

## FORM 2A

### LISTING STATEMENT

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## **2. Corporate Structure**

2.1 The full corporate name of the Issuer is: CDN MSolar Corp.

The Issuer's head office address is: 708 – 1155 West Pender Street, Vancouver, British Columbia, V6E 294.

The Issuer's registered & records office address is: 1010 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

2.2 The Issuer was formed pursuant to the *Business Corporations Act*, S.B.C. 2002, c. 57 (the "BCBCA") on September 30, 2013, as a result of an amalgamation (the "Amalgamation") between MN Ventures Ltd. ("MN"), which was incorporated under the BCBCA on May 3, 2013 and a private company with the same name as the Issuer, CDN MSolar Corp., which was incorporated pursuant to the BCBCA on March 15, 2013. MN was incorporated as a wholly owned subsidiary of reporting issuer, Newlox Gold Ventures Corp. ("Newlox") pursuant to a plan of arrangement (the "Plan of Arrangement") approved by Newlox shareholders on July 30, 2013, approved by the Supreme Court of BC on August 6, 2013 and filed with Corporate Registry of British Columbia on September 30, 2013. For more information about the Amalgamation please refer to the Newlox management information circular dated June 25, 2013 which is available at [www.sedar.com](http://www.sedar.com). There have been no material amendments to the articles or other constating documents or establishing documents of the Issuer.

2.3 The Issuer does not have any subsidiaries.

2.4 The Issuer is not requalifying following a fundamental change or proposing an acquisition, amalgamation, merger, reorganization or arrangement.

2.5 The Issuer is not a non-corporate Issuer or Issuer incorporated outside of Canada.

## **3. General Development of the Business**

3.1 The Issuer, CDN MSolar Corp. ("CMS"), was originally formed to be the exclusive worldwide marketing and business development partner with Dongying Minghui New Energy Science & Technology Co., Ltd. ("Minghui"). Minghui is located in the national economic and technology development zone in the city of Dongying located on the Yellow River delta in the Shandong Province of China, which is not more than a six hour train ride from Beijing.

Incorporated on March 15, 2013, CMS entered into a Technology Transfer Agreement ("TTA") with Minghui which comprises the entire business of CMS.

Minghui has developed, created and manufactured certain products and systems that involve proprietary technologies, many patents, methodologies, systems and solutions regarding integrated energy saving technology (collectively, the Minghui developments, IP and products are the “Minghui Technology”).

At its core, Minghui designs, manufactures and sells integrated energy saving technology systems combining its flat-panel solar collector, multi-source heat pump and deep geothermal pump systems in response to a growing demand for energy-saving solutions designed for residential and commercial buildings.

The TTA gave CMS an irrevocable license to produce, develop, market, sell and/or otherwise distribute worldwide, with the exception of China, the Minghui Technology. Consideration for the TTA consisted of 9,750,000 common shares (at \$0.02 per share) of CMS.

3.2 (1-2)(a) The following is a description of completed significant acquisitions of the Issuer:

Pursuant to an assignable letter of intent entered into between Newlox, a reporting issuer listed on the CSE, and CMS dated March 22, 2013 the two companies proposed to enter into an amalgamation agreement on the terms proposed therein (the “CMS LOI”). Newlox assigned the CMS LOI to its wholly owned subsidiary incorporated on May 3, 2013, MN, and on June 25, 2013 CMS and MN entered into an amalgamation agreement, included as part of the reorganization and Plan of Arrangement approved by Newlox shareholders on July 30, 2013 and approved by the Supreme Court of BC on August 6, 2013. The effective date of filing the Plan of Arrangement and Amalgamation under the BCBCA is September 30, 2013.

Newlox shareholders hold approximately 9.12% of the Issuer’s shares, and CMS shareholders hold approximately 82.09% of the Issuer’s shares as a result of the Amalgamation between CMS and MN. Lin Hoi Yu, President and Director of the Issuer holds 1.19% of the Issuer’s shares as a result of a debt owed by the Issuer to Lin Hoi Yu. Pursuant to a private placement which took place on March 12, 2014, 7.60% of the Issuer’s shares are held by two private individuals.

The following table provides a summary of shares in the Issuer:

Shares	Position after Share Distribution Record Date	Percentage in Issuer
MN Shares	1,999,997	9.12%
CMS Shares	18,000,000	82.09%
Lin Hoi Yu Shares	260,920	1.19%
Private Placement Shares	1,666,667	7.60%

Total Issuer Shares	21,927,584	100.00%
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Minghui is a Related Entity of the current Issuer, as it holds 63.85% of its shares.

(b) There have been no significant or probable dispositions to disclose.

3.3 Other than as disclosed in this Application, the Issuer is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition. See Section 17 below for a discussion of Risk Factors.

## 4 Narrative Description of the Business

4.1 (1) With respect to the business of the Issuer:

The Issuer's business will commence with operations in Canada. Management of the Issuer has described CMS's mission to become the leading supplier of energy-savings building technology systems in North and South America with a longer term goal to become a leading residential and commercial renewable energy integrator worldwide.

(a) The Issuer expects to accomplish the following business objectives in the forthcoming 12-month period:

- **Establishment of Marketing and Distribution Business** – The Issuer will establish a business operations center in Vancouver, B.C. that will enable it to import products and technologies from Minghui and start to market and distribute it to contractors and businesses in North and South America.
- **Establishment of Demonstration Projects** – The Issuer will choose representative regions in the local area for constructing of demonstration projects. Upon completion, the Issuer will be responsible for monitoring the operation of the system, making improvements, and acquiring relevant data for meticulous analysis, so that the Issuer works out the best marketing scheme and provides technical support for extensive promotion.
- **Extensive promotion of mature projects developed** – When the demonstration project is suitable for more extensive promotion after improvement, the Issuer will organize relevant engineering personnel and marketing staff to carry out market

research and development for larger-scale applications of the Minghui Technology. The Issuer will then begin large-scale promotions in North and South America.

(b) The following significant events or milestones must occur in order for the business objectives in (a) to be accomplished:

- **Science**
  - North American proof of concept
  - Optimize all materials and configurations for global markets
  - Establish North and South American production specifications
  - Develop scaling resources for components and integration
- **Business/Engineering Partners**
  - Identify business and engineering strategic partners
  - Define new product structure and production requirements
  - Select pilot production partners and establish detailed tactical build-out plan
- **Sales & Marketing**
  - Establish initial customer product requirements
  - Develop marketing collateral and support materials
  - Initiate early customer contacts
  - Confirm and detail go-to-market strategy
  - Develop PR strategy and plan
- **Administration/Legal/Finance**
  - Finalize accounting system
  - Complete 2013 financial and related planning
  - Engage cross-border CA expertise
  - Secure all initial funds
  - Select series A investment partners

(c) The total funds available to the Issuer and the breakdown of those funds are as follows:

- (i) The estimated consolidated working capital as of the most recent month end prior to filing the Listing Statement is \$100,000.
- (ii) The total other funds to be used to achieve the objectives and milestones set out in paragraphs (a) and (b) is estimated to be \$555,000. The Issuer anticipates that it will secure further capital in the first quarter following listing of \$500,000. The Issuer anticipates that various Chinese business associates who may

be seeking to apply for permanent residence through the B.C. Provincial Nominee Program will be interested in investing in the Issuer's business, and this will be the Issuer's primary source of funding.

- (d) With respect to the funds available and estimated described in the preceding subparagraph (c), the Issuer anticipates that the funds will be used as follows:

<b>Principal Purpose</b>	<b>Amount</b>	<b>Months</b>
Legal and accounting	\$50,000	12
Testing and Certification Canada	\$250,000	12
Marketing and Materials	\$50,000	12
Travel	\$25,000	12
Personnel	\$150,000	12
Operating Overhead	\$30,000	12
<b>Total Expenses</b>	<b>\$555,000</b>	

Expenses are scalable and proportioned to the full year therefore the Company believes it has sufficient control of expenditures to manage its working capital appropriately however it needs to raise further funds before embarking on the majority of expenditures.

- (2) With respect to the Issuer's principal products and services:
- (a) The Issuer will expand its partnerships with residential and commercial contractors that are active in installing and promoting energy saving building technologies.
  - (b) As the Issuer has not yet commenced operations, there has been no revenue generated.
  - (c) The Issuer's products are fully developed installed and in use in China in homes, apartments, and a major 800,000 sq. ft. five star hotel. Development in Canada consists of having the products certified for sale in Canada as may be required for Underwriters Laboratory Canada certification, Canadian Standards Association and any required engineering certification.
    - (i) The Issuer plans to cooperate with related local agencies to set up research and development and production facilities where the

Issuer may apply existing technologies to develop localized products more suitable for the local market. The Issuer anticipates these goals being met in its second or third year of operations.

- (ii) The anticipated costs of proposed research and development of adaptation of the product is \$250,000 within a year.
- (iii) The Issuer receives the benefit of using the research and development facilities and expertise in conjunction with Minghui.
- (iv) Additional steps required to reach commercial production is retention or acquisition of distribution channels through local partners and completion of a marketing program centered around a demonstration site and estimated of costs including:

Marketing and Materials	\$50,000
Travel	\$25,000
Personnel	\$150,000

(3) With respect to production and sales:

- (a) The Issuer intends to establish full research and development and production capabilities.

The Issuer will design and build integrated energy saving technology ("IEST") systems to meet each customer's individual needs and circumstances. The Issuer will assess a customer's annual power requirements and average daily consumption rates in different seasons of the year to size the solar energy system and engineer its wiring. The Issuer will assess the customer's roof size, configuration, and composition to determine the optimum location for the solar photovoltaic ("PV") modules. The Issuer will factor in information about the customer's electrical service territory and its rate structures and the customer's budget and preferred financing method, as well as the customer's aesthetic preferences. The Issuer will also identify the relevant federal, provincial or state and local regulations, including building codes that are important to the cost, operation and return on investment of the customer's system, as well as relevant tax rates and various other factors. The Issuer will assess this data using solar monitoring tools and analytical calculations, which will enable us to design a solar energy system to a size and configuration that maximizes energy efficiency for each customer's circumstances.

The Issuer will prepare final construction plans to obtain a building permit which is necessary for rebate processing. The Issuer will also provide customers with a return on investment analysis and determine the rebates and performance-based incentives that are available to each customer. As soon as the building permit is approved, the Issuer's installation professionals will begin the installation by placing metal racking on the customer's roof (or by building a ground mount in certain situations), followed by installation of the solar PV modules, inverter(s) and the balance of systems components and safety equipment. After the solar PV modules and inverter(s) are installed on the customer's home or business, the Issuer will then obtain a final inspection of the installation by the local building department, prepare and submit all rebate applications to the appropriate rebating jurisdiction and at the same time apply for the local utility company to interconnect the customer's solar energy system to the utility grid.

