

A.H.T. Syngas Technology N.V.
Amsterdam

Annual report 2016

A.H.T. Syngas Technology N.V.

Explanation of the Management Board to the Business Year 2016

In the year 2016 the negative effect of delays in the payments of projects in Croatia, Malaysia and Japan, furthermore the unsuccessful capital increase caused difficulties in the business of A.H.T. Syngas Technology N.V. and its 100% subsidiary A.H.T. Services GmbH.

Even though A.H.T. Syngas Technology N.V. had signed contracts for buying out shares of the 1,000,000 publicly offered shares and A.H.T. Services GmbH had a good order pipeline, both could not succeed for various reasons.

There were contracts with customers and investors as well as down payments to these contracts in house. Even though those customers and investors confirmed in written and any other communication that these contracts will be fulfilled shortly, A.H.T. Services GmbH went into a situation, that forced the management to open an insolvency proceeding at the end of 2016.

Outlook for 2017

The opening of the insolvency proceeding of A.H.T. Services GmbH will lead to a very challenging year 2017. Apart of acquiring new projects, the trust of the existing customers has to be maintained and strengthened.

A know-how drain has to be prevented by taking in projects with low gross margins and even losses on full cost basis. This to keep the technical competence and know-how in the company. Further losses are expected until a turnaround of the company will be achieved in 2018 with new and more profitable projects.

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Gero Ferges
February 27th 2017



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ACCOUNTANT'S COMPILATION REPORT

To: A.H.T. Syngas Technology N.V.

The financial statements of A.H.T. Syngas Technology N.V. at Amsterdam have been compiled by me using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2016 and the profit and loss account for the year 2016 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by me in accordance with Dutch law, including the Dutch Standard 4410H, 'Compilation engagements', which is applicable to accountants. The standard requires me to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end I have applied mine professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide me with all relevant information and that this information is correct. Therefore, I have conducted my work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude my work, I have read the financial statements as a whole to consider whether the financial statements as presented correspond with my understanding of A.H.T. Syngas Technology N.V. I have not performed any audit or review procedures which would enable me to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement I have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA, Dutch Code of Ethics). You and other users of these financial statements may therefore assume that I have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that I will treat all information provided to me as confidential.

Sint Oedenrode, February 27th 2018

L. van Etten

Bijzaak Administraties



FINANCIAL STATEMENTS

1 BALANCE SHEET AS AT DECEMBER 31, 2016
(after appropriation of result)

	December 31, 2016		December 31, 2015	
	€	€	€	€
ASSETS				
FIXED ASSETS				
<i>Intangible fixed assets</i>	(1)	921,582		1,023,980
<i>Financial fixed assets</i>	(2)	19,828		-
CURRENT ASSETS				
Receivables, prepayments and accrued income		725,418		13,406
Cash and cash equivalents	(3)	-		75,372
		<u>725,418</u>		<u>88,778</u>
		725,418		88,778
		<u><u>1,666,828</u></u>		<u><u>1,112,758</u></u>

	December 31, 2016		December 31, 2015	
	€	€	€	€
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY (4)				
Issued share capital	1,500,000		1,500,000	
Share premium reserve	4,350,727		4,350,727	
Legal reserves	921,582		1,023,980	
Other reserves	<u>-6,186,927</u>		<u>-5,856,650</u>	
		585,382		1,018,057
CURRENT LIABILITIES (5)				
Finance company debt	38,237		-	
Trade creditors	41,985		45,517	
Other liabilities and accruals	<u>1,001,224</u>		<u>49,184</u>	
		1,081,446		94,701
		<u>1,666,828</u>		<u>1,112,758</u>

