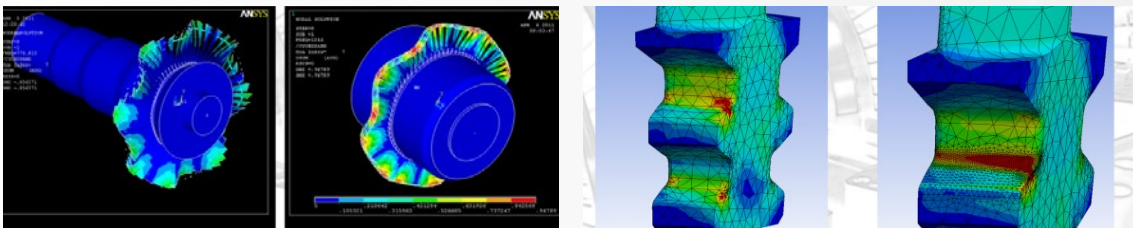
The employees of the TSD are able to tailor the turbine to the customer's needs so that it complies with the exacting assignment conditions or with the results of thorough analyses and the

optimisation of the entire operation. Prominent nodes are subject to meticulous calculations using the latest CAE and CAD software tools such as Ansys, Axcnt, Cosmosworks and Simulation.

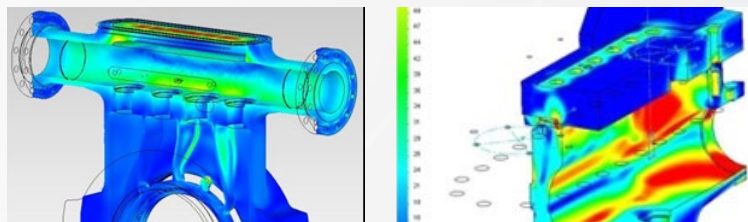
■ **Axcnt** is used for optimising the flow in the inter-blade channel and for optimising blade profiles



■ **Ansys** is primarily used as a tool for analysing components under heavy strain and boundary conditions such as the suspension of steam-turbine last-stage blades.



■ The **Cosmosworks** and Simulation software is used for basic design calculations such as the width of cast walls, joining material, pressure tests etc.



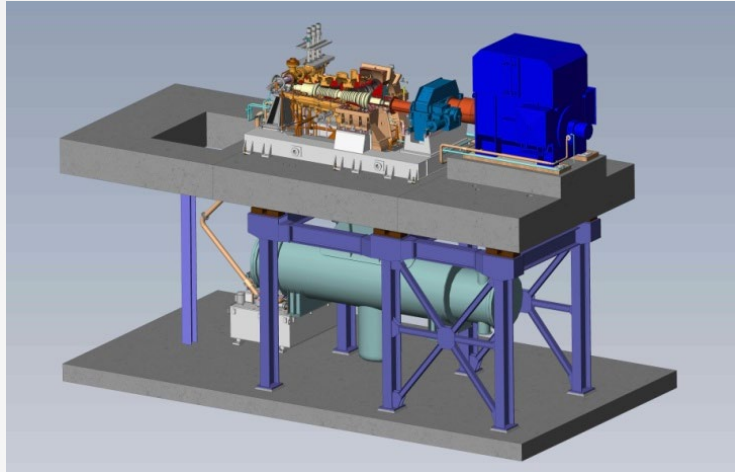
The TSD is primarily engaged in the design and optimisation of turbine equipment in line with the customer's requirements. As a process, the development

from the customer's - often unique - requirement to the output in the form of production documentation, including the external output in the form

of a protected internal activity output, is formed by and comprises specialised calculation and design units as well as activities of test technicians.

Among others, the Technical Services Division maintains a significant connection to other units and divisions of the Company:

- Manufacture and Assembly – responds to its needs and provides stimuli for increasing efficiency and fostering cooperation
- Sales Department – cooperation during proposal design and activities
- Servicing and Repairs – assessment of parameter values measured in turbines in operation and engineering activities as part of turbine servicing



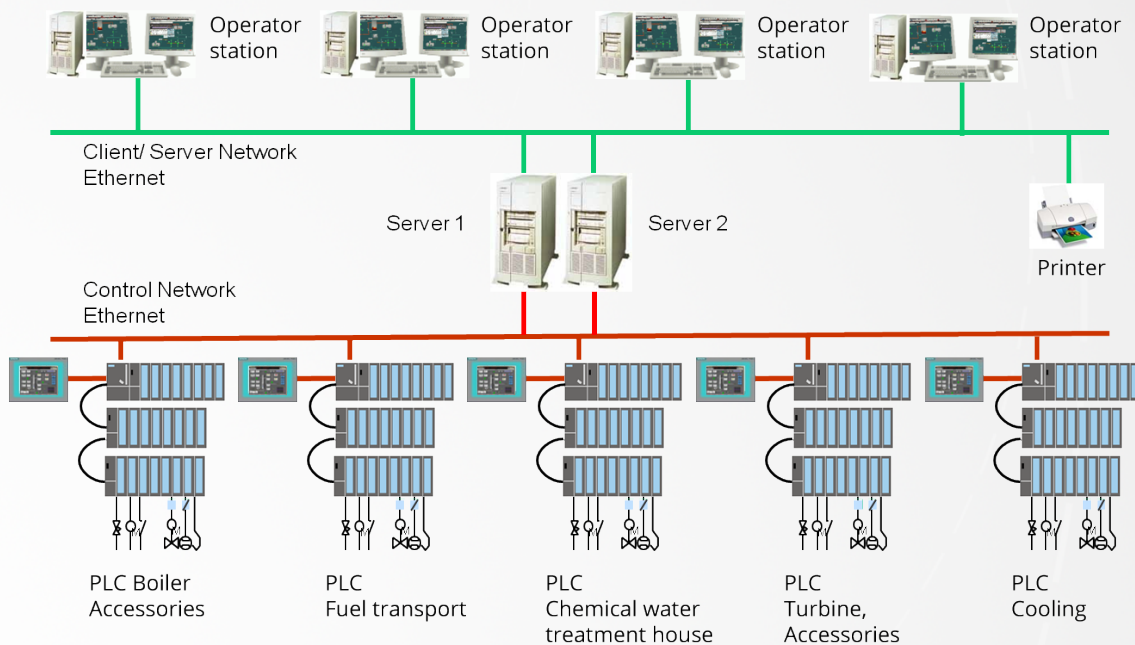
VI. AUTOMATION DEVICES DIVISION (ADD)

The ADD provides comprehensive supplies of automated technological process control systems for gas turbines, boilers and power plants.

The supplies and services include:

- | | |
|---|---|
| <ul style="list-style-type: none"> ■ Preparation of complete project documentation at the level of the implementing project; ■ Process instrumentation supplies; ■ Control and information system supplies; ■ Development of application SW; ■ Creating images of the technological process visualisation; | <ul style="list-style-type: none"> ■ Conducting tests (FAT, SAT); ■ Assembly and cabling supplies; ■ Commissioning; ■ Staff initial training; ■ Preparation of manuals and operating guidelines; and ■ Issue of documentation on the actual implementation. |
|---|---|

Configuration of the Power-Generating Unit Control System



Supporting Documentation for Instrumentation and Control

Creating I&C supporting documentation includes compiling lists of local as well as remote measurements and appliances, preparing design documentation for filling places on devices and linking pipes, and issuing production documentation including material breakdown. These documents constitute instructions for the production and ordering of technological components and for projects of associated professions (eg electricity related).



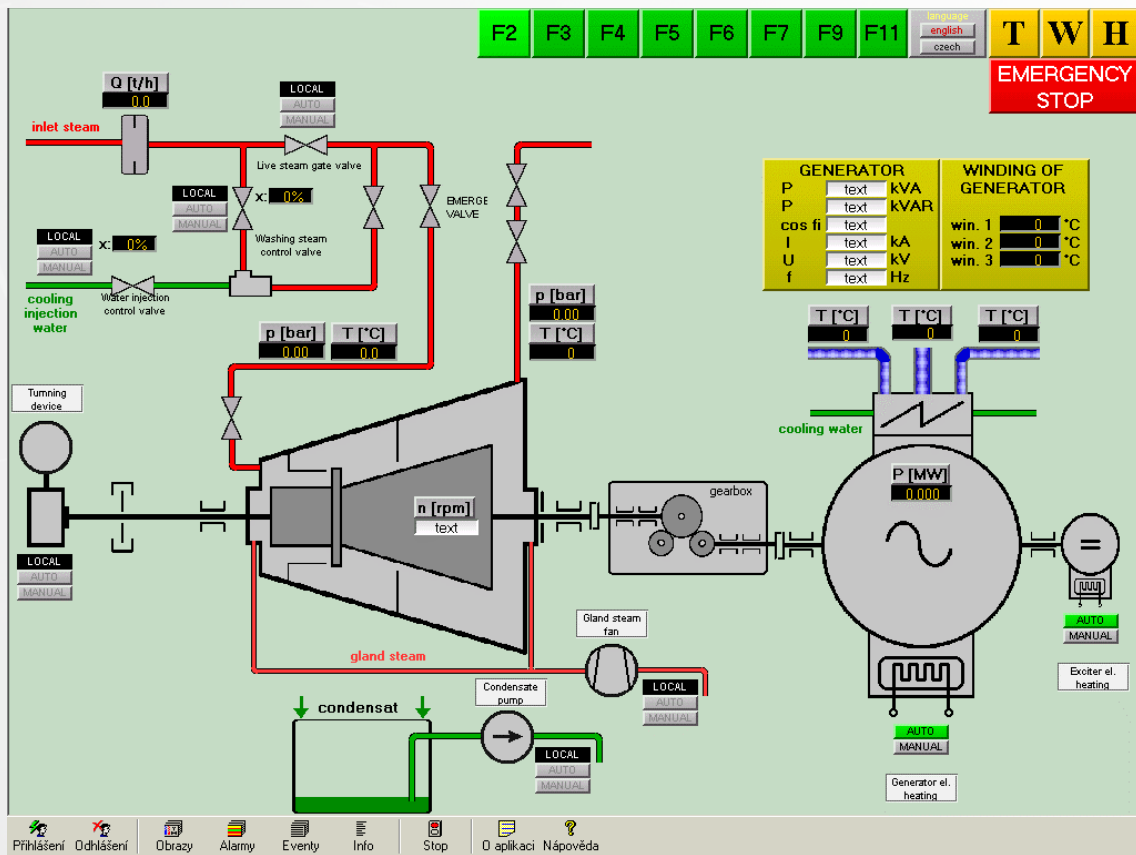
Project Documentation



Project documentation contains detailed specification of control systems, remote monitoring and visualisation of EKOL-manufactured and -supplied technological units. Based on this documentation, process instrumentation is ordered and supplied, control system switchboards including operator control panels produced and visualisation systems ordered. Based on cabling lists, I&C cabling is supplied, including cabling route components. Based on

wiring diagrams and screw terminal connection plans, cabling of process instrumentation and of all control system components supplied is performed. Additionally, all communication sequences are connected to the monitoring system, the visualisation process and other associated devices.

SW Creation and Commissioning



The ADD commissions EKOL steam turbines, gas turbines, boilers and power-generating units in terms of I&C and control systems including application SW, and creates visualisations on operator control panels and

information systems. It commissions and configures all process instrumentation and data transfer circuits, provides individual as well as operating tests of the control system and visualisation including the technological sup-

ply, prepares remote access to the control system for customer operating assistance and provides servicing and preventive checks of the devices operated.

Tools and Components Used

The standard software design tools include Solidworks, AutoCad, Me10 and MS Office. For designing control systems,

the Company uses EPLAN, AutoCad as well as MS Office. For controlling technological devices, the Company uses

products made by world-renowned manufacturers such as Siemens, ABB or another one at the customer's request.

8.

MAJOR CONTRACTS IN 2015

STEAM TURBINES AND HEAT & POWER PLANTS:

▪ **Lovochemie Lovosice, Czech Republic**

Assembly and completion of tests of a 25 MW condensing steam turbine with two controlled extractions.

▪ **ZUOK Białystok, Poland**

Assembly and completion of tests of a 9 MW condensing steam turbine for a waste incineration plant.

▪ **ZUO Szczecin, Poland**

Assembly and preparation for operation of a 15 MW condensing steam turbine.

▪ **Soda Inowroclaw, Poland**

Delivery and assembly of a 10.5 MW back-pressure condensing steam turbine with controlled extraction.