The entire process from signing of the contract through final inspection by the local building department will typically take between 60 to 90 days, with the actual installation work usually requiring two to three days.

- (b) There are currently no material leases or mortgages.
- (c) The Issuer requires a workforce with specialized skill and knowledge in the field of solar technology. Currently, the Issuer has a strong operational, tactical and advisory management team that understands the needs of the related market. The Issuer's management and associates have been actively involved in selling systems and solutions to businesses across Canada. They also have a great deal of general business and market experience and technology expertise.
- (d) The Issuer's solar PV plates and modules supplied by Minghui are used in combination with standard heat pump systems, which integrate existing electricity, heating and cooling systems found within a building.
- (e) Minghui has stated that it now has more than thirty patents in conjunction with several Chinese universities in new energy saving technologies. The Issuer has signed an exclusive license to the Minghui Technology with Minghui for the broad purpose to design, develop, construct, manufacture, operate, maintain and sell products and solutions that use the Minghui Technology on a global basis (with the exception of China). This may require filing the patents worldwide or in specific countries to protect market share.



- (f) Unlike stand alone solar panel systems that are purchased and used mainly in summer months, the heat storage and conservation ability of soil's thermostat layer, using cold and heat energy in different seasons means purchase and use of the Issuer's system is year round.
  - (g) The Issuer does not anticipate that its business that will be affected in the 12 months following the date of the Listing Statement by renegotiation or termination of contracts or sub-contracts.
  - (h) Concerns about climate change, global warming and greenhouse gas emissions have resulted in international efforts to reduce such emissions, and various provinces and states have enacted stricter emissions control laws or mandated that utilities comply with renewable portfolio standards ("RPS"), which require the generation of a certain amount of power from renewable sources. Because the solar energy industry offers solutions to these challenges, we believe it has extremely large growth potential. Currently, less than one percent of the world's power is generated from solar energy sources.
  - (i) As at the most recent financial year end, the Issuer had no employees.
  - (j) The Issuer has no foreign operations.
  - (k) The Issuer's entire business undertaking consists of the Technology Transfer Agreement with Dongying Minghui New Energy Science & Technology Co., Ltd. as described above.
  - (l) The Issuer does not expect that its business in the current financial year will be affected any renegotiation or termination of contracts.
- (4) With respect to the competitive conditions in the principal markets and geographic areas in which the Issuer operates, the energy-saving building technology system installation market is highly competitive and fragmented with low barriers to entry.

The Issuer currently competes with a large number of relatively small installers and integrators, some of which do not have extensive industry experience and may lack adequate systems and capital, but some of which benefit from operating efficiencies or from having lower overhead, which enables them to offer lower prices.

The Issuer believes that a number of competitors exist in the Canada and the United States including companies such as REC Solar and Solar City.

The Issuer believes it will be competing on factors such as brand recognition, quality of services and products, pricing, speed and quality of components.

As the industry expands and industry consolidation occurs, the Issuer is more likely to encounter competition from larger companies, some of which may have greater financial, technical and marketing resources and greater name recognition than the Issuer does.

The Issuer believes that it will have a number of advantages over its competitors, including the following:

- *Low-cost customer acquisition model.* The Issuer believes that it can price its systems more aggressively and lower than its competition.
  - *Strong supplier base.* The Issuer will maintain a strong relationship with its Chinese manufacturer, which will provide it with continued access to a supply of its key system components and early review of innovative market products.
  - *Best technology.* The Issuer has the most flexible solar and high energy components.
- (5) The Issuer does not currently engage in any lending operations, nor does it have any investment policies or lending and investment restrictions.
- (6) There are no bankruptcy, receivership or similar proceedings against the Issuer or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by the Issuer or any of its subsidiaries, within the current financial year.
- (7) In its current financial year, the Issuer was a party to a Plan of Arrangement pursuant to which MN, a non-operating company and a subsidiary of Newlox, acquired the CMS LOI from Newlox. Pursuant to the CMS LOI, a private company with the same name as the Issuer, CDN MSolar Corp., and Newlox were to enter into an agreement to amalgamate. CDN MSolar Corp. and MN Ventures Ltd. entered into an amalgamation agreement, dated June 25, 2013, which became effective on September 30, 2013.
- (8) The Issuer has not implemented any social or environmental policies that are fundamental to the Issuer's operations.

4.2 The Issuer does not have any outstanding asset-backed securities.

4.3 The Issuer does not have any mineral projects.

4.4 The Issuer does not have any oil and gas operations.

## 5. Selected Consolidated Financial Information

5.1 As noted above, the Issuer is the result of an amalgamation (as of September 30, 2013) and neither of the two amalgamating companies have completed a full financial year. Unless otherwise stated, the following financial information pertains to the audited period, beginning from the acquirer's incorporation date of March 15, 2013 to the period ended March 31, 2013.

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### CDN MSOLAR CORP.

#### AUDITED STATEMENT OF COMPREHENSIVE LOSS

FOR THE PERIOD FROM INCORPORATION ON MARCH 15, 2013 TO MARCH 31, 2013

(Expressed in Canadian Dollars)

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#### Expenses

Listing expense	22,471
Professional fees	18,841
	<u>41,312</u>

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<b>Net loss and comprehensive loss</b>	<b>41,312</b>
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### CDN MSOLAR CORP.

#### AUDITED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2013

(Expressed in Canadian Dollars)

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#### LIABILITIES

##### Current

Accounts payable and accrued liabilities	41,311
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#### SHAREHOLDERS' EQUITY

Share capital	1
Deficit	(41,312)
	<u>(44,311)</u>

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NO DIVIDENDS HAVE BEEN DECLARED BY THE ISSUER

On May 3, 2013, the Issuer agreed to issue 6,250,000 common shares at \$0.02 per share for a total of \$125,000 to settle the accounts payable outstanding and professional fees incurred subsequent to the period ended March 31, 2013.

Pro Forma Adjustments to the above statements presented to shareholders of Newlox Gold Ventures Ltd. and CDN MSolar Corp. are as follows:

**CDN MSOLAR CORP.**

Pro-Forma Combined Statement of Financial Position

As at March 31, 2013

*(Unaudited – Prepared by Management)*

	Pro-Forma CDN MSolar Corp.	Pro-Forma Adjustments CDN MSolar Corp (Note 3)	Pro-Forma Consolidated March 31, 2013
	\$	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	-	\$100,000 (a)	\$100,000
	-	-	-
Technology Transfer Agreement	-	\$195,000 (b)	\$195,000
	-	\$295,000	\$295,000
<b>Pro-forma Assumptions</b>			
<b>Current Liabilities</b>			
Accounts payables and accrued liabilities	41,311	83,689 (c) (125,000) (c)	125,000 (125,000)
	41,311	(41,311)	-
<b>Shareholders' Equity</b>			
Share capital	1	195,000 (b) 125,000 (c)	195,000 125,000
Contributed surplus	0	100,000 (a) 100,000(d)	100,000 100,000
Equity	1	520,000	520,000
Deficit	(41,312)	(83,689) (c) (100,000)(d)	(125,000) (100,000)
	(41,311)	(1)	295,000

**FORM 2A – LISTING STATEMENT**

July 6, 2010

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- a) CDN MSolar Corp. ("CMS") to close a \$100,000 private placement by issuance of shares at \$.05 per share. The Issuer will redeem the incorporator share of 1 share.
- b) On April 15, 2013, CMS signed a Technology Transfer Agreement pursuant to the LOI signed on March 23, 2013, to purchase the Minghui Technology in exchange for 9,750,000 common shares at \$0.02 per share for a total of \$195,000.
- c) On May 3, 2013, CMS issued 6,250,000 common shares at \$0.02 per share for a total of \$125,000 to settle the accounts payable outstanding and professional fees incurred subsequent to the audited period.
- d) Carrying value of CMS shares issued for 2,000,000 shares of MN recorded as deemed listing expense to reflect reverse takeover accounting.

### CDN MSOLAR CORP.

#### Pro-Forma Combined Statements of Comprehensive Loss

For the Period ended March 31, 2013

(Unaudited – Prepared by Management)

	Pro-Forma CDN MSolar Corp. Three Months Ended March 31, 2013	Pro-Forma Adjustments (Note 3)	Pro-Forma Consolidated March 31, 2013
	\$		\$
Expenses			
Listing expense	22,471		22,471
Professional fees	18,841		18,841
Deemed Listing Cost		100,000	100,000
	41,312		141,312
Loss from operations	(41,312)		(141,312)
Net loss and comprehensive loss	(41,312)		(141,312)

### Pro-forma Assumptions

After the proposed Transaction, CMS Shareholders will become majority shareholders of the amalgamated company. CMS is considered the acquirer for accounting purposes; and has been accounted for as a reverse takeover transaction in accordance with guidance provided in IFRS 2 Share-based Payment and IFRS 3 Business Combinations. As MN did not qualify as a business according to the definition in IFRS 3, this reverse takeover transaction does not constitute a business combination; rather it is treated as an issuance of shares by CMS for the net assets of MN.

Share capital:	Number of Shares	Amount (\$)
MN Shares outstanding, March 31, 2013	2,000,000	\$ 1
MN Shares cancelled on Amalgamation	(2,000,000)	(1)

CMS Shares outstanding, March 31, 2013	18,000,000	420,000
CMS Shares cancelled on Amalgamation	(18,000,000)	-
New MN shares issued to MN Shareholders	2,000,000	100,000
New MN Shares issued to CMS Shareholders	18,000,000	-
<b>Pro-forma share capital</b>	<b>20,000,000</b>	<b>520,000</b>

<b>Carrying Value (\$)</b>	
Cash	\$ 1
Receivables	NIL
Accounts payable and accrued liabilities	NIL
Net value of liabilities assumed	\$ NIL
Consideration	
2,000,000 common shares	\$ 100,000

The transaction was measured at the fair value of the shares that CMS would have had to issue for the ratio of ownership interest in the combined entity to be equivalent to the ratio of ownership interest (between new and former owners) in the combined entity if the transaction had taken the legal form of CMS acquiring MN. This share value of the 2,000,000 shares issued was determined based on CMS share value of \$0.05 per share for a total of \$100,000. This value of the stock exchange listing of \$100,000 has been charged to expense as deemed listing expense.