2 PROFIT AND LOSS ACCOUNT 2016

		2016		2015	
		€	€	€	€
Nett turnover	(6)		24,000		-
			<u>24,000</u>		<u>-</u>
Wages and salaries		111,940		-	
Amortisation and depreciation	(7)	102,398		3,413,640	
Other operating expenses		210,239		133,569	
			<u>424,577</u>	<u>3,547,209</u>	
Operating result			<u>-400,577</u>	<u>-3,547,209</u>	
Financial income and expenses	(11)		<u>-32,098</u>	<u>1,165</u>	
Result before tax			<u>-432,675</u>	<u>-3,546,044</u>	
Taxation on result of ordinary activities			<u>-</u>	<u>-</u>	
			<u>-432,675</u>	<u>-3,546,044</u>	
Share in result of participating interests	(12)		<u>-</u>	<u>-565,272</u>	
Result after tax			<u><u>-432,675</u></u>	<u><u>-4,111,316</u></u>	

3 NOTES TO THE FINANCIAL STATEMENTS

Activities

A.H.T. Syngas Technology N.V. mainly acts as a holding and financing company.

Registered address

The registered and actual address of A.H.T. Syngas Technology N.V. (CoC file 14095766) is Laan van Diepenvoorde 3 in Waalre.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The financial statement is drawn up in accordance with Title 9 Book 2 of the Dutch Civil Code. Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet and profit and loss account, references are made to the Notes.

Assumption of continuity

The equity of the Company amounts to € 616,451 as at 31 December 2016. The result over 2016 is € 401,606 negative. Despite this negative result, at present the shareholder has made the commitment to finance any shortfalls to ensure that the Company will operate as a going concern in the foreseeable future. The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company.

Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are stated at historical cost less amortization. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realizable value.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer (below) to "Impairment of non-current assets".

Expenditure on development projects is capitalised as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful (i.e.: if it is likely that economic benefits will be realised) and the cost can be determined reliably. A legal reserve has been formed within equity with regard to the recognised development costs for the capitalised amount. The amortisation of capitalised development costs commences at the time when the commercial production starts and takes place over the expected future useful life of the asset. Research costs are recognised in the profit and loss account.

Positive goodwill resulting from acquisitions and calculated in accordance with section "Amortisation of intangible fixed assets and depreciation of tangible fixed assets" is capitalised and amortised on a straight-line basis over the estimated economic life.

Financial fixed assets

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of an associate based on the net asset value is negative, it will be stated at nil. If and insofar as the company can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is recognized for this.

Newly acquired associates are initially recognized on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

Impairment of fixed assets

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realizable value of the asset is determined. If it is not possible to determine the realizable value of the individual asset, the realizable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realizable value; the realizable value is the higher of the realizable value and the value in use. An impairment loss is directly recognized in the income statement while the carrying amount of the asset concerned is concurrently reduced.

Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost. Provisions are designated on basis of individual assessment of recoverability of the receivables.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

Current liabilities

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized cost price. When there are no premiums, discounts or transaction costs, the amortized cost is equal to the nominal value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is the difference between the realizable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognized in the year in which they are realized.

Financial income and expenses

Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognized transaction expenses for loans received are taken into consideration.

Share in result of participating interests

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to AHT Syngas Technology NV.

Taxes

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

4 NOTES TO THE BALANCE SHEET AS OF DECEMBER 31, 2016

Fixed assets

1. Intangible fixed assets

	Engineering designs
	€
<i>Carrying amount as of January 1, 2016</i>	
Purchase price	1,023,980
Cumulative amortisation and impairment	-
	<u>1,023,980</u>
<i>Movement</i>	
Amortization	<u>-102,398</u>
<i>Carrying amount as of December 31, 2016</i>	
Purchase price	1,023,980
Cumulative amortisation and impairment	-102,398
	<u>921,582</u>
<i>Amortisation rates</i>	%
Engineering designs	10

2. *Financial fixed assets*

Participations in group companies

	Balance up to annual results 2016	Balance up to annual results 2015
	€	€
<i>A.H.T. Services GmbH (100% owned)</i>		
Carrying amount as of January 1	-	565,272
Share in result	-	109,769
	-	675,041
Impairment	-	-675,041
Carrying amount as of December 31	-	-

	12/31/2016	12/31/2015
	€	€
<i>Other receivables</i>		
Loans	19,828	-

Current assets

<i>Trade receivables</i>		
Trade debtors	741,804	-
	741,804	-
Doubtful debtor provision	-31,069	-
	710,735	-