▪ **Bukóza Hencovce, Slovakia**

Renovation of a 25 MW steam turbine and HPH connection

▪ **MINGSHUI, China**

Design, construction and manufacture of two 25 MW condensing steam turbines for driving a compressor.

▪ **EL BRACHO, Argentina**

Basic design of a 2x30 MWe biomass heat and power plant.

▪ **Yantai, China**

Design initiation, construction and manufacture of a 8.9 MW condensing steam turbine for driving a compressor.

▪ **Etihad Food Industries - Babylon, Iraq**

Completion of putting in operation of a heat and power plant of a sugar refinery. EPC contract - two steam boilers with a steam output of 75 t/h each and two condensing turbines with an output of 10 MW each.

GAS TURBINES:

▪ **UZTASHKINEFTEGAZ Tashkent, Uzbekistan**

Delivery of seven sets of regenerative tube heat exchangers and heat recovery steam boilers for GT 750-6 gas turbines.

▪ **NET4GAS Praha, Czech Republic**

Repairs and renovation of GT 750-6 gas turbines, modernisation and renovation of the Kouřim compressor plant equipment.

▪ **ONTRAS Leipzig, Germany**

Repair of exhaust ducts and installation of a low-emission combustion chamber for a GT 750-6 gas turbine in the Sayda compressor plant.

▪ **LOVOCHEMIE Lovosice, Czech Republic**

Inspection of an ST1CH gas turbine.

▪ **HNOJIVÁ DUSLO Strážské, Slovakia**

Repair of an ST1CH gas turbine.

▪ **SYNTHESIA Semtín, Czech Republic**

Repair of an ST1CH gas turbine.

▪ **NĚVTURBOREST St. Petersburg, Russia**

Delivery of spare parts for a GTT-3PN gas turbine.

▪ **PROVIO TL, Ukraine**

Delivery of spare parts for a GT 750-6 gas turbine.

BOILER DIVISION:**▪ Synthesia Pardubice, Czech Republic**

Completion of delivery and putting into operation - 80 t/h steam boiler.

▪ Chimcomplex Borzesti, Romania

Completion of delivery and putting into operation – heat recovery steam generator (HRSG) behind a Kawasaki turbine.

▪ CET Oradea, Romania

Completion of installation of two hot water boilers with an output of 116.3 MWth each and a heat recovery steam generator with an output of 50 MWth.

▪ PRECHEZA Přerov, Czech Republic

Delivery and putting into operation – special heat recovery steam generator for a chemical plant.

▪ Shchekino Azot, Russian Federation

Delivery of feed pumps.

▪ Ščekino Azot, Russian Federation

Delivery of a 60 t/h steam boiler.

▪ Uzbekistan

Delivery of seven sets of heat recovery steam generators

9.

MAJOR CONTRACTS IN 2016

STEAM TURBINES AND HEAT & POWER PLANTS:

- **ZUOK Białystok, Poland**

Completion of tests and hand-over of a 9 MW condensing steam turbine for a waste incineration plant.

- **ZUO Szczecin, Poland**

Completion of tests and putting into operation of a 15 MW condensing steam turbine.

- **Soda Inowrocław, Poland**

Completion of assembly and putting into operation of a 10.5 MW back-pressure steam condensing controlled extraction turbine.

- **ShchekinoAzot, Russia**

Completion of production, dispatch and start of assembly of a 2.4 condensing steam turbine for driving a feed pump.

- **MINGSHUI, China**

Dispatch, assembly and putting into operation of two 25 MW condensing steam turbines for driving a compressor.

- **KPRIA**

Delivery of a 25MW condensing steam turbine with controlled extraction.

- **EL BRACHO, Argentina**

Front End Design of a 2x30 MWe biomass heat and power plant.

- **YANTAI, China**

Completion of production, dispatch and start of assembly of a 8.9 MW condensing steam turbine for driving a compressor.

- **BPI, Croatia**

Project and start of construction of two 5.6 MWe biomass power plants.

GAS TURBINES:

- **NET4GAS Praha, Czech Republic**

Repairs and renovation of GT 750-6 gas turbines of the Břeclav compressor plant, modernization and renovation of incineration chambers and delivery of spare parts.

- **LANCASTER SUPPLIES EUROPE, Ukraine**

Delivery of spare parts for GT 750-6 gas turbines.

- **LUTEBA LTD, Uzbekistan**

Delivery of spare parts for GT 750-6 gas turbines.

- **LOVOCHEMIE Lovosice, Czech Republic**

Overhaul of compressors of ST1CH gas turbines.

- **EUSTREAM Bratislava, Slovakia**

Repairs GT 750-6 gas turbines in the Velké Kapušany compressor plant.

BOILER DIVISION:**▪ CET Oradea, Romania**

Completion of installation and putting into operation of two hot water boilers with an output of 116.3 MWth each and a heat recovery steam generator with an output of 50 MWth.

▪ Shchekino Azot, Russian Federation

Completion of the delivery of feed pumps.

▪ Shchekino Azot, Russian Federation

delivery and putting into operation a 60 t/h steam boiler.

▪ ESIIC - Egypt

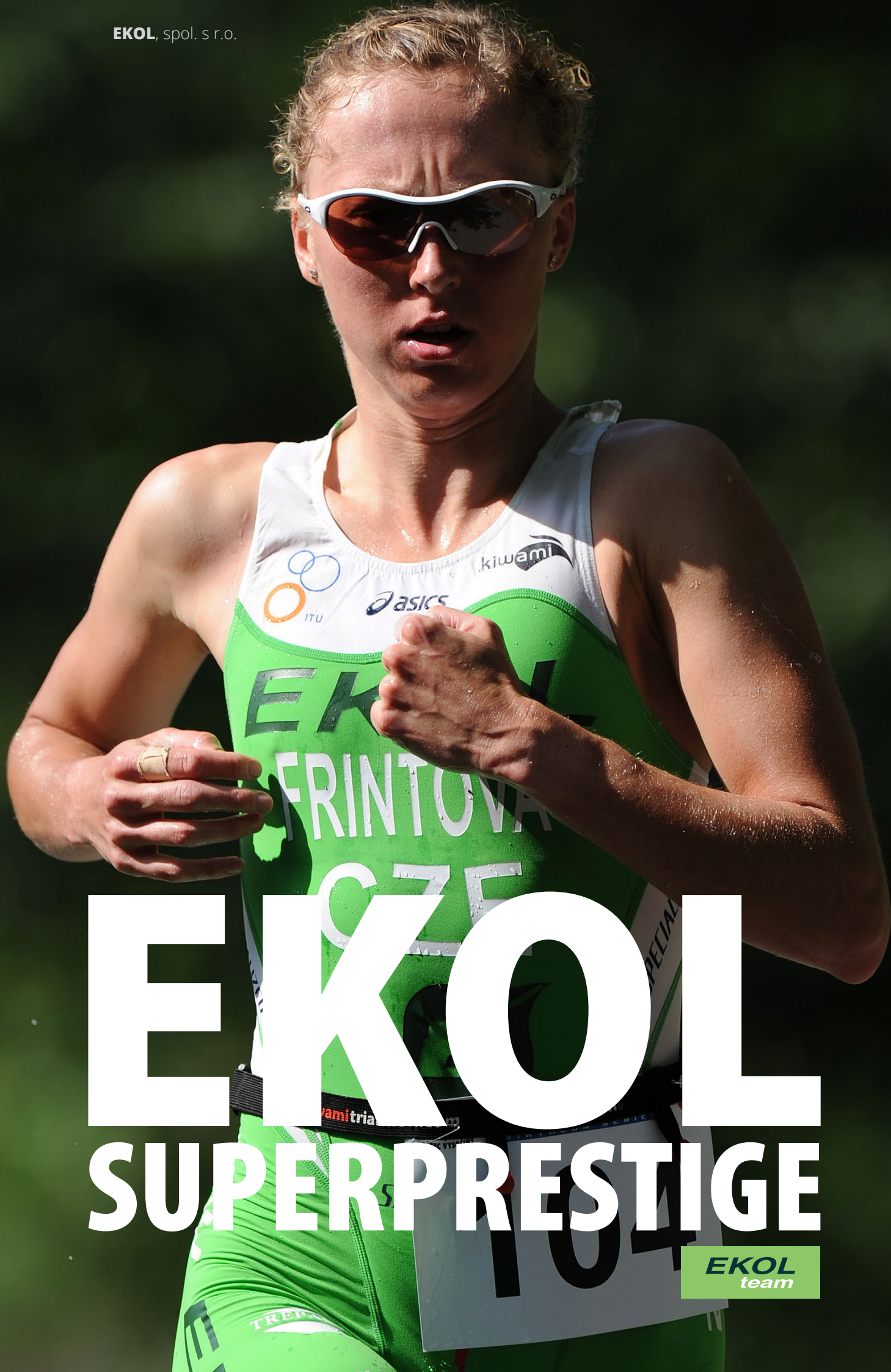
Delivery and putting into operation fuel lines for steam boilers.

▪ ESIIC - Egypt

Delivery and putting into operation fans for steam boilers.

▪ ESIIC - Egypt

Delivery and putting into operation sootblowers for steam boilers.



EKOL

SUPERPRESTIGE

EKOL
team

BACK IN 1997

EKOL, spol. s r.o. became involved in one of the most progressive sports – the triathlon.

The EKOL SUPERPRESTIGE race held in Brno has always been part of the elite category of triathlon events; **it was included in the World Triathlon Series three times and it was a race of the European Cup six times.**

Filip Ospalý

The only European Triathlon champion from the Czech Republic

European Triathlon champion
Two-times European Triathlon runner-up
Three-times World Cup winner
Three-times University World Champion



Vendula Frintová

The only European Triathlon vicechampion from the Czech Republic

European Triathlon vicechampion
U23 European Champion
Two-times silver medalist from U23 World Championship
Winner of a World Cup event

Radka Vodičková

The only absolute winner of the European Cup series from the Czech Republic

Sixth place from European Championship
European Duathlon Champion
Absolute winner of the European Cup series



Lukáš Kočar

The winner of the European Junior Cup

Sixth place from World Youth Games
Third place from the University World Championship

10.

APPROVAL CERTIFICATES ISO 9001 : 2000

BUREAU VERITAS Certification

Certifikát
udělený organizaci

EKOL, spol. s r.o.
Sídlo společnosti: Brno, Křenová 65, PSČ 602 00
Česká republika

Tento je certifikát pro více lokalit, uplatněný je v příloze certifikátu

Bureau Veritas tímto osvědčuje, že systém managementu výše uvedené organizace byl posouzen a shledán ve shodě s požadavky následující systémové normy:

Norma
ČSN OHSAS 18001:2008

Oblast certifikace

VÝVOJ, PROJEKTOVÁNÍ, KONSTRUKCE, VÝPOČTY, PROVOZNI A PŘEDÁVACÍ ZKOUŠKY PARNÍCH TURBINOVÝCH ZAŘÍZENÍ, ZÁŘÍZENÍ S PLYNOVÝMI TURBINAMI, KOGENERACNÍCH JEDNOTEK, PARNÍCH A HORKOVOVNÍCH KOTLŮ, VÝROBA, MONTÁŽ, UVÁDĚNÍ DO PROVOZU A SERVIS PARNÍCH TURBIN, KOMPONENT PLYNOVÝCH TURBIN A KOTLŮ, MONTÁŽ, UVÁDĚNÍ DO PROVOZU A SERVIS TEPELNÉ ENERGETICKÝCH ZAŘÍZENÍ, EPC KONTRAKTOR PRO DODÁVKY TEPELNÉ ENERGETICKÝCH ZAŘÍZENÍ.

Datum počátečního udělení: 28. ČERVENA 2007 Platnost datums certifikátu cca: 14. ČERVENA 2013

Tento certifikát platí – za předpokladu náležitých updatací – do následujícího systému managementu do 13. ČERVENA 2016
Pro ověření platnosti certifikátu voláte: +420 210 088 215
Změna výše uvedeného rozsahu certifikace může být provedena pouze na základě žádosti.