## 5.2 Quarterly information

### RESULTS OF OPERATIONS AND SUMMARY OF QUARTERLY RESULTS

	For the Nine Months Ended December 31, 2013	For the Six Months Ended September 30, 2013	For the Three Months Ended June 30, 2013	For the Period from incorporation March 15, 2013 to March 31, 2013
		\$		\$
Expenses				
Consulting fees	8,039			
Agency and stock transfer fees	5,365			
Filing fees	295			
Listing expense	39,915	12,839	12,839	22,471
Office expense	164	150	-	-
Professional fees	93,724	98,191	96,941	18,841
	<b>147,502</b>	<b>111,180</b>	<b>109,780</b>	<b>41,312</b>
Other Income				
Interest Income	18			
<b>Net loss and comprehensive loss</b>	<b>147,484</b>	<b>111,180</b>	<b>109,780</b>	<b>41,312</b>
<b>Basic and diluted loss per</b>	<b>(0.01)</b>	<b>(0.006)</b>	<b>(0.010)</b>	<b>(0.00)</b>

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**common share**

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As at December 31, 2013, the Issuer had cash of \$105,097 and shareholder advances of \$18,703. There was no key management remuneration or payroll paid during the period. 19,999,997 common shares were issued on October 14, 2013 in respect of the amalgamation. 260,920 common shares were issued on December 19, 2013 as a result of a convertible note held by the President and shareholder of the Issuer, who had advanced \$26,092 towards working capital in exchange for an agreement to convert at least \$10,000 of the advance into share of the Issuer at \$0.10 per share, determined by independent members of the board to be a reasonable arms length price. 1,666,667 common shares were issued on March 12, 2014 as a result of a private placement subscription agreement issuing common shares in the Issuer at a price of \$0.15 per common share for total net proceeds of \$250,000.05.

### 5.3 With regard to dividends:

- (a) The payment of dividends is dependant on the Issuer's ability to successfully conduct commercial operations and generate a profit. Other than that, there are no known restrictions that could prevent the Issuer from paying dividends; and
- (b) The Issuer has no present intention to declare any dividends on the Issuer's shares. Any policy resulting in a decision to pay dividends on the Issuer's shares will be made by the board of directors of the Issuer on the basis of its earnings, financial requirements and other conditions existing at such time.

## 6. Management's Discussion and Analysis

### Initial MD&A

- 6.1 The date of the Issuer's first MD&A is October 10, 2013 for the period ended June 30, 2013 as Audited Statements as of March 31, 2013 did not require an MD&A under the securities regulations. See Basis of Discussion below.

## INTRODUCTION

### General

CDN MSolar Corp. ("CMS" or the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on March 15, 2013. CMS is currently a private company. CMS's head office and registered and records offices are located at 1010-1030 West Georgia Street, Vancouver, BC V6E 2Y3.

The Company is a private company, established to be the exclusive worldwide marketing and business development partner of Dongying Minghui New Energy Science

& Technology Co., Ltd. ("Minghui"). Minghui is located in the national economic and technology development zone in the city of Dongying located on the Yellow River delta in the Shandong Province of China. Minghui has developed, created and manufactured certain products and systems that involve proprietary technologies, many patents, methodologies, systems and solutions regarding integrated energy saving technology, collectively, the Minghui developments, IP and products (the "Minghui Technology"). Minghui has developed over thirty patents in conjunction with several Chinese universities in China. At its core, Minghui designs, manufactures and sells integrated energy saving technology ("IEST") systems combining its flat-panel solar collector, multi-source heat pump and deep geothermal pump in response to a growing demand for energy-saving solutions designed for residential and commercial buildings. The Company plans to expand Minghui operations from its base in Canada to the international market, with plans to establish research and development, production and sales operations outside China.

On March 22, 2013, CMS entered into the CMS LOI, pursuant to which CMS would enter into an amalgamation agreement with Newlox Gold Ventures Corp. ("Newlox") a public reporting company listed on the Canadian Securities Exchange (symbol: LUX). Newlox transferred its interest in the CMS LOI to a newly-formed subsidiary company, being MN Ventures Ltd., ("MN"), which will amalgamate with CMS to become CDN MSolar Corp. Pursuant to a plan of arrangement, shares of the CDN MSolar Corp. will be issued in exchange for MN Shares that would be distributed to the Newlox Shareholders.

On March 23, 2013, CMS entered into a letter of intent with Minghui (the "Minghui LOI") to enter into a technology transfer agreement ("TTA") to acquire the right to use and exploit the Minghui Technology. The TTA was executed on April 15, 2013. Pursuant to the TTA, CMS was granted by Minghui an irrevocable license to produce, develop, market, sell and/or otherwise distribute the Minghui Technology. The TTA is limited to use and exploitation worldwide, with the exception of China. Pursuant to the TTA, Minghui was issued 9,750,000 CMS Shares.

Pursuant to the Plan of Arrangement and Amalgamation Agreement, Newlox will transfer to MN all of Newlox's interest in the LOI in exchange for the same number of MN Shares as the issued and outstanding number of Newlox Shares multiplied by the Conversion Factor, agreed to be no more than 2,000,000 shares which shares will be distributed to the Newlox Shareholders who hold Newlox Shares on the Share Distribution Record Date.

MN is a start-up company and therefore has no regular source of income. As a result, CMS's ability to conduct operations, including the evaluation of the Minghui Technology, is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that CMS will be able to do so. The CMS LOI requires all costs of the Plan of Arrangement and Amalgamation to MN be paid by CMS therefore all working capital and operations for the amalgamated company is being provided by CMS.



The success of the Company is dependent upon certain factors that may be beyond management's control, such as political, currency, and liquidity risk. If the Company is unable to fund its investments or otherwise fails to invest in an active business, its business, financial condition or results of operations could be materially and adversely affected.

For the three month period ended June 30, 2013, the Company incurred a loss of \$109,781 which raises significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations, as intended is dependent on its ability to obtain necessary financing and raise sufficient capital to cover its marketing and other costs.

### **Basis of Discussion & Analysis**

This management discussion and analysis ("MD&A") is dated as of October 10, 2013 and should be read in conjunction with the interim financial statements of the Company for the three month period ended June 30, 2013 ("Interim June 30, 2013 Statements") and the audited financial statements as at March 31, 2013 and the period from the date of incorporation on March 15, 2013 to March 31, 2013 ("Audited Financial Statements").

Our discussion in this MD&A is based on the Interim June 30, 2013 Statements. The Audited Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), and as such do not include all of the information required for full annual financial statements. Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

All statements other than statements of historical fact in this Annual MD&A are forward-looking statements. These statements represent the Company's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. Readers should not place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

### **THE COMPANY AND BUSINESS**

On March 22, 2013, CMS entered into the CMS LOI, pursuant to which CMS would enter into an amalgamation agreement with Newlox Gold Ventures Corp. ("Newlox") a public reporting company listed on the Canadian Securities Exchange (symbol: LUX). Pursuant to the Amalgamation Agreement, shares of the Company issued and outstanding would be exchanged on a one-to-one basis for shares of the

amalgamated company, whereas Newlox will be issued the number of Newlox shares held by the Newlox shareholder at the close of business on June 29, 2013 (the share distribution record date) multiplied by the Conversion Factor of 0.14973522 giving approximately 1 share of MN for every 6.68 shares of Newlox held. Accordingly Newlox will distribute approximately 2,000,000 of the Company' Shares to the shareholders of Newlox.

Newlox assigned the CMS LOI to MN Ventures Ltd., ("MN") a company incorporated on May 3, 2013 and a wholly owned subsidiary of Newlox. On June 25, 2013 the Company and MN entered into an amalgamation agreement.

On March 23, 2013, CMS entered into a letter of intent with Minghui (the "Minghui LOI") to enter into a technology transfer agreement ("TTA") to acquire the right to use and exploit the Minghui Technology. The TTA was executed on April 15, 2013. Pursuant to the TTA, CMS was granted by Minghui an irrevocable license to produce, develop, market, sell and/or otherwise distribute the Minghui Technology. The TTA is limited to use and exploitation worldwide, with the exception of China. Pursuant to the TTA, Minghui was issued 9,750,000 CMS Shares.

Pursuant to the Arrangement, Newlox will transfer to MN all of Newlox's interest in the CMS LOI in exchange for the same number of MN Shares as the issued and outstanding number of Newlox Shares multiplied by the Conversion Factor, agreed to be no more than 2,000,000 shares which shares will be distributed to the Newlox Shareholders who hold Newlox Shares on the Share Distribution Record Date.

On July 30, 2013, Newlox shareholders approved the Plan of Arrangement to spin off MN the and Amalgamation agreement referred to in Note 10 with the Company dated June 24, 2013, as described in the management information circular of Newlox dated July 25, 2013. The Plan of Arrangement was approved by the Supreme Court of British Columbia on August 6, 2013. The effective date of filing the Plan of Arrangement and Amalgamation under the BCBCA is September 30, 2013.

Pursuant to the Amalgamation shares of the amalgamated company named CDN MSolar Corp. are to be issued as to 1,999,997 shares to shareholders of MN and 18,000,000 shares to be issued to shareholders of CDN MSolar Corp.

When Minghui's Technology – solar plates – are mounted on walls or roof tops and combined with the building's existing radiation appliances, high-efficient energy storage devices are coupled with our multi-source heat pump technology. We create a fully integrated energy-saving heating and cooling solution. We use multiple renewable energy sources (such as ground-source heat, water-source heat, industrial waste heat and rich deep geothermal energy) which allow our solutions to be composed of a variety of renewable energy systems and resources and means we can provide very flexible solutions.

## SELECTED FINANCIAL INFORMATION

### RESULTS OF OPERATIONS AND SUMMARY OF QUARTERLY RESULTS

	For the Three Months ended June 30, 2013	For the Period from incorporation March 15, 2013 to March 31, 2013
	\$	\$
<b>Expenses</b>		
Listing expense	12,839	22,471
Professional fees	96,941	18,841
	109,780	41,312
<b>Net loss and comprehensive loss</b>	109,780	41,312
<b>Basic and diluted loss per common share</b>	(0.01)	(0.00)
<b>Weighted average number of common shares outstanding</b>	18,000,000	1

The Issuer has not commenced operations and there were no operations for the period ended June 30, 2013.

#### **Additional Disclosure for Venture Issuers without Significant Revenue**

The listing expense of \$12,839 includes disbursements to reimburse Newlox and GST.

The professional fee of \$96,941 includes legal fees for \$88,500 and Business Plan consultant fees of \$8,441.