Taxes and social securities

Value added tax	14,683	13,406
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3. *Cash and cash equivalents*

Cash at bank	-	75,372
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4. Shareholders' equity

	<u>12/31/2016</u>	<u>12/31/2015</u>
	€	€
<i>Issued share capital</i>		
Subscribed and paid up 1,500,000 ordinary shares at par value € 1.00	<u>1,500,000</u>	<u>1,500,000</u>
	Balance up to annual results 2016	Balance up to annual results 2015
	€	€
<i>Share premium reserve</i>		
Carrying amount as of January 1	4,350,727	3,418,909
Contributions	-	931,818
Carrying amount as of December 31	<u>4,350,727</u>	<u>4,350,727</u>
<i>Reserve for research and development</i>		
Carrying amount as of January 1	1,023,980	-
Movement	-102,398	1,023,980
Carrying amount as of December 31	<u>921,582</u>	<u>1,023,980</u>
A legal reserve has been formed within equity with regard to the recongnised development of engineering designs.		
<i>Other reserves</i>		
Carrying amount as of January 1	-5,856,650	-507,925
	-5,856,650	-507,925
Allocation of financial year net result	-432,675	-4,111,316
Repurchased own shares	-	-213,429
Movement legal reserve	102,398	-1,023,980
Carrying amount as of December 31	<u>-6,186,927</u>	<u>-5,856,650</u>

5. Current liabilities

	<u>12/31/2016</u>	<u>12/31/2015</u>
	€	€
<i>Finance company debt</i>		
Rabobank	38,237	-
	<u>38,237</u>	<u>-</u>
<i>Trade creditors</i>		
Creditors	41,985	45,517
	<u>41,985</u>	<u>45,517</u>
<i>Other liabilities and accruals</i>		
Loans third parties	970,845	7,474
Accrued liabilities	30,379	41,710
	<u>1,001,224</u>	<u>49,184</u>
<i>Accrued liabilities</i>		
Audit fees	-	32,500
Administration costs	15,000	9,210
Other accrued liabilities	15,379	-
	<u>30,379</u>	<u>41,710</u>

5 NOTES TO THE PROFIT AND LOSS ACCOUNT 2016

	Balance up to annual results 2016	Balance up to annual results 2015
	€	€
6. Nett turnover		
Sales	24,000	-
	<u>24,000</u>	<u>-</u>
Staff		
During 2016, the Company had no employees (2015: 0).		
7. Amortisation and depreciation		
<i>Amortisation of intangible fixed assets</i>		
Engineering designs	102,398	-
Goodwill	-	358,040
Goodwill impairment	-	3,055,600
Totaal	<u>102,398</u>	<u>3,413,640</u>
Other operating expenses		
8. Office expenses		
Office supplies	740	843
Automation costs	-	173
	<u>740</u>	<u>1,016</u>
9. Selling and distribution expenses		
Representation costs	8,037	-
Depreciation debtors A.H.T. Services GmbH	31,069	-
	<u>39,106</u>	<u>-</u>
10. General expenses		
Accountants and administration costs	14,662	30,120
Audit fees	-	32,500
Advisory costs	136,815	52,600
Legal fees	7,636	8,148
Subscriptions and contributions	-	8,718
Travel expenses	11,617	167
Other general expenses	-337	300
	<u>170,393</u>	<u>132,553</u>

A.H.T. Syngas Technology N.V.
Amsterdam

	Balance up to annual results 2016	Balance up to annual results 2015
	€	€
11. Financial income and expenses		
Interest and similar income	-920	2,490
Interest and similar expenses	-31,178	-1,325
	<u>-32,098</u>	<u>1,165</u>
12. Share in result of participating interests		
Share in result of A.H.T. Services GmbH	-	109,769
Impairment A.H.T. Services GmbH	-	-675,041
	<u>-</u>	<u>-565,272</u>

Signing of the financial statements

Amsterdam, ~~27-02~~ 2018
Management Board:

Gero Bernhard Ferges

Signing of the financial statements

Amsterdam, ...-2018
Supervisory Board:

Kevin Paul McDevitt

Swee Yee Wong