Vyše 1, Datum vydaní: 10. ČERVENA 2013
Číslo certifikátu: CZ003027-1

IAF
S 3100

BUREAU VERITAS Certification

Certifikát
udělený organizaci

EKOL, spol. s r.o.
Sídlo společnosti: Brno, Křenová 65, PSČ 602 00
Česká republika

Tento je certifikát pro více lokalit, uplatněný je v příloze certifikátu

Bureau Veritas tímto osvědčuje, že systém managementu výše uvedené organizace byl posouzen a shledán ve shodě s požadavky následující systémové normy:

Norma
ČSN EN ISO 9001:2009

Oblast certifikace

VÝVOJ, PROJEKTOVÁNÍ, KONSTRUKCE, VÝPOČTY, PROVOZNI A PŘEDÁVACÍ ZKOUŠKY PARNÍCH TURBINOVÝCH ZAŘÍZENÍ, ZÁŘÍZENÍ S PLYNOVÝMI TURBINAMI, KOGENERACNÍCH JEDNOTEK, PARNÍCH A HORKOVOVNÍCH KOTLŮ, VÝROBA, MONTÁŽ, UVÁDĚNÍ DO PROVOZU A SERVIS PARNÍCH TURBIN, KOMPONENT PLYNOVÝCH TURBIN A KOTLŮ, MONTÁŽ, UVÁDĚNÍ DO PROVOZU A SERVIS TEPELNÉ ENERGETICKÝCH ZAŘÍZENÍ, EPC KONTRAKTOR PRO DODÁVKY TEPELNÉ ENERGETICKÝCH ZAŘÍZENÍ.

Datum počátečního udělení: 30. DUBNA 1998 Platnost datums certifikátu cca: 14. ČERVENA 2013

Tento certifikát platí – za předpokladu náležitých updatací – do následujícího systému managementu do 13. ČERVENA 2016
Pro ověření platnosti certifikátu voláte: +420 210 088 215
Změna výše uvedeného rozsahu certifikace může být provedena pouze na základě žádosti.

Vyše 1, Datum vydaní: 10. ČERVENA 2013
Číslo certifikátu: CZ003025-1

IAF
S 3100

BUREAU VERITAS Certification

Certifikát
udělený organizaci

EKOL, spol. s r.o.
Sídlo společnosti: Brno, Křenová 65, PSČ 602 00
Česká republika

Tento je certifikát pro více lokalit, uplatněný je v příloze certifikátu

Bureau Veritas tímto osvědčuje, že systém managementu výše uvedené organizace byl posouzen a shledán ve shodě s požadavky následující systémové normy:

Norma
ČSN EN ISO 14001:2005

Oblast certifikace

VÝVOJ, PROJEKTOVÁNÍ, KONSTRUKCE, VÝPOČTY, PROVOZNI A PŘEDÁVACÍ ZKOUŠKY PARNÍCH TURBINOVÝCH ZAŘÍZENÍ, ZÁŘÍZENÍ S PLYNOVÝMI TURBINAMI, KOGENERACNÍCH JEDNOTEK, PARNÍCH A HORKOVOVNÍCH KOTLŮ, VÝROBA, MONTÁŽ, UVÁDĚNÍ DO PROVOZU A SERVIS PARNÍCH TURBIN, KOMPONENT PLYNOVÝCH TURBIN A KOTLŮ, MONTÁŽ, UVÁDĚNÍ DO PROVOZU A SERVIS TEPELNÉ ENERGETICKÝCH ZAŘÍZENÍ, EPC KONTRAKTOR PRO DODÁVKY TEPELNÉ ENERGETICKÝCH ZAŘÍZENÍ.

Datum počátečního udělení: 28. ČERVENA 2007 Platnost datums certifikátu cca: 14. ČERVENA 2013

Tento certifikát platí – za předpokladu náležitých updatací – do následujícího systému managementu do 13. ČERVENA 2016
Pro ověření platnosti certifikátu voláte: +420 210 088 215
Změna výše uvedeného rozsahu certifikace může být provedena pouze na základě žádosti.

Vyše 1, Datum vydaní: 10. ČERVENA 2013
Číslo certifikátu: CZ003026-1

IAF
S 3100

10.

INDEPENDENT AUDITOR'S REPORT



Deloitte Audit s.r.o.
Nile House
Karolinská 654/2
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Czech Republic
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DeloitteCZ@deloitteCE.com
www.deloitte.cz

Registered at the Municipal Court in
Prague, Section C, File 24349
Id. Nr.: 49620592
Tax Id. Nr.: CZ49620592

INDEPENDENT AUDITOR'S REPORT To the Partners of EKOL, spol. s r.o.

Having its registered office at: Křenová 211/65, Trnitá, 602 00 Brno
Identification number: 416 00 983

Report on Unconsolidated Financial Statements

We have audited the accompanying unconsolidated financial statements of EKOL, spol. s r.o. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2015, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, 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 these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 entity'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.

Opinion

In our opinion, the unconsolidated financial statements give a true and fair view of the financial position of EKOL, spol. s r.o. as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The unconsolidated financial statements of EKOL, spol. s r.o. for the year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 24 April 2015.

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of EKOL, spol. s r.o. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2015, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/cz/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Statutory Body's Responsibility for the Consolidated Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 these consolidated financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of EKOL, spol. s r.o. as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The consolidated financial statements of EKOL, spol. s r.o. for the year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 8 June 2015.

Other information

The other information comprises the information included in the annual report (including the related party transactions report contained therein), but does not include the financial statements, the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information

Our opinions on the financial statements and consolidated financial statements do not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements and consolidated financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements and consolidated financial statements or our knowledge obtained in the audit of the financial statements and consolidated financial statements, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 28 June 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Pavel Raštica
registration no. 2180



FINANCIAL STATEMENTS

Unconsolidated
Financial Statements
2015

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: EKOL, spol. s r.o.

Registered Office: Křenová 211/65, Trnitá, 602 00 Brno
Legal Status: Limited Liability Company
Corporate ID: 416 00 983

Components of the Financial Statements:

Balance Sheet
Profit and Loss Account
Statement of Changes in Equity
Cash Flow Statement
Notes to the Financial Statements

These financial statements were prepared on 28 June 2016.

Statutory Body of the Reporting Entity:

Signature

Balance sheet EKOL, spol. s r.o. full version

Balance Sheet - Full Version

As of 31. 12. 2015 – Assets

(in thousands CZK)		31. 12. 2015		31. 12. 2014	
		Gross	Adjustment	Net	Net
TOTAL ASSETS		1,371,762	161,636	1,210,126	855,534
B.	Fixed assets	375,568	160,697	214,871	227,944
B.I.	Intangible fixed assets	65,569	56,002	9,567	5,072
3.	Software	46,772	37,422	9,350	3,315
4.	Valuable rights	12,733	12,587	146	828
6.	Other intangible fixed assets	6,064	5,993	71	929
B.II.	Tangible fixed assets	143,283	104,056	39,227	49,592
1.	Land				244
2.	Structures	48,171	29,193	18,978	23,803
3.	Individual movable assets and sets of movable assets	95,112	74,863	20,249	25,545
B.III.	Non-current financial assets	166,716	639	166,077	173,280
1.	Equity investments - subsidiary (controlled entity)	166,716	639	166,077	158,104
2.	Equity investments in associates				15,176
C.	Current assets	993,946	939	993,007	619,435
C.I.	Inventories	120,161		120,161	189,380
1.	Material	18,712		18,712	11,228
2.	Work in progress and semifinished goods	101,449		101,449	178,152
C.II.	Long-term receivables	17,670		17,670	70,888
1.	Trade receivables	4,467		4,467	7,083
7.	Other receivables				61,680
8.	Deferred tax asset	13,203		13,203	2,125
C.III.	Short-term receivables	650,992	939	650,053	147,688
1.	Trade receivables	544,530	939	543,591	113,153
2.	Receivables - controlled or controlling entity				2,290
4.	Receivables from partners and association members				230
6.	State - tax receivables	80,750		80,750	21,999
7.	Short-term prepayments made	23,956		23,956	9,914
8.	Estimated receivables	1,731		1,731	
9.	Other receivables	25		25	102
C.IV.	Current financial assets	205,123		205,123	211,479
1.	Cash on hand	1,669		1,669	1,292
2.	Cash at bank	191,675		191,675	198,408
3.	Short-term securities and investments	11,779		11,779	11,779
D.I.	Other assets	2,248		2,248	8,155
1.	Deferred expenses	2,248		2,248	2,305
3.	Accrued income				5,850

Balance Sheet - Full Version

As of 31. 12. 2015 – Liabilities

(in thousands CZK)

31. 12. 2015

31. 12. 2014

TOTAL LIABILITIES & EQUITY		1,210,126	855,534
A.	Equity	634,387	608,732
A.I.	Share capital	5,000	5,000
1.	Share capital	5,000	5,000
A.II.	Capital funds	7,196	7,132
2.	Other capital funds	7,170	7,170
3.	Gains or losses from the revaluation of assets and liabilities	26	-38
A.III.	Statutory funds	500	500
1.	Statutory reserve fund/Indivisible fund	500	500
A.IV.	Retained earnings	596,100	591,621
1.	Accumulated profits brought forward	610,467	600,695
3.	Other profit or loss from prior years	(14,367)	(9,074)
A.V.	Profit or loss for the current period (+ -)	25,591	4,479
B.	Liabilities	431,166	229,015
B.I.	Reserves	16,332	10,462
4.	Other reserves	16,332	10,462
B.II.	Long-term liabilities	14,468	2,582
1.	Trade payables	14,468	2,582
B.III.	Short-term liabilities	400,366	215,971
1.	Trade payables	325,458	145,116
2.	Payables - controlled or controlling entity	154	154
5.	Payables to employees	5,429	4,043
6.	Social security and health insurance payables	3,133	2,327
7.	State - tax payables and subsidies	1,039	657
8.	Short-term prepayments received	60,473	62,627
10.	Estimated payables	3,687	339
11.	Other payables	993	708
C.I.	Other liabilities	144,573	17,787
2.	Deferred income	144,573	17,787

Profit and Loss Account

Year ended 31. 12. 2015

(in thousands CZK)	Year ended 31. 12. 2015	Year ended 31. 12. 2014
I. Sales of goods		21
+ Gross margin		21
II. Production	817,374	587,591
1. Sales of own products and services	894,077	618,666
2. Change in internally produced inventory	(76,703)	(31,075)
B. Purchased consumables and services	721,101	486,430
1. Consumed material and energy	499,485	334,386
2. Services	221,616	152,044
+ Added value	96,273	101,182
C. Staff costs	94,158	87,413
1. Payroll costs	68,410	63,361
3. Social security and health insurance costs	22,929	21,193
4. Social costs	2,819	2,859
D. Taxes and charges	1,574	325
E. Depreciation of intangible and tangible fixed assets	13,645	16,775
III. Sales of fixed assets and material	9,097	568
1. Sales of fixed assets	8,542	32
2. Sales of material	555	536
F. Net book value of fixed assets and material sold	6,203	512
1. Net book value of sold fixed assets	5,693	125
2. Book value of sold material	510	387
G. Change in reserves and provisions relating to operating activities and complex deferred expenses	4,618	(18,285)
IV. Other operating income	2,825	73,252
H. Other operating expenses	5,780	77,481
* Operating profit or loss	(17,783)	10,781
IX. Proceeds from the sale of securities and investments	15,816	
L. Cost of securities and investments sold	15,815	
X. Interest income	121	543
XI. Other financial income	6,789	11,867
O. Other financial expenses	30,282	15,329
* Financial profit or loss	(23,371)	(2,919)
Q. Income tax on ordinary activities	(66,745)	3,397
1. - due	(55,667)	199
2. - deferred	(11,078)	3,198
** Profit or loss from ordinary activities	25,591	4,465
XIII. Extraordinary income		14
* Extraordinary profit or loss		14
*** Profit or loss for the current period (+/-)	25,591	4,479
**** Profit or loss before tax	(41,154)	7,876

Statement of Change in Equity

Year ended 31. 12. 2015

(in thousands CZK)	Share capital	Capital funds	Statutory funds	Accumulated profits brought forward	Accumulated losses brought forward	Other profit or loss from prior years	Profit or loss for the current period	Total equity
Balance at 31 December 2013	5,000	7,087	500	558,715			49,597	620,899
Correction of prior year misstatement							(9,074)	(9,074)
Balance at 31 December 2013 - restated	5,000	7,087	500	558,715			40,523	611,825
Transfer to other profit or loss from prior years						(9,074)	9,074	
Distribution of profit or loss				49,597			(49,597)	
Dividends paid				(7,617)				(7,617)
Change in valuation differences from revaluation		45						45
Correction of prior year misstatement							(5,293)	(5,293)
Profit or loss for the current period							9,772	9,772
Balance at 31 December 2014	5,000	7,132	500	600,695		(9,074)	4,479	608,732
Transfer to other profit or loss from prior years						(5,293)	5,293	
Distribution of profit or loss				9,772			(9,772)	
Change in valuation differences from revaluation		64						64
Profit or loss for the current period							25,591	25,591
Balance at 31 December 2015	5,000	7,196	500	610,467		(14,367)	25,591	634,387