## LIQUIDITY AND CAPITAL RESOURCES

### Financial Position

Note	For the period ended June 30, 2013	For the period ended March 31, 2013
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	100,000	-
	100,000	-
<b>Total Current Assets</b>	100,000	

Technology Transfer Agreement		195,000	
<b>Total Assets</b>		295,000	-

**LIABILITIES**

**Current Liabilities**

Accrued liabilities and accounts payable	11(b)	-	41,311
		-	41,311

**Shareholder Advances**

**SHAREHOLDERS' EQUITY (DEFICIENCY)**

Share capital	5	420,000	1
Deficit		(151,092)	(41,312)
		268,908	(41,311)
		295,000	-

**Changes in Cash Position**

	For the Three Months ended June 30, 2013	For the Period from incorporation March 15, 2013 to March 31, 2013 \$
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**Cash (used in)/provided by:**

**Operating activities**

Net loss for the period	(109,781)	(41,312)
Change in non-cash working capital components:		
Accounts payable and accrued liabilities	(41,311)	41,311
Shareholder Advances		26,091
-		

<b>Cash used in operating activities</b>	(125,000)	(1)
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**Financing activities**

Share issuance	225,000	-
<b>Net cash provided by financing activities</b>	225,000	-

<b>Change in cash</b>	100,000	-
<b>Cash , beginning of the period</b>	-	1
<b>Cash, end of the period</b>	100,000	1

The Issuer has issued a total of 8,250,000 shares for cash totalling \$225,000 and a shareholder has provided an additional \$26,092 and agreed to convert at least \$10,000 into shares at \$0.10 per share.

## SELECTED QUARTERLY INFORMATION

### RESULTS OF OPERATIONS

	For the Three Months ended June 30, 2013	For the Period from incorporation March 15, 2013 to March 31, 2013
	\$	\$
<b>Expenses</b>		
Listing expense	12,839	22,471
Professional fees	96,941	18,841
	109,780	41,312
<b>Net loss and comprehensive loss</b>	109,780	41,312
<b>Basic and diluted loss per common share</b>	(0.01)	(0.00)
<b>Weighted average number of common shares outstanding</b>	18,000,000	1

The Issuer has not commenced operations and there were no operations for the period ended June 30, 2013.

### Financial Instruments

The Issuer's financial instruments consist of accounts payable; the fair values of which are considered to approximate their carrying value due to their short-term maturities or ability for prompt liquidation.

The Issuer's risk exposures and the impact on the Issuer's financial instruments are summarized below:

Strategic and operational risks are risks that arise if the Issuer fails to develop the solar business in Canada under the Minghui Technology Agreement and/or to raise sufficient equity and/or debt financing in financing the business development. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Issuer is subject to normal industry credit risks. Therefore, the Issuer believes that there is minimal exposure to credit risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2013, the Issuer had cash of \$100,000, and amounts due to related party of \$26,092. Management is considering different alternatives to secure adequate debt or equity financing to meet the Issuer's short term and long term cash requirement.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Issuer's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Issuer holds no financial instruments that are denominated in a currency other than Canadian dollar. As such, the Issuer's exposure to currency risk is minimal.

### **Share Capital**

Issued and Outstanding:

	<b>Number of Shares</b>	<b>Amount (\$)</b>
<i>Common shares issued for cash</i>	<b>8,250,000</b>	<b>225,000</b>
<i>Common shares issued for Technology Transfer</i>	<b>9,750,000</b>	<b>195,000</b>
<i>Balance, June 30, 2013</i>	<b>18,000,000</b>	<b>420,000</b>

As at the date of this report there were no stock options or warrants outstanding.

### **Future Cash Requirements**

The Issuer's future capital requirements will depend on many factors, including, among others, cash flow from operations. Should the Issuer pursue other business opportunities, the Issuer may need to raise additional funds through debt or equity financing. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Issuer's common stock. No assurance can be given that additional financing will be

available, or that it can be obtained on terms acceptable to the Issuer and its shareholders. Accordingly, the Issuer is investigating various business opportunities that ideally will increase the Issuer's positive cash flow.

## **RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. There were no related party transactions or balances during the period.

The President and Shareholder of the Issuer has advanced \$26,092 towards working capital with no terms for repayment except for agreement to convert at least \$10,000 of the advance into shares of the Issuer at \$0.10 per share, determined by independent members of the board to be a reasonable arms length price. There was no key management remuneration or payroll paid during the period.

## **RISKS AND UNCERTAINTIES**

### Start Up Venture

As a start up venture the Issuer's prospects are affected by the risks, expenses, and difficulties frequently encountered by companies in the growth stage, particularly companies in highly competitively markets. As an early growth-stage company, the risks faced by CMS include, but are not limited to, evolving and unpredictable business models and growth management. To address these risks, the Issuer must, among other things, expand its customer base, implement and successfully execute its business and marketing strategy, continue to develop and upgrade its processes and technology, provide superior service to customers, respond to competitive developments, and attract, retain, and motivate qualified personnel. There is no assurance that it will be profitable in the future.

The success of the Issuer is dependent upon certain factors that may be beyond the Issuer's control. If the Issuer is unable to fund any such investment required to advance the business under the Minghui Technology agreement or otherwise fails to invest in new technology or obtain adequate sales, then financial condition or results of operations could be materially and adversely affected.

### Conflicts of Interest

Certain directors of the Issuer also serve as directors and/or officers of other companies involved in operations that may be related to the business the Issuer enters into. Consequently, there exists the possibility for such directors to be in a position of conflict.

Any decision made by such directors involving the Issuer will be made in accordance with their duties and obligations to deal fairly and in good faith with the Issuer and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

### 6.13 **Significant Accounting Policies**

#### a) Measurement basis

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in paragraphs (k & l). In addition, the financial statements have been prepared using the accrual basis of accounting.

#### b) Significant accounting estimates and judgments

The preparation of the financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include accrued liabilities and deferred income taxes. Significant judgments include the determination of categories of financial assets and financial liabilities identified as financial instruments, which involves judgments or assessments made by management; and the determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

#### c) Impairment

##### Non-financial assets

At the end of each reporting period, the Issuer's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit"). An



impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

#### Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

#### d) Cash

Cash is comprised of cash in banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

e) Share-based payments

The Issuer's stock option plan allows employees and consultants to acquire shares of the Issuer. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

f) Deferred financing costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

g) Loss per share

The Issuer presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Issuer by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

h) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

i) Comprehensive income (loss)

Comprehensive income (loss) is the change in the Issuer's net assets that results from transactions, events and circumstances from sources other than the Issuer's shareholders and includes items that are not included in net profit. Other comprehensive income consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income. The Issuer has not had other comprehensive income since inception.

j) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. As at March 31, 2013, the Issuer has not recorded any provisions

k) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Issuer has not classified any financial assets as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. At March 31, 2013, the Issuer has not classified any financial assets as loans and receivables held to maturity, or as available for sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

l) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Issuer's accounts payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings. At March 31, 2013, the Issuer has not classified any financial liabilities as FVTPL.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

m) New accounting standards issued but not yet effective:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Issuer may have been excluded from the list below.

The following standard will be effective for annual periods beginning on or after January 1, 2014:

**IFRS 10 Consolidated Financial Statements** - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation - Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

**IFRS 12 Disclosure of Interests in Other Entities** - IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

**IAS 27 – Separate Financial Statements** - As a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

**IAS 32 – Financial Instruments: Presentation** - In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7. The following standard will be effective for annual periods beginning on or after January 1, 2015:

**IFRS 9 – Financial Instruments** - In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9 *Financial Instruments*, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Issuer has not been determined.

**6.14 Financial Instruments and Other Instruments** - For financial instruments and other instruments:

The Issuer's risk exposures and the impact on the Issuer's financial instruments are summarized below:

Strategic and operational risks are risks that arise if the Issuer fails to develop the solar business in Canada under the Minghui Technology Transfer Agreement and/or to raise sufficient equity and/or debt financing in financing the business development. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions.

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Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2013, the Issuer had cash of \$100,000, and amounts due to related party of \$26,092. Management is considering different alternatives to secure adequate debt or equity financing to meet the Issuer's short term and long term cash requirement.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Issuer's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Issuer holds no financial instruments that are denominated in a currency other than Canadian dollar. As such, the Issuer's exposure to currency risk is minimal.

## **Interim MD&A**

Management Discussion and Analysis as at September 30, 2013

### **Basis of Discussion & Analysis**

This management discussion and analysis ("Annual MD&A") is dated as of November 28, 2013 and should be read in conjunction with the interim financial statements of the Issuer for the six months period ended September 30, 2013 ("Interim September 30, 2013 Statement") and the audited financial statements as at March 31, 2013 and the period from the date of incorporation on March 15, 2013 to March 31, 2013 ("Audited Financial Statements").

Our discussion in this MD&A is based on the Interim September 30, 2013 Statement. The Audited Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim

Financial Reporting, as issued by the International Accounting Standards Board (IASB), and as such do not include all of the information required for full annual financial statements. Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

All statements other than statements of historical fact in this Interim MD&A are forward-looking statements. These statements represent the Issuer's intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Issuer. These factors could cause actual results to differ materially from such forward-looking statements. Readers should not place undue reliance on these forward-looking statements. The Issuer undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

## **THE ISSUER AND BUSINESS**

On March 22, 2013, CMS entered into the CMS LOI, pursuant to which CMS would enter into an amalgamation agreement with Newlox Gold Ventures Corp. ("Newlox") a public reporting company listed on the Canadian Securities Exchange (symbol: LUX). Pursuant to the Amalgamation Agreement, shares of the Issuer issued and outstanding would be exchanged on a one-to-one basis for shares of the amalgamated company, whereas Newlox will be issued the number of Newlox shares held by the Newlox shareholder at the close of business on June 29, 2013 (the share distribution record date) multiplied by the Conversion Factor of 0.14973522 giving approximately 1 share of MN for every 6.68 shares of Newlox held. Accordingly Newlox will distribute approximately 2,000,000 of the Issuer's shares to the shareholders of Newlox.

Newlox assigned the CMS LOI to MN Ventures Ltd., ("MN") a company incorporated on May 3, 2013 and is a wholly owned subsidiary of Newlox. On June 25, 2013 the Company and MN entered into an amalgamation agreement.

On March 23, 2013, CMS entered into a letter of intent with Minghui (the "Minghui LOI") to enter into a technology transfer agreement ("TTA") to acquire the right to use and exploit the Minghui Technology. The TTA was executed on April 15, 2013. Pursuant to the TTA, CMS was granted by Minghui an irrevocable license to produce, develop, market, sell and/or otherwise distributed the Minghui Technology. The TTA is limited to use and exploitation worldwide, with the exception of China. Pursuant to the TTA, Minghui was issued 9,750,000 CMS Shares.

Pursuant to the Plan of Arrangement and Amalgamation Agreement, Newlox will transfer to MN all of Newlox's interest in the CMS LOI in exchange for the same number of MN Shares as the issued and outstanding number of Newlox Shares multiplied by the Conversion Factor, agreed to be no more than 2,000,000 shares which shares will be distributed to the Newlox Shareholders who hold Newlox Shares on the Share Distribution Record Date.

On July 30, 2013, Newlox shareholders approved the Plan of Arrangement to spin off MN the and Amalgamation Agreement referred to in Note 10 with the Issuer dated June 24, 2013, as described in the management information circular of Newlox dated July 25, 2013. The Plan of Arrangement was approved by the Supreme Court of British Columbia on August 6, 2013. The effective date of filing the Plan of Arrangement and Amalgamation under the BCBCA is September 30, 2013.

When Minghui's Technology – solar plates – are mounted on walls or roof tops and combined with the buildings existing radiation appliances, high-efficient energy storage devices are coupled with our multi-source heat pump technology. We create a fully integrated energy-saving heating and cooling solution. We use multiple renewable energy sources (such as ground-source heat, water-source heat, industrial waste heat and rich deep geothermal energy) which allow our solutions to be composed of a variety of renewable energy systems and resources and means we can provide very flexible solutions.

## RESULTS OF OPERATIONS AND SUMMARY OF QUARTERLY RESULTS

	For the Six Months Ended September 30, 2013	For the Three Months Ended June 30, 2013	For the Period from incorporation March 15, 2013 to March 31, 2013
	\$		\$
Expenses			
Listing expense	12,839	12,839	22,471
Office expense	150	-	-
Professional fees	98,191	96,941	18,841
	111,180	109,780	41,312
<b>Net loss and comprehensive loss</b>	111,180	109,780	41,312
<b>Basic and diluted loss per common share</b>	(0.006)	(0.010)	(0.00)
<b>Weighted average number of common shares outstanding</b>	<b>18,000,000</b>	<b>18,000,000</b>	<b>1</b>

The Issuer has not commenced operations and there were no operations for the period ended September 30, 2013.

### Additional Disclosure for Venture Issuers without Significant Revenue

The listing expense of \$12,839 includes disbursements to reimburse Newlox and GST.



The professional fee of \$98,191 includes legal fees for \$88,500, business plan consultant fees of \$8,441 and estimated accounting fee of \$1,250.

## LIQUIDITY AND CAPITAL RESOURCES

### Financial Position

	Note	For the period ended September 30, 2013 \$	For the period ended March 31, 2013 \$
<b>ASSETS</b>			
Current Assets			
Cash		100,000	-
		<b>100,000</b>	-
<b>Total Current Assets</b>			
		<b>100,000</b>	-
<b>Technology Transfer Agreement</b>			
		<b>195,000</b>	-
<b>Total Assets</b>			
		<b>295,000</b>	-
<b>LIABILITIES</b>			
Current Liabilities			
Accrued liabilities and accounts payable	11(b)	1,400	41,311
Due to related parties		26,092	-
		<b>27,492</b>	<b>41,311</b>
<b>Shareholder Advances</b>	9	<b>27,492</b>	<b>(23,744)</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>(DEFICIENCY)</b>			
Share capital	5	420,000	1
Deficit		(152,492)	(41,312)
		<b>267,508</b>	<b>(41,311)</b>
		<b>295,000</b>	-

## Changes in Cash Position

	From The Six Months Ended September 30, 2013	For the Period from incorporation March 15, 2013 to March 31, 2013
	\$	\$
<b>Cash (used in)/ Provided by:</b>		
<b>Operating activities</b>		
<b>Net loss for the period</b>	<b>(111,180)</b>	<b>(41,312)</b>
Change in non-cash working capital		
Accounts payable and accrued liabilities	(39,911)	41,311
Shareholder Advances	26,090	-
<b>Cash used in operating activities</b>	<b>(125,001)</b>	<b>(1)</b>
<b>Financing activities</b>		
Share issuance	225,000	-
<b>Net cash provided by financing activities</b>	<b>225,000</b>	<b>-</b>
<b>Change in cash</b>	<b>99,999</b>	<b>-</b>
<b>Cash, beginning of the period</b>	<b>1</b>	<b>1</b>
<b>Cash, end of the period</b>	<b>100,000</b>	<b>1</b>

The Issuer has issued a total of 8,250,000 shares of cash totalling \$225,000 and a shareholder has provided an additional \$26,092 and agreed to convert at least \$10,000 into shares at \$0.10 per share.

### SELECTED QUARTERLY INFORMATION

#### RESULTS OF OPERATIONS

	For the Six Months Ended September 30, 2013	For the Period from incorporation March 15, 2013 to March 31, 2013
	\$	\$
<b>Expenses</b>		
Listing expense	12,839	22,471
Office expense	150	-

Professional fees	98,191	18,841
	111,180	41,312
<b>Net loss and comprehensive loss</b>	<b>111,180</b>	<b>41,312</b>
<b>Basic and diluted loss per common share</b>	<b>(0.006)</b>	<b>(0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>18,000,000</b>	<b>1</b>

The Issuer has not commenced operations and there were no operations for the period ended September 30, 2013.

### **Financial Instruments**

The Issuer's financial instruments consist of cash and payables and accruals; the fair values of which are considered to approximate their carrying value due to their short-term maturities or ability for prompt liquidation.

The Issuer's risk exposures and the impact on the Issuer's financial instruments are summarized below:

Strategic and operational risks are risks that arise if the Issuer fails to develop the solar business in Canada under the Minghui Technology Transfer Agreement and/or to debt financing in financing the business development. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Issuer is subject to normal industry credit risks. Therefore, the Issuer believes that there is minimal exposure to credit risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2013, the Issuer had cash of \$100,000 and amounts due to related party of \$26,092. Management is considering different alternatives to secure adequate debt or equity financing to meet the Issuer's short term and long term cash requirement.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Issuer's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Issuer holds no financial instruments that are denominated in a currency other than Canadian dollar. As such, the Issuer's exposure to currency risk is minimal.

## **Share Capital**

Issued and Outstanding:

	<b>Number of Shares</b>	<b>Amount (\$)</b>
<b>Common shares issued for cash</b>	8,250,000	225,000
<b>Common shares issued for Technology Transfer Agreement</b>	9,750,000	195,000
<b>Balance, September 30, 2013</b>	18,000,000	420,000

As at the date of this report there were no stock options or warrants outstanding.

## **Future Cash Requirements**

The Issuer's future capital requirements will depend on many factors, including, among others, cash flow from operations. Should the Issuer pursue other business opportunities, the Issuer may need to raise additional funds through debt or equity financing. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Issuer's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Issuer and its shareholders. Accordingly, the Issuer is investigating various business opportunities that ideally will increase the Issuer's positive cash flow.

## **RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. There were no related party transactions or balances during the period.

The President and Shareholder of the Issuer has advanced \$26,092 towards working capital with no terms for repayment except for agreement to convert at least \$10,000 of the advance into shares of the Issuer at \$0.10 per share, determined by independent members of the board to be a reasonable arms length price. There was no key management remuneration or payroll paid during the period.

## **RISKS AND UNCERTAINTIES**

### **Start Up Venture**

As a start up venture the Issuer's prospects are affected by the risks, expenses, and difficulties frequently encountered by companies in the growth stage, particularly companies in highly competitively markets. As an early growth-stage company, the risks faced by the Issuer include, but are not limited to, evolving and unpredictable business models and growth management. To address these risks, the Issuer must, among other things, expand its customer base, implement and successfully execute its business and marketing strategy, continue to develop and upgrade its processes and technology, provide superior service to customers, respond to competitive developments, and attract, retain, and motivate qualified personnel. There is no assurance that it will be profitable in the future.

The success of the Issuer is dependent upon certain factors that may be beyond the Issuer's control. If the Issuer is unable to fund any such investment required to advance the business under the Minghui Technology Transfer Agreement or otherwise fails to invest in new technology or obtain adequate sales, then financial condition or results of operations could be materially and adversely affected.

### **Conflicts of Interest**

Certain directors of the Issuer also serve as directors and/or officers of other companies involved in operations that may be related to the business the Issuer enters into. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Issuer will be made in accordance with their duties and obligations to deal fairly and in good faith with the Issuer and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

## **ADDITIONAL INFORMATION**

Additional information pertaining to the Issuer is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### **Interim MD&A**

Management Discussion and Analysis as at December 31, 2013

## **INTRODUCTION**

### **General**

On September 30, 2013, the Company completed an amalgamation with CDN MSolar Corp. (the "MSolar") and MN Ventures Ltd. (the "MN") by way of a reverse takeover

which continues the business and operations of the MSolar under the name of CDN MSolar Corp. (the "Company"). The Company was incorporated on under the laws of British Columbia on March 15, 2013. The address of the Company's corporate office and its principal place of business are 708 - 1155 West Pender, Vancouver, British Columbia, Canada.

The Company is a listed company, established to be the exclusive worldwide marketing and business development partner of Dongying Minghui New Energy Science & Technology Co., Ltd. (the "Minghui"). Minghui is located in the national economic and technology development zone in the city of Dongying located on the Yellow River delta in the Shandong Province of China: Minghui has developed, created and manufactured certain products and systems that involve proprietary technologies, many patents, methodologies, systems and solutions regarding integrated energy saving technology, collectively, the Minghui developments, IP and products (the "Minghui Technology"). Minghui has developed over thirty patents in conjunction with several Chinese universities in China. At its core, Minghui designs, manufactures and sells integrated energy saving technology (the "IEST") systems combining its flat-panel solar collector, multi-source heat pump and deep geothermal pump in response to a growing demand for energy-saving solutions designed for residential and commercial buildings. The Company plans to expand Minghui operations from its base in Canada to the international market, with plans to establish research and development, production and sales operations outside China.

On March 23, 2013, MSolar entered into a letter of intent with Minghui (the "Minghui LOI") to enter into a technology transfer agreement (the "TTA") to acquire the right to use and exploit the Minghui Technology. The TTA was executed on April 15, 2013. Pursuant to the TTA, MSolar was granted by Minghui an irrevocable license to produce, develop, market, sell and/or otherwise distributed the Minghui Technology. The TTA is limited to use and exploitation worldwide, with the exception of China. Pursuant to the TTA, Minghui was issued 9,750,000 MSolar Shares.

On March 22, 2013, MSolar entered into a letter of intent (the "MSolar LOI") with Newlox Gold Ventures Corp. (the "Newlox") whereby MSolar and Newlox would be amalgamated into an amalgamated company (the "Amalco"). Newlox is a reporting issuer listed on the Canadian Securities Exchange (symbol: LUX) in the jurisdictions of British Columbia and Alberta. Pursuant to MSolar LOI, shares of MSolar issued and outstanding would be exchanged on a one-to-one basis for shares of Amalco, whereas Newlox will be issued the number of Newlox shares held by the Newlox shareholder of record of Newlox as of June 29, 2013 multiplied by the conversion factor. Accordingly Newlox will distribute approximately 2,000,000 of the Amalco's shares to the shareholders of Newlox.

Newlox assigned the MSolar LOI entered into with the MSolar to MN, a company incorporated on May 3, 2013 and is a wholly owned subsidiary of Newlox. On June 25, 2013, MSolar and MN entered into a Plan of Arrangement and Amalgamation (the "Arrangement").