Cash Flow Statement

Year ended 31. 12. 2015

(in thousands CZK)

Year ended
31. 12. 2015

Year ended
31. 12. 2014

	Year ended 31. 12. 2015	Year ended 31. 12. 2014	
P.	Opening balance of cash and cash equivalents	199,700	228,549
	Cash flows from ordinary activities		
Z.	Profit or loss from ordinary activities before tax	(41,154)	15,252
A.1.	Adjustments for non-cash transactions	24,223	(716)
A.1.1.	Depreciation of fixed assets	13,645	16,775
A.1.2.	Change in provisions and reserves	4,624	(18,285)
A.1.3.	Profit/(loss) on the sale of fixed assets	(2,849)	93
A.1.5.	Interest expense and interest income	(121)	(543)
A.1.6.	Adjustments for other non-cash transactions	8,924	1,244
A.*	Net operating cash flow before changes in working capital	(16,931)	14,536
A.2.	Change in working capital	(4,054)	(18,217)
A.2.1.	Change in operating receivables and other assets	(395,469)	247,106
A.2.2.	Change in operating payables and other liabilities	323,867	(300,078)
A.2.3.	Change in inventories	69,219	46,534
A.2.4.	Change in current financial assets	(1,671)	(11,779)
A.**	Net cash flow from operations before tax and extraordinary items	(20,985)	(3,681)
A.4.	Interest received	121	443
A.5.	Income tax paid from ordinary operations	12,139	(16,837)
A.6.	Receipts and expenditures relating to extraordinary activities		12
A.***	Net operating cash flows	(8,725)	(20,063)
	Cash flows from investing activities		
B.1.	Fixed assets expenditures	(21,988)	(1,201)
B.2.	Proceeds from fixed assets sold	24,357	32
B.***	Net investment cash flows	2,369	(1,169)
	Cash flow from financial activities		
C.2.	Impact of changes in equity		(7,617)
C.2.6.	Dividends paid		(7,617)
C.***	Net financial cash flows		(7,617)
F.	Net increase or decrease in cash and cash equivalents	(6,356)	(28,849)
R.	Closing balance of cash and cash equivalents	193,344	199,700

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: EKOL, spol. s r.o.

Registered office: Křenová 211/65, Trnitá, 602 00 Brno
Legal status: Limited Liability Company
Corporate ID: 416 00 983

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The Notes to the Financial Statements have been prepared in accordance with Regulation 500/2002 Coll., which provides implementation guidance on certain provisions of Accounting Act 563/1991 Coll., as amended. The data in the Notes to the Financial Statements are based on the Company's accounting records and other documents available to the Company.

1. General Information

1.1. Description of the Business

NAME:	EKOL, spol. s r.o. (the "Company")
REGISTERED OFFICE:	Křenová 211/65, 602 00 Brno
CORPORATE ID:	41600983
LEGAL STATUS:	Limited liability company
DATE OF INCORPORATION:	31 July 1991
PRINCIPAL BUSINESS ACTIVITIES:	Manufacturing, trade and services – project activities related to construction; and Manufacturing, installation, repairs of electric machines and devices, electronic and telecommunication devices.

1.2 Persons (Individuals/Legal Entities) with Significant or Controlling Influence in the Company (an Equity Interest Equal to or Greater than 20%)

On 1 July 2015, 75% of the Company's equity investment was sold to Xi'an Shaangu Power Co., Ltd. through Shaangu Power (Luxemburg) S.A.

Individual/Company	Ownership percentage
Shaangu Power (Luxemburg) S.A.	75%
Stanislav Veselý	13,385%
Gustav Poslušný	11,115%
Jaromír Kříž	0,5%
The shares of the above-listed shareholders amount to	100%

Investments of shareholders in the share capital are fully paid up.

A) Members of the Statutory Body

Statutory executives:

STANISLAV VESELÝ, statutory executive A

JAROMÍR KRÍŽ, statutory executive A

LIU LI JIA, statutory executive B

JIANG GUODONG, statutory executive B

JIN QINGJUN, statutory executive C

Manner of acting:

No less than two (2) statutory executives act jointly on behalf of the Company regarding all matters; one (1) of them will always be statutory executive A and one (1) will always be statutory executive B or statutory executive C.

B) Changes in and Amendments to the Register of Companies in the Reporting Period

In the year ended 31 December 2015, a change in the manner of acting was recorded in the Register of Companies. The new wording: No less than two statutory executives act jointly on behalf of the Company regarding all matters; one of them will always be statutory executive A and one will always be statutory executive B or statutory executive C.

Other changes:

Statutory executive:

GUSTAV POSLUŠNÝ

Date of termination of the position: 1 July 2015

Statutory executive:

STANISLAV VESELÝ

Date of termination of the position: 1 July 2015

Statutory executive:

JAROMÍR KŘÍŽ,

Date of termination of the position: 1 July 2015

Statutory executive:

STANISLAV VESELÝ

Date of origination of the position: 1 July 2015

Statutory executive A

Recorded on 15 July 2015

Statutory executive:

JAROMÍR KŘÍŽ

Date of origination of the position: 1 July 2015

Statutory executive A

Recorded on 15 July 2015

Other facts newly include:

The Company proceeded to opt-in into the regime of Section 777 (5) of Act No. 90/2012 Coll., on Business Corporations and Cooperatives.

Statutory executive:

LIU LI JIA, dat.

Date of origination of the position: 1 July 2015

Statutory executive B

Recorded on 15 July 2015

Statutory executive:

JIANG GUODONG,

Date of origination of the position: 1 July 2015

Statutory executive B

Recorded on 15 July 2015

Statutory executive:

JIN QINGJUN,

Date of origination of the position: 1 July 2015

Statutory executive C

Recorded on 15 July 2015

C) Organisational Structure of the Company

Jaromír Kříž

Václav Heža

General Manager since 1 July 2015

Financial Manager since 1 July 2015

Technical Division

Jan Saňka

Gas Turbine Division

Steam Turbine Division

Technical Service Division

Boiler Division

DAZ Division

Václav Janišťin

Jiří Bedáň

Bohumil Krška

Miloš Vavříčka

Zdeněk Smejkal

2. Equity Investments of the Company

2.1. Subsidiaries or Associates of the Company (with Equity Investment Equal to or Greater than 20%)

Name	Registered office	Ownership percentage (%)	Carrying amount (in CZK '000)	Equity (in CZK '000)	Profit or loss (in CZK '000)
EKOL energo s.r.o.	Křenová 65 Brno	100	106,443	312,161	(8,692)
AEZ s.r.o.	Křenová 67 Brno	100	27,500	30,338	(2,696)
EKOL, spol. s r.o.	Hečkova 2 Martin Slovensko	100	26,273	50,942	(5,243)
Ekol Turbo a.s.	Křenová 65 Brno	100	1,875	1,824	(3)
Power Electric SP. Z O.O.	Ks. Londzina 7, Bielsko-Biala, Polsko	51	3,986	517	2,244
Total			166,077		

The Company also exercises significant or controlling influence in the businesses as follows:

EKOL GmbH Energiesysteme

Ownership percentage (%)	70%
Equity investment	CZK 639 thousand

Given that the Company has not received financial statements from EKOL GmbH Energiesysteme since 2001, a provision against equity investments in the amount of CZK 639 thousand was recognised in 2011.

Bioval Romania

Ownership percentage (%)	99,9%
Equity investment	CZK 11,779 thousand
Profit for 2015	CZK 0 thousand

This company was purchased for resale and for this reason it is recognised as part of current financial assets. The sale of the company should be implemented in 2016.

In 2015, the parent company ECOL sold a 20% equity investment in EnergoFuture, a.s.

3. Information on Accounting and General Accounting Principles

3.1. Material Accounting Information

3.1.1. Accounting Principles

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with the Accounting Act 563/1991 Coll., as amended; the Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis (unless stated otherwise), the accruals principle, the prudence concept and the going concern assumption.

The Company's financial statements have been prepared as of 31 December 2015 for the 2015 calendar year.

These financial statements are presented in thousands of Czech crowns ('CZK') unless stated otherwise.

3.1.2. Valuation Method

A) Inventory Developed Internally and Purchased Using Own Funding

Purchased inventory is valued at acquisition cost. Internally developed inventory:

- Production in progress is valued at internal production costs (in direct costs + production overheads).

Material and construction that are directly attributable to individual constructions are charged directly to the consumption of individual projects using the B method.

Material purchased for internal processing is recognised using the A method.

Types of indirect acquisition costs

- Related to purchased inventory: transportation costs, external assembly services, customs; and
- Internally developed inventory: material consumption, wages, social security and health insurance, transportation costs, external assembly services, other direct costs, production overheads.

B) Tangible and Intangible Fixed Assets

Purchased: purchase price + acquisition costs (transportation costs, external assembly services, customs).

Low-value assets with acquisition costs of less than CZK 20 thousand are expensed on a one-time basis for tax and accounting purposes and subsequently recorded as part of operational records, except for software, information technology and office equipment with acquisition costs of less than CZK 5 thousand which is expensed on a one-time basis for tax and accounting purposes.

C) Financial Assets

Non-current financial assets include financial assets with maturity or intent to hold exceeding one year. Current financial assets include financial assets with maturity or intent to hold of less than one year.

Valuation of financial assets upon acquisition

Equity investments, securities and derivatives are stated at acquisition cost at the date of acquisition, including premium and related costs.

Valuation of financial assets at the balance sheet date

Securities held for trading, other available-for-sale securities and derivatives are stated at fair value. If the fair value cannot be determined objectively, securities are stated at acquisition cost less provisions.

Securities with a fixed revenue held to maturity are stated at acquisition cost increased or decreased by an interest income or expense.

Equity investments in subsidiaries and associates are stated at acquisition cost less provisions.

3.2. Provisioning of Assets**Provisions against inventory**

Provisions against slow-turning and obsolete assets or otherwise temporarily impaired assets are made based on an inventory turnover analysis and individual assessment of inventory.

Provisions against receivables

Upon origination, receivables are stated at their nominal value. Purchased receivables are stated at acquisition cost. Doubtful receivables are stated at cost less provisions and expensed to the exercise amount on the basis of an individual assessment of individual debtors and aging structure of receivables.

(in thousands CZK)

Type of provision	31 Dec 2014	Change	31 Dec 2015
Provision against non-current financial assets	732	(93)	639
Provision against receivables	2,093	(1,154)	939

3.3. Depreciation of Fixed Assets

Depreciation plan of fixed assets is related to the actual useful life of individual items. Depreciation begins in the month subsequent to the putting into operation and terminates in the month of disposal.

3.4. Foreign Currency Translation

The exchange rate of the Czech National Bank on the first day of the month used; at the end of the reporting period, the exchange rate of the Czech National Bank as of 31 December is used.

3.5. Reserves

Reserves are intended to cover future risks and expenditure, the nature of which is clearly defined and which are likely to be incurred, but which are uncertain as to the amount or the date on which they will arise.

3.6. Revenue Recognition

Revenues from the sale of own products and services are recognised based on the accruals principle. Revenues are recognised in the appropriate cost of received supply or supply to be received and represent amounts that will be collected for supplied goods and services provided in the course of the reporting period as part of business activity net of rebates, VAT and other sale-related taxes.

Production in progress is recognised in terms of all manufacturing projects where costs were incurred but the billing of related revenues to customers was not realised. The accruals principle by means of deferred income applies to projects where the billing is realised before costs are incurred (by considering the anticipated profit).

3.7. Use of Estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

3.8. Cash Flow Statement

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets easily convertible into cash in an amount agreed in advance.

Cash and cash equivalents can be analysed as follows:

(in thousands CZK)

	31. 12. 2015	31. 12. 2014
Cash on hand and cash in transit	1,668	1,292
Bank accounts	191,675	198,408
Total cash and cash equivalents	193,343	199,700

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset.

3.9. Derivative Financial Instruments

The positive and negative fair values of financial derivative instruments are reported within 'Other receivables' and 'Other payables', respectively.

Given the hedging nature and maintaining the hedge accounting records, the effective part of these derivatives is recognised as part of equity.

4. Additional Information on the Balance Sheet and Profit and Loss Account

4.1. Tangible and Intangible Assets (Except for Receivables)

A) Received Leases

The Company has no payables arising from leases.

B) Movements of Tangible and Intangible Fixed Assets

(in thousands CZK)

	1 Jan 2015	Additions / rebilling	Disposal	31 Dec 2015
Acquisition cost				
Software	38,841	7,931	0	46,772
Valuable rights	12,733			12,733
Other intangible investment assets	6,064			6,064
Land	244	0	244	0
Construction	53,733	0	5,562	48,171
Individual tangible movable assets and sets of movable assets	99,267	5,539	9,694	95,112
Total	210,882	13,470	15,500	208,852
Accumulated depreciation/amortisation				
Software	35,526	1,896	0	37,422
Valuable rights	11,905	682		12,587
Other intangible investment assets	5,135	858		5,993
Construction	29,930	4,825	5,562	29,193
Individual tangible movable assets and sets of movable assets	73,722	10,835	9,694	74,863
Total	156,218	19,096	15,256	160,085
Net book value	54,664			48,794
	1 Jan 2014	Additions / rebilling	Disposal	31 Dec 2014
Acquisition cost				
Software	40,651	877	2,687	38,841
Valuable rights	12,733			12,733
Other intangible investment assets	6,064			6,064
Land	244			244
Construction	53,733			53,733
Individual tangible movable assets and sets of movable assets	97,476	6,061	4,270	99,267
Total	210,901	6,938	6,957	210,882
Accumulated determination/amortisation				
Software	34,852	3,361	2,687	35,526
Valuable rights	11,224	681	0	11,905
Other intangible investment assets	4,125	1,010	0	5,135
Construction	28,191	1,739	0	29,930
Individual tangible movable assets and sets of movable assets	67,885	10,107	4,270	73,722
Total	146,277	16,898	6,957	156,218
Net book value	64,624			54,664

Low-value off-balance sheet assets as of 31 December amount to CZK 6,125 thousand (CZK 5,826 thousand as of 31 December 2014).

4.2. Receivables

A) Aggregate Amount Of Trade Receivables

(in thousands CZK)

	2015	2014
Total	548,058	120,236

As of 31 December 2015 and 2014, past-due receivables amount to CZK 182,723 thousand and CZK 52,280 thousand, respectively.

B) Group Receivables

(in thousands CZK)

Group company	2015	2014
EKOL energo s.r.o.	8,472	2
Energofuture, a.s.	0	99
Ekol, spol. s r.o. Martin	33	439
AEZ s.r.o.	31	29
Total	8,536	569

4.3. Payables

A) Aggregate Amount of Trade Payables

(in thousands CZK)

	2015	2014
Total	339,926	147,698

As of 31 December 2015 and 2014, past-due payables amount to CZK 4,072 thousand and 15,948 thousand, respectively. The year-on-year decrease in the amount of past-due payables is attributable to extending the maturity to 60 days in 2015.

b) Group Payables

(in thousands CZK)

Group company	2015	2014
EKOL energo s.r.o.	46,103	82,082
AEZ s.r.o.	4,866	6,343
Ekol, spol. s r.o. Martin	556	0
Power Electric Sp. z o.o.	11	0
Total	51,536	88,425

C) State – Tax Receivables

In line with additional tax returns from May 2015, the Company claims a return of the income tax based on utilised research and development costs for 2011, 2012 and 2013 in the amount of CZK 55,667 thousand. The Company also records a receivable arising from the value added tax of CZK 20,216 thousand (CZK 4,987 thousand as of 31 December 2014).

C) Due Amounts Arising from Social Security Insurance and Contribution to the State Employment Policy

CZK 2,175 thousand (CZK 1,637 thousand as of 31 December 2014).

D) Due Amounts Arising from Public Health Insurance

CZK 969 thousand (CZK 703 thousand as of 31 December 2014).

E) Tax Arrears

As of 31 December 2015, the Company does not record any tax arrears (as of 31 December 2014: CZK 0 thousand).

F) Short-Term Prepayments Received

Short-term prepayments received include prepayments from customers that will be subsequently utilised in compliance with the contract agreement based on invoicing.

4.4. Equity

Pursuant to the decision of the General Meeting of 29 June 2015, the accounting profit of CZK 9,772 thousand was transferred to retained earnings of prior years. The profit for the current period has not yet been distributed.

4.5. Correction of Prior Year Misstatements

In the year ended 31 December 2015, the recognition of derivative transactions was modified. The Company no longer recognises expenses and revenues in lines 567/667; instead, the fair value of open derivative transactions at the end of the reporting period is recognised in the balance sheet line 373. This change was also retrospectively projected in financial statements for 2014 when 'Other financial income' and 'Other financial expenses' decreased by CZK 299,505 thousand.

Other profit or loss as of 31 December 2015 includes a correction of prior year misstatements – an unrecognised reserve for complaints for 2013 in the amount of CZK 11,203 thousand and the corresponding deferred tax of CZK (2,129) thousand. This reserve was further adjusted by the impact of 2014 consisting of a decrease in the reserve of CZK 2,590 thousand and a decrease in the deferred tax asset of CZK 493 thousand. In addition, other profit or loss was utilised to decrease contractual fines billed in 2014 by CZK 7,370 thousand. The correction was also projected retrospectively in the comparative period.

4.6. Statutory and Other (Accounting) Reserves

(in thousands CZK)

Type of reserve	Balance at 31 Dec 2014	Charge for reserves	Use of reserves	Balance at 31 Dec 2015
Reserve for additional costs	1,849	6,000	1,849	6,000
Reserve for audit	0	1,152	0	1,152
Reserve for complaints	8,613	9,180	8,613	9,180
Total	10,462	16,332	10,462	16,332

Type of reserve	Balance at 31 Dec 2013	Charge for reserves	Use of reserves	Balance at 31 Dec 2014
Reserve for additional costs	19,400	1,849	19,400	1,849
Reserve for audit	0	0	0	0
Reserve for complaints	0	8,613	0	8,613
Total	19,400	10,462	19,400	10,462

4.7. Breakdown of Deferred Tax Liability or Asset

Recognised deferred tax assets and liabilities

(in thousands CZK)

Deferred tax	2015	2014
Fixed assets ARV - TRV	(388)	(2,504)
Financial assets	640	732
Receivables	856	1,856
Tax loss	52,052	20,275
Accounting reserves	16,332	10,462
Outstanding contractual fines	0	(19,635)
Total	69,492	11,186
Deferred tax asset	13,203	2,125

In line with accounting principles, a 19% tax rate for 2015 was used for the calculation of the deferred tax.

4.8. Deferred Income

As of 31 December 2015, deferred income amounted to CZK 144,573 thousand (CZK 17,787 thousand as of 31 December 2014).

This predominantly includes deferrals of work in progress relating to the MINGSHUI project – two condensing turbines 25 MW, Bukoza Hencovce/Královopolská Ria a.s./renovation of a steam turbine and the YANTAI condensing turbine 8.85 MWe.

4.9. Income

4.9.1. Details of Income by Principal Activity

(in thousands CZK)

Principal activity	In-country 2015	Cross-border 2015	Total 2015
Sale of own goods and services	42,961	851,116	894,077
Total	42,961	851,116	894,077

Principal activity	In-country 2014	Cross-border 2014	Total 2014
Sale of own goods and services	279,919	338,747	618,666
Total	279,919	338,747	618,666

4.9.2. Income Generated with Related Parties

2015

(in thousands CZK)

Entity	Service	Material	Products	Assets	Other	Total
EKOL energo s.r.o.	12,282	555	0	0	406	13,243
EKOL, spol. s r.o. Martin	192	0	0	0	2	194
AEZ s.r.o.	544	0	0	0	0	544
ShaanGu Power (Hong Kong) Co., Limited	0	0	86,437	0	0	86,437
Shaangu Power(Luxembourg) S.A., Power Electric Sp. z o.o.	1,733	0	0	0	0	1,733
	0	0	0	0	69	69
Total	14,751	555	86,437	0	477	102,220

2014

(in thousands CZK)

Entity	Service	Material	Products	Assets	Other	Total
EKOL energo s.r.o.	6,318	0	0	0	0	6,318
EKOL, spol. s r.o. Martin	273	0	283	0	40	596
AEZ s.r.o.	1,270	0	0	0	28	1,298
Power Electric Sp. z o.o.	0	0	0	0	5	5
EnergoFuture, a.s.	377	0	1,000	0	0	1,377
Total	8,238	0	1,283	0	73	9,594

All related party proceeds were generated on an arm's length basis.

4.10. Expenses

4.10.1. Purchases with Related Parties

2015

(in thousands CZK)

Entity	Inventory	Services	Fin. expenses	Total
EKOL energo s.r.o.	56,261	15,215	2,579	74,055
EKOL, spol. s r.o. Martin	0	558	0	558
AEZ s.r.o.	3,698	3,072	0	6,770
ShaanGu Power (Hong Kong) Co., Limited	0	0	253	253
Power Electric Sp. z o.o.	0	4,701	19	4,720
Total	59,959	23,546	2,851	86,356

2014

(in thousands CZK)

Entity	Inventory	Services	Fin. expenses	Total
EKOL energo s.r.o.	73,057	23,670	11,750	108,477
EKOL, spol. s r.o. Martin	0	34	0	34
AEZ s.r.o.	9,094	4,170	9	13,273
Power Electric Sp. z o.o.	0	1,852	2	1,854
Total	82,151	29,726	11,761	123,638

Based on contracts on the lease of non-residential premises concluded with Stanislav Veselý and Gustav Poslušný, the Company continued to purchase services from the above-listed entities.

4.10.2. Services

(in thousands CZK)

	2015	2014
Assembly work on projects	63,870	30,355
Rental	9,786	8,154
Travel expenses	6,237	4,963
Interpretation and legal services	3,974	3,107
Repairs and maintenance	1,551	1,416
Trade expenses	15,126	13,558
IT expenses	3,264	2,441
Project-related travel expenses	19,232	7,642
Projects	4,579	2,198
Other services – supervision, packing fees, advisory services	93,997	78,210
Total	221,616	152,044

4.10.3. Staff Costs

(in thousands CZK)

	Employees		Of which managers	
	2015	2014	2015	2014
Average recalculated headcount	162,97	162,08	10	7
Staff costs	94,158	87,413	11,629	5,997
- Payroll costs	68,410	63,361	8,261	4,476
- Costs of social security and health insurance	22,929	21,193	2,808	1,119
- Social costs	2,819	2,859	560	402

Members of the statutory bodies did not receive any rewards, loans, credits, guarantees and other supplies.

4.11. Expenses for Statutory Audit

Expenses for the remuneration to the statutory auditor for the statutory audit of the financial statements for the year ended 31 December 2015 amounted to CZK 1,042 thousand (CZK 150 thousand for the year ended 31 December 2014).

4.12. Other Material Information on Transformation of Companies

On 1 July 2015, the sale of a 75% equity investment of the Company was sold to a Chinese company, Shaangu Power.

4.13. Other Significant Post-Balance Sheet Events

No events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

FINANCIAL STATEMENTS

Consolidated
Financial Statements
2015

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: EKOL, spol. s r.o.

Registered Office: Křenová 211/65, Trnitá, 602 00 Brno
Legal Status: Limited Liability Company
Corporate ID: 416 00 983

Components of the Consolidated Financial Statements:

Consolidated Balance Sheet
Consolidated Profit and Loss Account
Consolidated Statement of Changes in Equity
Consolidated Cash Flow Statement
Notes to the Consolidated Financial Statements

These consolidated financial statements were prepared on 28 June 2016.