MN is a start-up company and therefore has no regular source of income. As a result, the MSolar's ability to conduct operations, including the evaluation of the Minghui Technology, is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that MSolar will be able to do so. The MSolar LOI requires all costs of the Arrangement to MN be paid by MSolar therefore all working capital and operations for the amalgamated company is being provided by MSolar.

On September 30, 2013, MSolar completed a merger with MN resulting in MSolar owning all of the issued and outstanding securities of MN. Under the amalgamation, each shareholder of record of Newlox as at June 29, 2013 entitled to receive shares of MN received one share of Company for each one share they are entitled to receive of MN. Under the amalgamation, each shareholder of record of MSolar as at September 30, 2013 received one share of the Company for every one common share of MSolar held by the shareholder.

On October 14, 2013, under the Amalgamation, the Company issued 18,000,000 new common shares to the shareholders of MSolar and 1,999,997 common shares to former shareholders of MN.

The success of the Company is dependent upon certain factors that may be beyond management's control, such as political, currency, and liquidity risk. If the Company is unable to fund its investments or otherwise fails to invest in an active business, its business, financial condition or results of operations could be materially and adversely affected.

For the nine months period ended December 31, 2013, the Company incurred a loss of \$147,484 which raises significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operation, as intended is dependent on its ability to obtain necessary financing and raise sufficient capital to cover its marketing and other costs.

### **Basis of Discussion & Analysis**

This management discussion and analysis (the "Annual MD&A") is dated as of February 24, 2014 and should be read in conjunction with the condensed interim financial statements of the Company for the nine months period ended December 31, 2013 (the "Interim December 31, 2013 Statement") and the audited financial statements as at March 31, 2013 and the period from the date of incorporation on March 15, 2013 to March 31, 2013 (the "Audited Financial Statements").

Our discussion in this MD&A is based on the Interim December 31, 2013 Statement. The Audited Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim

Financial Reporting, as issued by the International Accounting Standards Board (“IASB”), and as such do not include all of the information required for full annual financial statements. Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

All statements other than statements of historical fact in this Interim MD&A are forward-looking statements. These statements represent the Company’s intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. Readers should not place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

### **Significant Accounting Policies**

#### **a. Measurement basis**

The condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in paragraphs (k & l). In addition, the financial statements have been prepared using the accrual basis of accounting.

#### **b. Significant accounting estimates and judgments**

The preparation of these condensed interim financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed interim financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include accrued liabilities and deferred income taxes. Significant judgments include the determination of categories of financial assets and financial liabilities identified as financial instruments, which involves judgments or assessments made by management; and the determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.



## c. Impairment

### Non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit"). An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Impairment loss recognized in prior years is assessed at each reporting date for any indications that the loss has decreased or no longer exists. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

#### d. Cash

Cash is comprised of cash in banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

#### e. Share-based payment

The Company's stock option plan allows employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

#### f. Deferred financing costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transaction are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operation.

#### g. Loss per share

The Company presents basic and diluted loss per share date for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

#### h. Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years. Deferred income tax are recorded using the liability method whereby deferred tax is recognized in respect to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

i. Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of equity as Accumulated Other Comprehensive Income. The Company has not had other comprehensive income since inception.

j. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. As at December 31, 2013, the Company has not recorded any provisions.

k. Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company has not classified any financial assets as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. At December 31, 2013, the Company has not classified any financial assets as loans and receivables held to maturity, or as available for sale.

Transactions costs associated with FVTPL financial assets are expenses as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount for the asset.

#### **I. Financial liabilities**

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVPTL are recognized in earnings. At December 31, 2013, the Company has not classified any financial liabilities as FVTPL.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

#### **m. New accounting standards issued but not yet effective**

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The following standard will be effective for annual periods beginning on or after January 1, 2014:

**IFRS 10 *Consolidated Financial Statements*** - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation – Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

**IFRS 12 *Disclosure of Interests in Other Entities*** – IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

**IAS 27 – *Separate Financial Statements*** – As a result of the issue of the new consolidation suite of standards, IAS 27 has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

**IAS 32 – *Financial Instruments: Presentation*** – In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

The following standard will be effective for annual periods beginning on or after January 1, 2015:

**IFRS 9 – *Financial Instruments*** – In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9 *Financial Instruments*, which introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

## THE COMPANY AND BUSINESS

On March 22, 2013, MSolar entered into the MSolar LOI, pursuant to which MSolar would enter into an Amalgamation Agreement with Newlox, a public reporting company listed on the Canadian Securities Exchange (symbol: LUX). Pursuant to the Amalgamation Agreement, shares of the Company issued and outstanding would be exchanged on a one-to-one basis for shares of the Amalco, whereas Newlox will be issued the number of Newlox shares held by the Newlox shareholder at the close of business on June 29, 2013 multiplied by the conversion factor of giving approximately 1 share of MN for every 6.68 shares of Newlox held. Accordingly Newlox will distribute approximately 2,000,000 of the Company's Shares to the shareholders of Newlox.

Newlox assigned the MSolar LOI entered into with the Company to MN, a company incorporated on May 3, 2013 and is a wholly owned subsidiary of Newlox. On June 25, 2013 the Company and MN entered into an Arrangement. Pursuant to the Arrangement, Newlox will transfer to MN all of Newlox's interest in the MSolar LOI in exchange for the same number of MN shares as the issued and outstanding number of Newlox shares multiplied by the conversion factor of 0.14973522 giving approximately 2,000,000 shares which shares will be distributed to the Newlox shareholders who hold Newlox shares at the close of business on June 29, 2013.

On July 30, 2013, Newlox shareholders approved the Arrangement to spin off. The Arrangement was approved by the Supreme Court of British Columbia on August 6, 2013 and the effective date of filing the Arrangement under the BC Company Act would be September 30, 2013.

On September 30, 2013, MSolar completed a merger with MN resulting in MSolar owning all of the issued and outstanding securities of MN. Under the amalgamation, each shareholder of record of Newlox as at June 29, 2013 entitled to receive shares of MN received one share of Company for each one share they are entitled to receive of MN. Under the amalgamation, each shareholder of record of MSolar as at September 30, 2013 received one share of the Company for every one common share of MSolar held by the shareholder.

On October 14, 2013, under the Amalgamation, the Company issued 18,000,000 new common shares to the shareholders of MSolar and 1,999,997 common shares to former shareholders of MN.

On March 23, 2013, MSolar entered into Minghui LOI to enter into a TTA to acquire the right to use and exploit the Minghui Technology. The TTA was executed on April 15, 2013. Pursuant to the TTA, MSolar was granted by Minghui an irrevocable license to produce, develop, market, sell and/or otherwise distributed the Minghui Technology. The TTA is limited to use and exploitation worldwide, with the exception of China. Pursuant to the TTA, Minghui was issued 9,750,000 MSolar Shares.

When Minghui's Technology – solar plates – are mounted on walls or roof tops and combined with the buildings existing radiation appliances, high-efficient energy storage devices are coupled with our multi-source heat pump technology. We create a fully integrated energy-saving heating and cooling solution. We use multiple renewable energy sources (such as ground-source heat, water-source heat, industrial waste heat and rich deep geothermal energy) which allow our solutions to be composed of a variety of renewable energy systems and resources and means we can provide very flexible solutions.

## SELECTED ANNUAL INFORMATION

### RESULTS OF OPERATIONS AND SUMMARY OF QUARTERLY RESULTS

	For the Nine Months ended December 31, 2013 \$	For the Period from Incorporation March 15, 2013 to March 31, 2013 \$
<b>Operating Expenses</b>		
Accounting and legal fees	93,724	18,841
Agency and stock transfer fees	5,365	-
Consulting fees	8,039	-
Filing fees	295	-
Listing expenses (Note 7)	39,915	22,471
General office expenses	164	-
<b>Other Income</b>	147,502	41,312
Interest income	18	-
<b>Net loss and comprehensive loss</b>	<b>147,484</b>	<b>41,312</b>
<b>Basic and diluted loss per common share</b>	<b>(0.01)</b>	<b>(0.00)</b>
Weighted average number of common shares outstanding	15,687,735	1

The Company has not commenced operations and there were no operations for the period ended December 31, 2013.

#### Additional disclosure for the venture issuers without significant Revenue

The listing expense of \$39,915 includes the fair value of \$26,751 assigned to the shares on reverse takeover transaction.

The accounting and legal fees of \$93,724 includes legal fees for \$87,309, and accounting and audit fees of \$6415.

The consulting fee of \$8,039 is for business plan.

## LIQUIDITY AND CAPITAL RESOURCES

### Financial Position

	December 31, 2013 \$	For the period ended March 31, 2013 \$
<b>ASSETS</b>		
Current Assets		
Cash	105,097	-
GST receivable	3,615	
<b>Total Current Assets</b>	<b>108,712</b>	<b>-</b>
Fixed Assets, Net	656	-
Technology Transfer Agreement	195,000	-
<b>Total Assets</b>	<b>304,368</b>	<b>-</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable and accrued liabilities	1,618	41,311
<b>Total Current Liabilities</b>	<b>1,618</b>	<b>41,311</b>
Shareholder's Advances	18,703	-
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share capital	472,843	1
Deficit	(188,796)	(41,312)
	284,047	(41,311)
<b>Total Liabilities and Shareholders' Equity</b>	<b>304,368</b>	<b>-</b>

### Changes in Cash Position

	For the Nine Months ended December 31, 2013 \$	For the Period from Incorporation March 15, 2013 to March 31, 2013 \$
<b>Cash (used in) / provided by:</b>		
<b>Operating activities</b>		
Net loss for the period	(147,484)	(41,312)
Item not affected cash:	26,751	-
Listing expenses		
Change in non-cash working capital Components:		
GST receivable	(3,615)	-
Accounts payable and accrued liabilities	(39,694)	41,311
Shareholder Advances	18,703	-
<b>Cash used in operating activities</b>	<b>(145,339)</b>	<b>(1)</b>
Investing activities	(656)	-
Property and equipment		
<b>Cash used in investing activities</b>	<b>(656)</b>	<b>-</b>
Financing activities		
Share issuance	251,092	-
<b>Cash provided by financing activities</b>	<b>251,092</b>	<b>-</b>
<b>Change in cash</b>	<b>105,097</b>	<b>(1)</b>
<b>Cash, beginning of the period</b>	<b>-</b>	<b>1</b>
<b>Cash, end of the period</b>	<b>105,097</b>	<b>-</b>



The Company has issued a total of 8,510,920 shares of cash totaling \$251,092 and a shareholder has provided an additional \$18,703.