Statutory Body of the Reporting Entity:

Signature

Consolidated balance sheet
EKOL, spol. s r.o. full version



Consolidated Balance Sheet - Full Version

As of 31. 12. 2015 – Assets

Assets (in thousands CZK)	31. 12. 2015			31. 12. 2014	
	Gross	Adjustment	Net	Net	
B. Fixed assets	498,003	310,886	187,117	231,319	
B.I. Intangible fixed assets	68,617	58,993	9,624	5,179	
3. Software	49,820	40,413	9,407	3,422	
4. Valuable rights	12,733	12,587	146	828	
6. Other intangible fixed assets	6,064	5,993	71	929	
B.II. Tangible fixed assets	417,306	249,511	167,795	194,522	
1. Land	16,114		16,114	16,401	
2. Structures	146,495	54,396	92,099	100,442	
3. Individual movable assets and sets of movable assets	253,342	195,115	58,227	76,325	
7. Tangible fixed assets under construction	1,355		1,355	1,354	
B.III. Non-current financial assets	4		4	4	
2. Equity investments in associates	4		4	4	
B.IV. Goodwill on consolidation	12,076	2,382	9,694	19,907	
B.IV.1. Positive goodwill on consolidation	12,076	2,382	9,694	19,907	
B.V. Securities and equity interests under equity accounting				11,707	
C. Current assets	1,247,380	8,063	1,239,317	823,032	
C.I. Inventories	212,801	777	212,024	241,600	
1. Material	40,742	777	39,965	22,144	
2. Work in progress and semi finished goods	172,059		172,059	219,456	
C.II. Long-term receivables	14,690		14,690	70,888	
1. Trade receivables	4,467		4,467	7,083	
7. Other receivables				61,680	
8. Deferred tax asset	10,223		10,223	2,125	
C.III. Short-term receivables	736,713	7,286	729,427	230,826	
1. Trade receivables	626,542	7,286	619,256	187,734	
2. Receivables - controlled or controlling entity				1,821	
4. Receivables from partners and association members				230	
6. State - tax receivables	79,256		79,256	30,661	
7. Short-term prepayments made	24,835		24,835	10,182	
8. Estimated receivables	5,961		5,961		
9. Other receivables	119		119	198	
C.IV. Current financial assets	283,176		283,176	279,718	
1. Cash on hand	2,684		2,684	2,708	
2. Cash at bank	268,690		268,690	265,231	
3. Short-term securities and investments	11,802		11,802	11,779	
D.I. Other assets	11,278		11,278	14,739	
1. Deferred expenses	3,287		3,287	8,833	
3. Accrued income	7,991		7,991	5,906	
Total assets	1,756,661	318,949	1,437,712	1,069,090	

Consolidated Balance Sheet - Full Version

As of 31. 12. 2015 – Total Liabilities & Equity

Total Liabilities & Equity (in thousands CZK)

31. 12. 2015

31. 12. 2014

	31. 12. 2015	31. 12. 2014
A. Equity	875,957	860,495
A.I. Share capital	5,000	5,000
1. Share capital	5,000	5,000
A.II. Capital funds	7,196	6,939
2. Other capital funds	7,170	7,170
3. Gains or losses from the revaluation of assets and liabilities	26	(231)
A.III. Statutory funds	11,000	11,011
1. Statutory reserve fund/Indivisible fund	11,000	11,011
A.IV. Retained earnings	837,552	815,021
1. Accumulated profits brought forward	855,021	824,243
2. Accumulated losses brought forward	(173)	(148)
3. Other profit or loss from prior years	(17,296)	(9,074)
A.V. Profit or loss for the current period, net of minority interests	15,209	17,809
A.V.1. Profit or loss for the current period	15,209	10,607
A.V.2. Share of income from associates	0	7,202
A.VI. Consolidation reserve fund	0	4,715
B. Liabilities	420,435	186,729
B.I. Reserves	18,568	10,666
4. Other reserves	18,568	10,666
B.II. Long-term liabilities	14,468	7,921
1. Trade payables	14,468	2,582
9. Other payables	0	20
10. Deferred tax liability	0	5,319
B.III. Short-term liabilities	387,399	161,384
1. Trade payables	301,641	82,738
2. Payables - controlled or controlling entity	154	154
5. Payables to employees	9,379	7,318
6. Social security and health insurance payables	5,010	4,300
7. State - tax payables and subsidies	1,731	1,882
8. Short-term prepayments received	64,300	63,361
10. Estimated payables	4,061	619
11. Other payables	1,123	1,012
B.IV. Bank loans and borrowings	6,758	6,758
1. Long-term bank loans	6,758	6,758
C.I. Other liabilities	139,429	17,179
2. Deferred income	139,429	17,179
D. Minority equity	1,891	4,687
D.I. Minority share capital	254	401
D.II. Minority profit funds including retained earnings and accumulated losses	538	4,202
D.IV. Minority profit or loss for the current period	1,099	84
Total liabilities & equity	1,437,712	1,069,090

Consolidated Profit and Loss Account

Year ended 31. 12. 2015

Consolidated Profit and Loss Account (in thousands CZK)

Year ended 31.12. 2015 Year ended 31. 12. 2014

I.	Sales of goods	342	21
A.	Costs of goods sold	300	
+	Gross margin	42	21
II.	Production	985,765	731,457
1.	Sales of own products and services	1,024,059	738,429
2.	Change in internally produced inventory	(38,700)	(7,158)
3.	Own work capitalised	406	186
B.	Purchased consumables and services	797,619	552,800
1.	Consumed material and energy	514,283	339,272
2.	Services	283,336	213,528
+	Added value	188,188	178,678
C.	Staff costs	165,047	156,993
1.	Payroll costs	118,616	114,129
2.	Remuneration to members of statutory bodies	1,960	
3.	Social security and health insurance costs	40,113	38,312
4.	Social costs	4,358	4,552
D.	Taxes and charges	2,400	603
E.	Depreciation of intangible and tangible fixed assets	30,542	31,651
KR A.	Release of consolidation difference (goodwill)	599	1,244
III.	Sales of fixed assets and material	8,888	3,004
1.	Sales of fixed assets	8,560	2,605
2.	Sales of material	328	399
F.	Net book value of fixed assets and material sold	6,239	538
1.	Net book value of sold fixed assets	5,713	125
2.	Book value of sold material	526	413
G.	Change in reserves and provisions relating to operating activities and complex deferred expenses	7,420	(19,332)
IV.	Other operating income	5,389	74,599
H.	Other operating expenses	7,395	66,882
*	Operating profit or loss	(17,177)	17,702
VI.	Proceeds from the sale of securities and investments	15,816	
J.	Cost of securities and investments sold	24,529	
X.	Interest income	138	563
N.	Interest expenses	160	590
XI.	Other financial income	6,959	35,856
O.	Other financial expenses	32,123	39,703
*	Financial profit or loss	(33,899)	(3,874)
Q.	Income tax on ordinary activities	(67,384)	3,151
1.	- due	(54,509)	578
2.	- deferred	(12,875)	2,573
**	Profit or loss from ordinary activities	16,308	10,677
XIII.	Extraordinary income		14
*	Extraordinary profit or loss		14
**	Consolidated profit or loss net of share of income from associates	16,308	10,691
	Consolidated profit or loss net of minority interests	15,209	10,607
	Minority profit or loss	1,099	84
*	Share of income from associates		7,202
***	Profit or loss for the current period (+/-)	16,308	17,893
***	Profit or loss for the current period, net of minority interests (+/-)	15,209	17,809

Consolidated Statement of Changes in Equity

Year ended 31. 12. 2015

Consolidated Statement of Changes in Equity (in thousands CZK)	Share capital	Capital funds	Statutory funds	Accumulated profits brought forward	Accumulated losses brought forward	Other profit or loss from prior years	Profit or loss for the current period	Consolidation reserve fund	Share of income from associates	TOTAL EQUITY
Balance at 31 December 2013 - restated	5,000	6,431	11,058	740,316			87,104	(1,861)	6,710	854,758
Correction of prior year misstatement							(9,074)			(9,074)
Balance at 31 December 2013 - restated	5,000	6,431	11,058	740,316			78,030	(1,861)	6,710	845,684
Transfer of correction of prior year misstatement						(9,074)	9,074			
Distribution of profit or loss				87,252	(148)		(87,104)	6,710	(6,710)	
Dividends paid				(7,617)						(7,617)
Transfers between funds			(47)	47						
Derivative revaluation		508								508
Correction of prior year misstatement							(8,222)			(8,222)
Profit or loss for the current period							18,829		7,202	26,031
Other changes				4,245				(134)		4,111
Balance at 31 December 2014 - restated	5,000	6,939	11,011	824,243	(148)	(9,074)	10,607	4,715	7,202	860,495
Transfer to other profit or loss from prior years						(8,222)	8,222			
Distribution of profit or loss				18,854	(25)		(18,829)	7,202	(7,202)	
Payments from capital funds			(11)	11,928				(11,917)		
Change in valuation differences from revaluation		257								257
Profit or loss for the current period							15,209			15,209
Other changes				(4)						(4)
Balance at 31 December 2015	5,000	7,196	11,000	855,021	(173)	(17,296)	15,209			875,957

Consolidated Cash Flow Statement

Year ended 31. 12. 2015

Consolidated Cash Flow Statement (in thousands CZK)

Year ended 31. 12. 2015

P.	Opening balance of cash and cash equivalents	267,939
Z.	Cash flows from ordinary activities	
	Profit or loss from ordinary activities before tax	(51,076)
A.1.	Adjustments for non-cash transactions	57,117
A.1.1.	Depreciation of fixed assets	30,542
A.1.2.	Change in provisions and reserves	10,682
A.1.3.	Profit/(loss) on the sale of fixed assets	5,866
A.1.5.	Interest expense and interest income	22
A.1.6.	Adjustments for other non-cash transactions	10,005
A.*	Net operating cash flow before changes in working capital	6,041
A.2.	Change in working capital	(9,269)
A.2.1.	Change in operating receivables and other assets	(398,269)
A.2.2.	Change in operating payables and other liabilities	361,118
A.2.3.	Change in inventories	29,576
A.2.4.	Change in current financial assets	(1,694)
A.**	Net cash flow from operations before tax and extraordinary items	(3,228)
A.3.	Interest paid	(160)
A.4.	Interest received	138
A.5.	Income tax paid from ordinary operations	10,051
A.***	Net operating cash flows	6,801
	Cash flows from investing activities	
B.1.	Fixed assets expenditures	(13,904)
B.2.	Proceeds from fixed assets sold	8,560
B.4.	Cash flows from the purchase of a business or its part	(7,080)
B.5.	Cash flows from deconsolidation of a business or its part	15,816
B.***	Net investment cash flows	3,392
	Cash flow from financial activities	
C.1.	Change in payables from financing	(6,758)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: EKOL, spol. s r.o.

Registered office: Křenová 211/65, Trnitá, 602 00 Brno
Legal status: Limited Liability Company
Corporate ID: 416 00 983

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The Notes to the Financial Statements have been prepared in accordance with Regulation 500/2002 Coll., which provides implementation guidance on certain provisions of Accounting Act 563/1991 Coll., as amended. The data in the Notes to the Consolidated Financial Statements are based on the Company's accounting records and other documents available to the Company.

Name of the consolidating entity: EKOL, spol. s r.o.

1. General Information

1.1. Description of the Business

NAME:	EKOL, spol. s r.o. (the "Company")
REGISTERED OFFICE:	Křenová 211/65, 602 00 Brno
CORPORATE ID:	41600983
LEGAL STATUS:	Limited liability company
DATE OF INCORPORATION:	31 July 1991
PRINCIPAL BUSINESS ACTIVITIES:	Manufacturing, trade and services – project activities related to construction; and Manufacturing, installation, repairs of electric machines and devices, electronic and telecommunication devices.

On 1 July 2015, 75% of the Company's equity investment was sold to a Chinese company, Xi'an Shaangu Power Co., Ltd.

1.2. Members of the Statutory Body of the Consolidating Entity

Statutory executives:

STANISLAV VESELÝ – statutory executive A

JAROMÍR KŘÍŽ – statutory executive A

LIU LI JIA – statutory executive B

JIANG GUODONG – statutory executive B

JIN QINGJUN – statutory executive C

Manner of acting:

No less than two (2) statutory executives act jointly on behalf of the Company regarding all matters; one (1) of them will always be statutory executive A and one (1) will always be statutory executive B or statutory executive C.

2. Definition of the Consolidation Group

The parent company is EKOL, spol. s r.o.

2.1. Full Consolidation Method

Name, registered office	Entity		Dependence on the share capital (influence)	Ownership percentage (equity interest)	Consolidation method	Balance sheet date
	Subsidiary	Associate				
EKOL energo s.r.o. Křenová 65, Brno	X		100%	100%	A	31 Dec 2015
EKOL, spol. s r.o., Hečkova 2, Martin	X		100%	100%	A	31 Dec 2015
EKOL TURBO, a.s. Křenová 65, Brno	X		100%	100%	A	31 Dec 2015
AEZ s.r.o. Zaoralova 7, Líšeň, Brno	X		100%	100%	A	31 Dec 2015
Power Electric Sp. z o o ul. Ks. Londzina 47/7 43382 Bielsko- Biala, Poland	X		51%	51%	A	31 Dec 2015

Note.: Consolidation method: A – full consolidation method

Financial statements of the above-listed companies were prepared as of 31 December 2015 in accordance with the Czech accounting principles, with the exception of EKOL, spol. s r.o., Martin, based in Slovakia, and Power electric, based in Poland.

2.2. Equity Method

In 2014, the equity investment in EnergoFuture, a.s. was measured using the equity method. These equity investments were recorded in the balance sheet in lines B.V. 'Securities and equity interests under equity accounting' in the amount of CZK 11,707 thousand, A.V.2. 'Share of income from associates' in the amount of CZK 7,202 thousand and A.VI. 'Consolidation reserve fund' in the amount of CZK 4,715 thousand.

In 2015, the equity investment in EnergoFuture, a.s. was sold for CZK 15,816 thousand. The sale was recognised through expenses and revenues and is reported in the Profit and Loss Account in lines VI. 'Proceeds from the sale of securities and investments' and J. 'Cost of securities and investments sold', including the derecognised consolidation difference (refer to Section 4.3).

2.3. Companies Exempt from Consolidation Obligation

Name	Reason for exemption from consolidation obligation
EKOL GmbH Energysysteme - 70%	The company does not present any information, disagreement in the management – influence due to the majority shareholder cannot be exercised.
BIOVAL S.R. 99.9%	The company is held for resale and is reported in the balance sheet in line 3 'Short-term securities and investments'. The contribution of this company to the turnover of the consolidating group is insignificant.

The parent company EKOL, spol. s r.o. recognised a provision against equity investments of EKOL GmbH Energysysteme amounting to 100% of acquisition costs.

2.4. Consolidation System

Direct consolidation of all entities of the consolidation group at the same time.

2.5. Changes in the Consolidation Group

In 2014, an equity investment in BIOVAL S.R.L. was purchased. BIOVAL S.R.L. was purchased for the purposes of resale and is reported in the balance sheet in line 3 'Short-term securities and investments'. The sale of the company is intended to be realised in 2016.

In 2015, the parent company Ekol sold a 20% investment in EnergoFuture, a.s.

2.6. Manner of Transforming Data from Single to Consolidated Financial Statements (in CZK '000)

Consolidated financial statements disclose the above-specified amounts of equity investments of related parties with respect to each item of the Balance Sheet and Profit and Loss Account.

Equity investments are excluded from the consolidated financial statements in full:

(in thousands CZK)

	EKOL energo s.r.o.	Power electric	EKOL, spol. s r.o., SR	EKOL TURBO a.s	AEZ s.r.o.
Share capital	105,000	517	4,008	2,000	100
Equity investments	106,443	3,986	26,273	1,875	27,500

3. Basis of Accounting and General Accounting Principles

- The accounting records of all entities are in line with the Czech accounting principles (organisational branches abroad are transformed into the Czech accounting system), except for EKOL, spol. s r.o. based in Slovakia and Power electric based in Poland as the accounting principles applied by these entities do not show material differences from the Czech accounting principles.
- Charts of accounts and the organisation of items in financial statements are identical.
- Assets and liabilities are measured in line with the Accounting Act.
- With respect to received and issued invoices, foreign currencies are translated into Czech crowns using a fixed exchange rate promulgated by the Czech National Bank on the first day of the month; at the end of the reporting period, foreign currencies are translated using the exchange rate of the Czech National Bank.
- Consolidation is made in line with Regulation 500/02 Coll. and Czech Accounting Standard No. 20.

3.1. Year-on-year Changes

a) Changes in accounting principles (description, reason, amount):

In the year ended 31 December 2015, a change in accounting for derivative transactions was made. Expenses and revenues arising from derivative transactions are no longer recognised in lines 567/667; instead, the fair value of open derivative transactions at the end of the reporting period is only recognised in the balance sheet line 373. This change was also retrospectively reflected in financial statements for 2014 when 'Other financial income' and 'Other financial expenses' decreased by CZK 322,968 thousand.

As of 31 December 2015, other profit or loss includes a correction of prior year misstatements of CZK 852 thousand (correction of production in progress) in EKOL energo s.r.o., a reserve for complaints of CZK 11,203 thousand and the relevant deferred tax of CZK (2,128) thousand in EKOL, spol. s r.o. This reserve was further adjusted by the impact of 2014 consisting of a decrease in the reserve of CZK 2,590 thousand and a decrease in the deferred tax asset of CZK 493 thousand.

In addition, other profit or loss was utilised to decrease the contractual fine billed in 2014 by CZK 7,370 thousand in EKOL, spol. s r.o. The correction was also reflected retrospectively in the comparative period.

b) Contribution to the profit or loss – individually and jointly controlled entities and associates:

Refer to Section 2.2.

c) Profit or loss arising from the sale of inventory and fixed assets among entities from the consolidation group:

Refer to Section 4.2.1.

4. Additional Information on the Balance Sheet and Profit and Loss Account

4.1. Explication of the Change in Equity of the Consolidation Group

Explication of the change in equity of the consolidation group between two consolidations, especially in the event of changing the scope of the consolidation group and the settlement of securities and equity investments issued by the consolidating entity held by consolidated entities.

The consolidated group's equity saw a year-on-year increase of CZK 7,239 thousand, ie from CZK 868,717 thousand to CZK 875,956 thousand, predominantly due to the influence of attained profit for the period of CZK 15,209 thousand and a change in other profit of loss of prior years of CZK (8,223) thousand.

4.2. Explication of Fluctuations in Profit between 2015 and 2014

4.2.1. Sale of Inventory

2014

(in thousands CZK)

Seller	Purchaser	Inventory on stock	Profit from sale
EKOL, spol. s r.o.	EKOL energo s.r.o.	804	16
EKOL energo s.r.o.	EKOL, spol. s r.o.	42,900	4,693

2015

(in thousands CZK)

Seller	Purchaser	Inventory on stock	Profit from sale
EKOL, spol. s r.o.	EKOL energo s.r.o.	755	15
EKOL energo s.r.o.	EKOL, spol. s r.o.	1,910	166

A significant decrease in the balance of inventory purchased in the group was recorded in the year ended 31 December 2015.

4.2.2. Movements of Tangible and Intangible Fixed Assets

Entities in the consolidation group carry on standard depreciation for accounting and tax purposes.

The parent company recorded a significant decrease in the value of land and construction amounting to CZK 9,700 thousand due to the sale of assets.

4.2.3. Consolidation Difference

As of 31 December 2015, the positive consolidation difference amounted to CZK 9,694 thousand (CZK 19,907 thousand as of 31 December 2014). The year-on-year decrease is attributable to the sale of an equity investment in EnergoFuture, a.s. which was valued by way of the equity method in 2014. Consolidation differences are depreciated over the period of 20 years.

4.3. Explication of Receivables and Payables**4.3.1. Past-due Receivables**

These predominantly include past-due receivables recorded by EKOL, spol. s r.o. of CZK 182,723 thousand with a provision of CZK 939 thousand and Ekol Energo s.r.o. of CZK 16,550 thousand with a provision of CZK 2,727 thousand.

(in thousands CZK)

Maturity	2014	2015
0 days or more	66,934	199,273

4.3.2. Past-due Payables

(in thousands CZK)

Maturity	2014	2015
0 days or more	15,974	4,299

As of 31 December 2015, past-due payables of Ekol, spol. s r.o. and Ekol energo amount to CZK 4,072 thousand and CZK 227 thousand, respectively.

Receivables and payables with maturity of more than 5 years are not recorded.

4.3.3. Aggregate Amount of Other Potential Payables

Aggregate amount of other potential payables (monetary and non-monetary) that are not recorded in standard accounting books of individual entities of the consolidation group and are not disclosed in the consolidated balance sheet:

Such payables are not recorded at present.

4.4. Details of Income by Principal Activity

Income by principal activity categorised as in-country and cross-border:

(in thousands CZK)

Principal activity	In-country		Cross-border		Total	
	2014	2015	2014	2015	2014	2015
Sales of own products and services	354,312	801,130	384,117	223,271	738,429	1,024,401

4.5. Income Generated with Related Parties

2015

(in thousands CZK)

Entity	Services	Products	Total
ShaanGu Power (Hong Kong) Co., Limited	0	86,437	86,437
Shaangu Power(Luxembourg) S.A.,	1,733	0	1,733
Total	1,733	86,437	88,170

2014

(in thousands CZK)

Entity	Services	Products	Total
Energofuture, a.s.	377	1,000	1,377
Total	377	1,000	1,377

4.5.1. Purchases with Related Parties

2015

(in thousands CZK)

Entity	Financial expenses	Total
ShaanGu Power (Hong Kong) Co., Limited	253	253
Total	253	253

2014

None.

Based on contracts on the lease of non-residential premises concluded with Stanislav Veselý and Gustav Poslušný, the Company continued to purchase services from the above-listed entities.

4.6. Average Recalculated Headcount

Average number of employees of the consolidation group during the reporting period at the consolidated balance sheet date:

	Employees		Of which managers	
	2014	2015	2014	2015
Average recalculated headcount	309	299	14	17
Staff costs (CZK '000)	156,993	165,047	11,058	17,963
- Payroll costs	114,129	120 576	7,766	12,468
- Costs of social security and health insurance	38,312	40,113	2,640	4,238
- Social costs	4,552	4,358	652	1,257

Members of the statutory bodies did not receive any rewards, loans, credits, guarantees and other supplies.

4.7. Deferred Income

As of 31 December 2015 and 2014, deferred income amounts to CZK 139,429 thousand and CZK 17,179 thousand, respectively.

This predominantly includes deferrals of work in progress relating to the MINGSHUI project – two condensing turbines 25 MW, Bukoza Hencovce/Královopolská Ria a.s./renovation of a steam turbine and the YANTAI condensing turbine 8.85 MWe.

4.8. Breakdown of Deferred Tax Liability or Asset

Recognised deferred tax assets and liabilities:

(in thousands CZK)

Deferred Tax	2015	2014
Fixed assets ARV - TRV	(24,902)	(33,206)
Financial assets	640	732
Receivables	3,100	3,784
Tax loss	56,951	20,275
Accounting reserves	17,763	10,462
Provision against material	778	778
Outstanding contractual fines	(525)	(19,635)
Total	53,805	(16,810)
Deferred tax asset/(liability)	10,223	(3,194)

In line with accounting principles, a 19% tax rate for 2015 was used for the calculation of the deferred tax.

4.9. Income Taxation

In line with additional tax returns from May 2015, the group claims a return of the income tax based on utilised research and development costs for 2011, 2012 and 2013 in the amount of CZK 55,667 thousand.

4.10. Statutory and Other (Accounting) Reserves

(in thousands CZK)

Type of reserve	Balance at 31 Dec 2014	Charge for reserves	Use of reserves	Balance at 31 Dec 2015
Reserve for additional costs	1,849	7,535	1,849	7,535
Reserve for audit		1,557		1,557
Reserve for complaints	8,817	9,476	8,817	9,476
Total	10,666	18,568	10,666	18,568

4.11. Services

(in thousands CZK)

	2015	2014
Assembly work on projects	129,563	79,326
Rental	17,161	15,505
Travel expenses	9,965	8,710
Interpretation and legal services	3,974	3,107
Repairs and maintenance	3,110	3,822
Trade expenses	15,126	13,558
IT expenses	3,264	2,441
Project-related travel expenses	20,528	9,405
Projects	4,579	2,198
Other services – supervision, packing fees, advisory services	79,066	75,456
Total	283,336	213,528

4.12. Expenses for Statutory Audit

In year ended 31 December 2015, companies from the consolidation group incurred expenses for the statutory audit of the financial statements in the amount of CZK 1,447 thousand (CZK 250 thousand in the year ended 31 December 2014).