## SELECTED QUARTERLY INFORMATION

### RESULTS OF OPERATIONS

	For the Nine Months ended December 31, 2013 \$	For the Period from Incorporation March 15, 2013 to March 31, 2013 \$
<b>Operating Expenses</b>		
Accounting and legal fees	93,724	18,841
Agency and stock transfer fees	5,365	-
Consulting fees	8,039	-
Filing fees	295	-
Listing expenses (Note 7)	39,915	22,471
General office expenses	164	-
<b>Other Income</b>	147,502	41,312
Interest income	18	-
<b>Net loss and comprehensive loss</b>	147,484	41,312
<b>Basic and diluted loss per common share</b>	(0.01)	(0.00)
<b>Weighted average number of common shares outstanding</b>	15,687,735	1

The Company has not commenced operations and there were no operations for the period ended December 31, 2013.

### Financial Instruments

The Company's financial instruments consist of cash and payables and accruals; the fair values of which are considered to approximate their carrying value due to their short-term maturities or ability for prompt liquidation.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Strategic and operational risks are risks that arise if the Company fails to develop the solar business in Canada under the Minghui Technology Agreement and/or to debt financing in financing the business development. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal

industry credit risks. Therefore, the Company believes that there is minimal exposure to credit risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2013, the Company had cash of \$105,097 and shareholder's advance of \$18,703. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long term cash requirement.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. As such, the Company's exposure to currency risk is minimal.

### **Share Capital**

Issued and Outstanding:

	Number of Shares	Amount (\$)
Common shares issued for cash	8,510,920	251,092
Common shares issued for Technology Transfer	9,750,000	195,000
Common shares issued for Amalgamation	1,999,997	26,751
Balance, December 31, 2013	20,260,917	472,843

As at the date of this report there were no stock options or warrants outstanding.

### **Future Cash Requirements**

The Company's future capital requirements will depend on many factors, including, among others, cash flow from operations. Should the Company pursue other business opportunities, the Company may need to raise additional funds through debt or equity financing. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. Accordingly, the Company is investigating various business opportunities that ideally will increase the Company's positive cash flow.

## **RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. There were no related party transactions or balances during the period.

The President and Shareholder of the Company has advanced \$44,795 towards working capital with no terms for repayment except for agreement to convert at least \$10,000 of the advance into shares of the Company at \$.10 per share, determined by independent members of the board to be a reasonable arm length price. On December 19, 2013, the Company convert \$26,092 of the portion of the shareholder's advance in exchange for 260,920 common shares. The balance of the shareholder's advance is \$18,703 as of December 31, 2013.

There was no key management remuneration or payroll paid during the period

## **RISKS AND UNCERTAINTIES**

### **Start Up Venture**

As a start up venture the Company's prospects are affected by the risks, expenses, and difficulties frequently encountered by companies in the growth stage, particularly companies in highly competitively markets. As an early growth-stage company, the risks faced by BC518 include, but are not limited to, evolving and unpredictable business models and growth management. To address these risks, the Company must, among other things, expand its customer base, implement and successfully execute its business and marketing strategy, continue to develop and upgrade its processes and technology, provide superior service to customers, respond to competitive developments, and attract, retain, and motivate qualified personnel. There is no assurance that it will be profitable in the future.

The success of the Company is dependent upon certain factors that may be beyond the Company's control. If the Company is unable to fund any such investment required to advance the business under the Minghui Technology agreement or otherwise fails to invest in new technology or obtain adequate sales, then financial condition or results of operations could be materially and adversely affected.

### **Conflicts of Interest**

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in operations that may be related to the business the Company enters into. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be

made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

## ADDITIONAL INFORMATION

Additional information pertaining to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### 7. Market for Securities

7.1 The Issuer's securities are not listed or posted for trading or quoted on any exchange or quotation or trade reporting systems.

### 8. Consolidated Capitalization

Since the date of the most recent financial statement dated December 31, 2013 there have been no changes to the share and loan capital structure of the Issuer except for as follows:

- the issuance of shares on March 12<sup>th</sup>, 2014, pursuant to a private placement subscription agreement issuing 1,666,667 common shares in the Issuer in consideration for \$250,000.05

Share capital:	Number of Shares	Amount (\$)
MN Shares outstanding, March 31, 2013	2,000,000	\$ 1
MN Shares cancelled on Amalgamation	(2,000,000)	(1)
CMS Shares outstanding, March 31, 2013	18,000,000	420,000
CMS Shares cancelled on Amalgamation	(18,000,000)	-
New CMS shares issued to MN Shareholders	1,999,997	100,000
New CMS Shares issued to CMS Shareholders	18,000,000	-
New CMS Shares issued to Lin Hoi Yu	260,920	26,092
New CMS Shares issued pursuant to private placement	1,666,667	250,000
Share capital	21,927,584	796,092

### 9. Options to Purchase Securities

9.1 As of March 25, 2014, there are no individuals or companies holding any options to purchase securities of the Issuer.

### 10. Description of the Securities

10.1 The Issuer has only one class of equity securities, which are Common shares.

The following information relates to these Common shares:

- (a) there are no specific dividend rights;
- (b) every shareholder has one vote for each Common share held;
- (c) there are no rights upon dissolution or winding-up;
- (d) there are no pre-emptive rights;
- (e) there are no conversion or exchange rights;
- (f) there are no redemption, retraction, purchase for cancellation or surrender provisions;
- (g) there are no sinking or purchase fund provisions;
- (h) there are no provisions permitting or restricting the issuance of additional securities and any other material restrictions; and
- (i) there are no provisions requiring a security holder to contribute additional capital.

10.2 No debt securities are being listed.

10.4 No other securities other than equity securities are being listed.

10.5 (a) There are no provisions about the modification, amendment or variation of any rights attached to the securities being listed.

- (b) The rights of holders of securities may be not be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities.

10.6 Other attributes of the securities are as follows:

- (a) The rights attaching to the securities being listed are not materially limited or qualified by the rights of any other class of securities, or any other class of securities that ranks ahead of or equally with the securities being listed; and
- (b) The Issuer's Articles provide that the Issuer may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors. This is subject to rules against purchasing, redeeming, or otherwise acquiring any shares if there are reasonable grounds for believing that the Issuer is insolvent or making the payment or if providing the consideration would render the Issuer insolvent.

## 10.7 Prior Share Issuances

	Number of Outstanding Shares	Issuance (\$)
Shares issued on incorporation	1	1
Net loss	-	-
<b>Balance, March 31, 2013</b>	<b>1</b>	<b>1</b>
Cancel Incorporation Share	1	(1)
Shares Issued for Cash @ \$0.02	6,250,000	125,000
Shares Issued for Technology Transfer	9,750,000	195,000
Shares Issued for Cash @ \$0.05	2,000,000	100,000
<b>Balance, September 30, 2013</b>	<b>18,000,000</b>	<b>420,000</b>
Issued on amalgamation October 14, 2013	1,999,997	n/a
<b>Balance, December 9, 2013</b>	<b>19,999,997</b>	<b>420,000</b>
Issued pursuant to convertible note @ \$0.10 December 17, 2013	260,920	26,092
<b>Balance, December 31, 2013</b>	<b>20,260,917</b>	<b>446,092</b>
Issuance pursuant to private placement subscription agreement @ \$0.15 March 12, 2014	1,666,667	250,000
<b>Balance, March 12, 2014</b>	<b>21,927,584</b>	<b>696,092</b>

## 10.8 Stock Exchange Price:

The Issuer's shares have not traded on any stock exchange.

## 11. Escrowed Securities

### ESCROWED SECURITIES

As of March 25, 2014, the following table sets out the number of securities placed in escrow and the percentage that number represents in outstanding securities of that class.

Designation of class held in escrow	Number of securities held in escrow	Percentage of class
Common	18,260,920	83.28%

The escrow agreement between the Issuer, its registrar and transfer agent (Computershare Investor Services Inc.), and the securityholders therein, are on the following terms:

- 10% of the escrowed shares will be released from escrow on the date the Issuer's shares are listed on the CSE; and
- 15% of the escrowed shares will be released every six months thereafter, subject to the acceleration provisions provided for in the National Policy 46-201 – Escrow for Initial Public Offerings, and subject to approval from the CSE.
- The shares of all directors and officers holding 1% or more of the Issuer's securities are in escrow.

## 12. Principal Shareholders

12.1 (1) As of March 25, 2014, the following are the principal shareholders of the Issuer:

Name	Number of securities owned of the class to be listed	Of Record/ Beneficial Ownership	Percentage of Class
Dongying Minghui New Energy Science & Technology Co., Ltd.	14,000,000 Common	Of Record	63.85%
Iceberg Ventures Inc.	4,000,000 Common	Of Record	18.24%
Lin Hoi Yu	4,260,920 Common <sup>(1)</sup>	Of Record and Beneficially	19.43% <sup>(1)</sup>
Dongying Huaxin Environmental Protection Technology Co., Ltd. <sup>(2)</sup>	3,612,000 Common <sup>(3)</sup>	Beneficially	16.47% <sup>(3)</sup>
Dongying Jinhua Decoration Co., Ltd. <sup>(4)</sup>	3,500,000 Common <sup>(5)</sup>	Beneficially	15.96% <sup>(5)</sup>
Xian Jun Zong	2,324,000 Common <sup>(6)</sup>	Beneficially	10.6% <sup>(6)</sup>
Jin Hua Cui	2,275,000 Common <sup>(7)</sup>	Beneficially	10.38% <sup>(7)</sup>

Notes:

<sup>(1)</sup> Lin Hoi Yu is the sole shareholder of Iceberg Ventures Inc., a company holding 4,000,000 common shares of the Issuer. Lin Hoi Yu personally holds 260,920 common shares of the Issuer.

<sup>(2)</sup> The principal shareholder of Dongying Huaxin Environmental Protection Technology Co., Ltd. is Shu Qin Li, who holds 21.5% of Dongying Huaxin Environmental Protection Technology Co., Ltd. and is also its President.

<sup>(3)</sup> Dongying Huaxin Environmental Protection Technology Co., Ltd. holds 25.8% of Dongying Minghui New Energy Science & Technology Co., Ltd., a company holding 14,000,000 common shares of the Issuer.

<sup>(4)</sup> The principal shareholders of Dongying Jinhua Decoration Co., Ltd. are Guo Hua Cui, who holds 20% of Jinhua Decoration Co., Ltd., and Jin Hua Cui, who holds 65% of Jinhua Decoration Co., Ltd.

<sup>(5)</sup> Dongying Jinhua Decoration Co., Ltd. holds 25% of Dongying Minghui New Energy Science & Technology Co., Ltd., a company holding 14,000,000 common shares of the Issuer.

<sup>(6)</sup> Xian Jun Zong holds 16.6% of Dongying Minghui New Energy Science & Technology Co., Ltd., a company holding 14,000,000 common shares of the Issuer.