4.13. Significant Post-Balance Sheet Events

No events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

15.**REPORT ON RELATED PARTY TRANSACTIONS FOR 2015**

prepared pursuant to Section 82 et seq. of Act No. 90/2012 Coll., on Business Corporations and Cooperatives (Business Corporations Act)

EKOL, spol. s r.o., Brno – Trnitá, Křenová 65, Postal Code 602 00

represented by statutory executives Jaromír Kříž and Jiang Guodong

Preamble

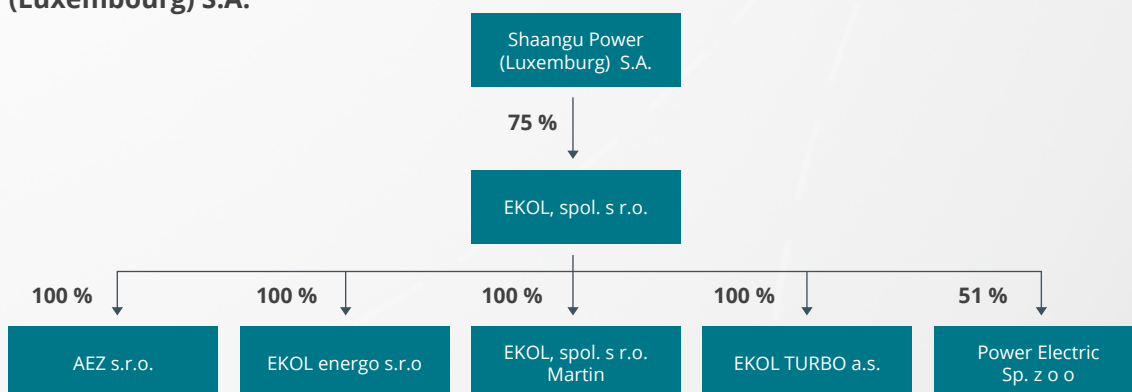
Pursuant to Section 82 et seq. of Act No. 92/2012 Coll., on Business Corporations and Cooperatives, as amended (hereinafter the “Business Corporations Act”), based on its obligation, the statutory body of EKOL,

spol. s r.o. prepared this Report on related party transactions, ie on relations between the Controlled and the Controlling Entities and between the Controlled Entity and entities controlled by the same Controlling

Entity, in line with the Business Corporations Act. The relations are described with regard to the necessity to comply with Section 504 of Act No. 89/2012 Coll., the Civil Code, regarding business secrets.

I. Related Parties**1.1 CONTROLLING ENTITIES:**

With reference to Section 74 et seq. of the Business Corporations Act, the Controlling Entity is the following company:

Shaangu Power (Luxembourg) S.A.

Since 1 July 2015, EKOL, spol. s r.o. has been a member of the Shaangu Group, ie through Shaangu Power (Luxembourg) S.A. and, subsequently, Shaangu Power (HONG KONG) Co., Limited, the Company is controlled by Xi'An Shaangu Power Co., Ltd., which is controlled by Shaanxi Blower (Group) Co., Ltd.

1.2 ENTITIES CONTROLLED BY EKOL, SPOL. S R.O.

- AEZ s.r.o.
- EKOL GmbH
- EKOL energo s.r.o.
- EKOL, spol. s r.o., Martin
- EKOL TURBO a.s.
- Power Electric Sp. z o o
- S.C. CENTRALA BIOVAL S.R.L.

II. Role of the Controlled Entity EKOL, spol. s r.o.

The Controlled Entity is primarily an organisation dealing with the construction, manufacturing and sale of steam turbines, gas turbines, boilers and complete power unit supplies. The Company enters into relations with controlling and controlled entities as a seller or buyer in relation to its construction, manufacturing or business activities relating to the subject of its business. The Controlled Entity has equity interests in other legal entities disclosed under Section I.1.2.

III. Manner and Means of Control

The Company is controlled by means of the General meeting.

IV. Contracts and Agreements Concluded between Related Parties

1. CONTRACTUAL RELATIONS WITH AEZ S.R.O.:

A) Supplies from contracts and agreements concluded in prior reporting periods, based on which supplies were performed in the 2015 reporting period:

Lease contracts for AEZ s.r.o.:

In 2015, supplies were performed based on the contract with AEZ s.r.o. as a lessee:

- Lease of a telephone connection.

Business contracts and agreements: sales contracts / contract agreements / orders

EKOL, spol. s r.o. provided supplies on the basis of the following contracts:

- Framework contract on the provision of DAZ services.

Business contracts and agreements: purchase contracts / contract agreements / orders

AEZ s.r.o. provided supplies on the basis of the following contracts:

- Assembly and dismantling;
- Supervision; and
- Automated Control System tests.

Lease contracts for AEZ s.r.o.:

In 2015 supplies were performed based on the below-mentioned contracts with AEZ s.r.o. as a lessor:

- Lease of parking lots.

B) Supplies from contracts and agreements concluded in the 2015 reporting period, based on which supplies were performed in the 2015 reporting period:

Business contracts and agreements: sales contracts / contract agreements / orders

AEZ s.r.o. provided supplies on the basis of the following contracts:

- Assembly and dismantling;
- Spare parts delivery;
- Switchboard manufacture;
- Cabling modifications; and
- Inspections.

C) Supplies from contracts and agreements concluded in the 2015 reporting period, based on which supplies are to be performed in upcoming years:

Business contracts and agreements: purchase contracts / contract agreements / orders

AEZ s.r.o. provided supplies on the basis of the following contracts:

- Assembly and dismantling;
- Supervision; and
- Spare parts delivery.

2. CONTRACTUAL RELATIONS WITH EKOL ENERGO S.R.O.:

A) Supplies from contracts and agreements concluded in prior reporting periods, based on which supplies were performed in the 2015 reporting period:

Lease contracts for EKOL energo s.r.o.:

In 2015, supplies were performed based on the below contracts with EKOL energo s.r.o. as a lessee:

- Lease of storage rooms;

- Lease of a server, copy machines, PC incl. screen and software;
- Lease of SW licences;
- Lease of a telephone and data connection;
- Lease of a horizontal centre lathe; and
- Lease of a car.

Business contracts and agreements: sales contracts / contract agreements / orders

EKOL, spol. s r.o. provided supplies on the basis of the following contracts:

- Economic, IT services and health and safety at work services;
- Postal and receptionist services;
- Ancillary work for the ROTEZ construction;
- Framework agreement on the provision of digital telephone services (DTS);
- Framework agreement on the provision of DAZ services; and
- Framework agreement on the provision projection services.

Lease contracts for EKOL, spol. s r.o.:

In 2015, supplies were performed based on the below contracts with EKOL energo s.r.o. as a lessor:

- Lease of a server room;
- Lease of a PC incl. screen and software;
- Lease of a car;
- Lease of storage rooms.

Business contracts and agreements: sales contracts / contract agreements / orders

EKOL energo s.r.o. provided supplies on the basis of the following contracts:

- Turbine manufacturing;
- Turbine assembly;
- Turbine inspections, repairs, maintenance
- Technical support; and
- Warranty service.

Other supplies:

Employment of transfer prices based on internal policies regarding the application of transfer prices between EKOL, spol. s r.o. and EKOL energo s.r.o.

B) Supplies from contracts and agreements concluded in the 2015 reporting period, based on which supplies were performed in the 2015 reporting period:

Business contracts and agreements: sales contracts / contract agreements / orders

EKOL spol. s r.o. provided supplies on the basis of the following contracts:

- The Vibroservis division activities;
- Modification of the control system; and
- Technical support.

Business contracts and agreements: purchase contracts / contract agreements / orders

EKOL energo s.r.o. provided supplies on the basis of the following contracts:

- Turbine assembly;
- Turbine inspections, repairs, maintenance;
- Supervision;
- Construction management;
- Turbine preservation;
- Spare parts production;
- Spare parts packing, transport of spare parts;
- Turbine parts machining;
- Turbine parts loading;
- Angle measuring of the 3S settings;
- Documentation;
- Technical support; and
- Sale of materials

C) Supplies from contracts and agreements concluded in the 2015 reporting period, based on which supplies are to be performed in upcoming years:

Business contracts and agreements: purchase contracts / contract agreements / orders

Based on the below-mentioned contracts concluded in 2015, supplies will be provided in the upcoming years.

- Turbine manufacture;
- Turbine assembly;
- Supervision;
- Construction management;
- Turbine preservation and packing;
- Turbine inspections, repairs, maintenance;
- Storage fees; and
- Technical support.

3. CONTRACTUAL RELATIONS WITH EKOL, SPOL. S R.O., MARTIN:

A) Supplies from contracts and agreements concluded in prior reporting periods, based on which supplies were performed in the 2015 reporting period:

- None.

B) Supplies from contracts and agreements concluded in the 2015 reporting period, based on which supplies were performed in the 2015 reporting period:

Business contracts and agreements: sales contracts / contract agreements / orders

- Technical support.

Business contracts and agreements: purchase contracts / contract agreements / orders

- Assembly and dismantling.

C) Supplies from contracts and agreements concluded in the 2015 reporting period, based on which supplies are to be performed in upcoming years:

Business contracts and agreements: purchase contracts / contract agreements / orders

Based on the below-mentioned contract concluded in 2015, supplies will be provided in 2016.

- Assembly and dismantling.

4. CONTRACTUAL RELATIONS WITH POWER ELECTRIC SP. Z O O:

A) Supplies from contracts and agreements concluded in prior reporting periods, based on which supplies were performed in the 2015 reporting period:

- Payment of remuneration based on the cooperation agreement.

B) Supplies from contracts and agreements concluded in the 2015 reporting period, based on which supplies were performed in the 2015 reporting period:

Business contracts and agreements: sales contracts / contract agreements / orders

- Technical support.

C) Supplies from contracts and agreements concluded in the 2015 reporting period, based on which supplies are to be performed in upcoming years:

- None.

5. CONTRACTUAL RELATIONS WITH EKOL GMBH, EKOL TURBO A.S., ETE OOO AND S.C. CENTRALA BIOVAL S.R.L.

- None.

6. CONTRACTUAL RELATIONS WITH SHAANGU POWER (LUXEMBOURG) S.A.:

- None.

7. CONTRACTUAL RELATIONS WITH SHAANGU POWER (HONG KONG) CO., LIMITED.:

A) Supplies from contracts and agreements concluded in prior reporting periods, based on which supplies were performed in the 2015 reporting period:

- None.

B) Supplies from contracts and agreements concluded in the 2015 reporting period, based on which supplies were performed in the 2015 reporting period:

Business contracts and agreements: sales contracts / contract agreements / orders

- Production and delivery of turbines.

C) Supplies from contracts and agreements concluded in the 2015 reporting period, based on which supplies are to be performed in upcoming years:

Business contracts and agreements: sales contracts / contract agreements / orders

- Production and delivery of turbines.

V. Other Legal Acts Made in the Interest or at the Instigation of the Controlling Entity

In 2015, EKOL spol. s r.o. did not make any other legal acts regarding the Controlling Entity.

VI. Other Measures Adopted or Made in the Interest or at the Instigation of Entities Controlled by the Controlling Entity

Apart from measures described in this Report, no other measures were adopted or made in the interest or at the instigation of related parties in 2015.

VII. Assessment as to whether the Controlled Party Incurred any Detriment

By participating in the aforementioned contractual relations between EKOL spol. s r.o. and the Controlling Entity, the Controlled Entity did not incur any detriment.

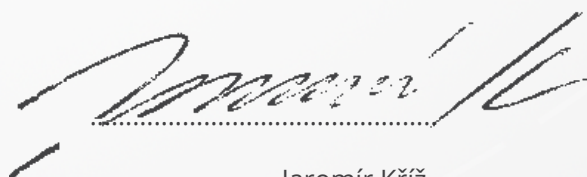
VIII. Assessment of Advantages and Disadvantages Resulting from the Relations between Related Parties

In general terms, related parties predominantly enjoy advantages resulting from related party transactions. The statutory executives declare that they are unaware of any material risks resulting from the relations between related parties.

IX. Statement of the Statutory Body

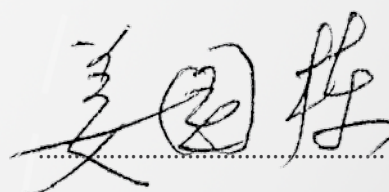
The statutory executives as the statutory body of EKOL, spol. s r.o. declare that information disclosed in this Report is accurate and complete and this Report, pursuant to Section 82 et seq. of the Business Corporations Act, was prepared in full compliance with all information and data the statutory body possesses or acquired with due care.

In Brno on 31 March 2016



Jaromír Kříž

Statutory Executive



Jiang Guodong

Statutory Executive



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