<sup>(7)</sup> Jin Hua Cui holds 65% of Dongying Jinhua Decoration Co., Ltd., a company that holds 25% of Dongying Minghui New Energy Science & Technology Co., Ltd., a company holding 14,000,000 common shares of the Issuer.

- (2) This is the first Listing Application of the Issuer.
- (3) To the knowledge of the Issuer, there is no more than 10 per cent of any class of voting securities of the Issuer held, or is to be held, subject to any voting trust or other similar agreement.
- (4) The above table discloses any principal shareholder that is an associate or affiliate of another person or company named as a principal shareholder, and there is no basis for influence over the Issuer held by the person or company other than the holding of voting securities of the Issuer.

## 13 Directors and Officers

13.1 The names and municipalities of residence of each director and executive officer of the Issuer, their respective positions and offices held with the Issuer, and their respective principal occupations within the five preceding years are summarized as follows:

Name, City and Province of Residence	Principal Occupation or Employment During the Past 5 Years <sup>4</sup>	Current Position(s) with the Issuer	Number/ Percentage of Global Shares Beneficially Owned or over which Control or Direction is Exercised
<b>Lin Hoi Yu</b> <sup>(1)</sup> Burnaby, British Columbia	Chief Consultant of the Huanghe Delta Agriculture Company Limited; past director of Nanhai Holdings Limited (a reporting issuer on the Hong Kong Stock Exchange).	President and Director	4,260,920, 19.43% Beneficially
<b>Ji Wu Li</b> Jinan, China	CEO and General Manager of Dongying Minghui New Energy Science & Technology Co., Ltd.; founder and past Vice General Manager of Donying Huaxin	CEO and Director	nil



Name, City and Province of Residence	Principal Occupation or Employment During the Past 5 Years <sup>4</sup>	Current Position(s) with the Issuer	Number/ Percentage of Global Shares Beneficially Owned or over which Control or Direction is Exercised
	Environmental Technology Company Limited; founder of the China Environmental United Research Centre and its Vice Principal.		
<b>Xian Jun Zong</b> Dongying, China	Chief Administrator of the China Recovery Desert Steppe Foundation Association, Shandong Office; Secretary of the Senior's Economic Development Centre.	CFO and Director	2,324,000, 10.6% Beneficially
<b>Donald Albert Gordon,</b> <sup>(1)</sup> North Vancouver	Principal of DAG Consulting Corp. since 2000; Senior Advisor, Canadian Securities Exchange since 2005.	Director	184,759, 0.84% Beneficially
<b>Brian Peterson</b> <sup>(1)</sup> Kelowna, British Columbia	Chairman of Community Western Trust Corporation; Director of the Mortgage Brokers Institute of British Columbia; past President of the Mortgage Brokers Association of British Columbia; past director of the Mortgage Brokers Association of British Columbia.	Director	50,000, 0.23% Beneficially

Notes:

<sup>(1)</sup> Proposed member of the Audit Committee.

- 13.2 Each director listed above has served as a director and officer since September 30, 2013, the effective date of the amalgamation and unless each is re-elected, his term will expire at the Issuer's next annual meeting of the shareholders of the Issuer.
- 13.3 The number and percentage of securities of each class of voting securities of the Issuer beneficially owned, directly or indirectly, or over which control or

direction is exercised by all directors and executive officers of the Issuer as a group are as follows:

Number and Class: 6,819,679 Common shares

Percentage of Issuer's shares: 31.1%

The Issuer has no subsidiaries.

- 13.4 The Issuer has the following committees which are made up of the members as identified below:

Audit Committee:

1. Donald Gordon
2. Brian Peterson
3. Lin Hoi Yu

- 13.5 Ji Wu Li, Brian Peterson and Donald Gordon act as officers of companies other than the Issuer.

Ji Wu Li is the Chief Executive Officer and General Manager of Dongying Minghui New Energy Science & Technology Co., Ltd. whose principal business is in the design, manufacture, and installation of solar technology products in buildings.

Donald Gordon is the sole officer and shareholder of DAG Consulting Corp. whose principal business is conducting corporate finance consulting for issuers assisting investment dealers with business assessments in a wide range of industries and he also serves as an officer on a number of public companies.

Brian Peterson operates a regulated financial services corporation (Community Western Trust Corp.) of which he is the Chairman and a major shareholder.

- 13.6 No director or officer of the Issuer or a shareholder holds a sufficient number of securities of the Issuer to affect materially the control of the Issuer.

- 13.7 Other than as disclosed herein no Director or Officer :

- (a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, other than:

Donald Gordon was a director of Tomco Developments Inc., which was subject to a cease trade order on October 7, 2008 by the British Columbia

Securities Commission and on January 5, 2009 by the Alberta Securities Commission for failure to file the audited financial statements for the year ended May 31, 2008 and remains under the cease trade order.

Brian Peterson was a director of Miramare Capital Inc. ("Miramare") from June 2010 to November 2013 the shares of which have been ceased traded prior to his appointment, and remain cease traded for failure to file annual financial statements by the British Columbia Securities Commission dated February 10, 2009 and by the Alberta Securities Commission dated May 29, 2009. Mr. Peterson was a director of Aztek Resources Development Inc. ("Aztek"), from December 7, 2011 to December 3, 2013, the shares of which have been ceased traded prior to his appointment, and remain cease traded since May 28, 2007 by the British Columbia Securities Commission, May 30, 2007 by the Ontario Securities Commission and December 20, 2002 by the Alberta Securities Commission, for failure to file its financial statements. He became a director of Aztek after the cease trade order was issued as part of a reorganization plan.

- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
  - (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.
- 13.7 No director or officer of the Issuer or a shareholder holds a sufficient number of securities of the Issuer to affect materially the control of the Issuer or otherwise to the best of knowledge of the Issuer:
- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.8 N/A

13.9 No director or officer of the Issuer or a shareholder, or a personal holding company of any such persons holds a sufficient number of securities of the Issuer to affect materially the control of the Issuer or otherwise to the best of knowledge of the Issuer has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 With regard to potential material conflicts of interest between the Issuer and its directors and officers, certain of these individuals serve as directors and/or officers of a Chinese company involved in operations that may be related to the business the Issuer enters into.

More specifically, Xian Jun Zong and Ji Wu Li are both associated with Dongying Minghui New Energy Science & Technology Co., Ltd. As disclosed above, Minghui holds 63.85% of the Issuer's shares. Xian Jun Zong holds 16.6% of Minghui's shares and Ji Wu Li serves as Chief Executive Officer and a director of Minghui.

Consequently, there exists the possibility for such directors to be in a position of conflict. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of the Issuer. However, any decision made by such directors involving the Issuer will be made in accordance with their duties and obligations to deal fairly and in good faith with the Issuer and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

13.11 The following contains further information about each member of management:

**(1) Ji Wu Li**

Mr. Li is currently 40 years of age. He is a director and the Chief Executive Officer of the Issuer. He holds a degree from BoShan College, China, in heat energy and a Bachelor's degree in engineering from the University of Wuhan, China.

He will devote up to 25% of his time to the Issuer.

His principal occupations or employment during the five years prior to the date of the Listing Statement have been acting as the Vice General Manager of Dongying Huaxin Environmental Technology Co., Ltd. ("Huaxin") until 2009. This company is still carrying on business currently. Then, Mr. Li acted as the Chief Executive Officer and General Manager of Dongying Minghui New Energy Technology Co., Ltd. from 2010 until the present.

Mr. Li has extensive experience in the Issuer's industry of solar technology, since he has gained similar industry experience from his previous positions with Huaxin (from 2000 to 2009) and Minghui. Mr. Li's experience is highly applicable given that the Issuer plans to use, adapt, and market Minghui's technology for the North American market.

Mr. Li has not entered into a non-competition or non-disclosure agreement with the Issuer at this time.

### **(2) Xian Jun Zong**

Mr. Zong is currently 46 years of age. He is a director and Chief Financial Officer of the Issuer. He holds a Bachelor's degree in politics and economics and a Master's degree in law from Shandong University, China.

He will devote up to 25% of his time to the Issuer.

His principal occupations or employment during the five years prior to the date of the Listing Statement have been acting as the Chief Administrator of the China Recovery Desert Steppe Foundation Association (Shandong office), and as the Secretary of the Senior's Economic Development Centre.

Mr. Zong has not entered into a non-competition or non-disclosure agreement with the Issuer at this time.

### **(3) Lin Hoi Yu**

Mr. Yu is currently 70 years of age. He is a director and the President of the Issuer. He graduated from the Hong Kong Polytechnic College and subsequently earned a Master of Mariner.

He will devote up to 25% of his time to the Issuer, and he will be a consultant of the Issuer.

His principal occupation or employment during the five years prior to the date of the Listing Statement has been acting as the Chief Consultant of the Huanghe Delta Agriculture Company Ltd.

Mr. Yu has not entered into a non-competition or non-disclosure agreement with the Issuer at this time.

**(4) Donald Gordon**

Mr. Gordon is currently 58 years of age. He is a director of the Issuer. He holds a Bachelor of Arts and a Masters of Business Administration from the University of British Columbia and is a CFA charter holder.

He will devote up to 15% of his time to the Issuer.

His principal occupations or employment during the five years prior to the date of the Listing Statement have been conducting corporate finance consulting for issuers and assisting investment dealers with business assessments through his operating company, DAG Consulting Corp. He is also the Vancouver representative for the Canadian Securities Exchange.

Mr. Gordon is also a director of the following public companies listed on CSE: Newlox Gold Ventures Ltd., AFG Flameguard Ltd., Rift Valley Resources Ltd., 360 Capital Financial Services Group Inc. and Mahdia Gold Corp. He is also a Director of several other public companies reporting but not listed: Silk Road Ventures Ltd., Sor Baroot Resources Corp., 0941092 BC Ltd., and Web Watcher Systems Ltd. Mr. Gordon is also a director of Carrus Capital Corporation, a public company listed on the TSXV Exchange.

Mr. Gordon has not entered into a non-competition or non-disclosure agreement with the Issuer at this time.

**(5) Brian Peterson**

Mr. Peterson is currently 59 years of age. He is a director of the Issuer. He holds a Bachelor of Arts in Economics from the University of Victoria and a diploma in Urban Land Economics from the University of British Columbia.

He will devote up to 15% of his time to the Issuer.

He has a strong background in dealing with government and regulatory bodies with an emphasis on financial institution regulation. He also has an extensive knowledge and experience in technology, finance, and governance.

His principal occupations or employment during the five years prior to the date of the Listing Statement have been acting as the Chairman of the Community Western Trust Corporation and acting as the Director of the Mortgage Brokers Institute of British Columbia.

## 14. Capitalization

14.1 The following chart relates to the single class of Common securities to be listed:

### Issued Capital

	<b>Number of Securities (non-diluted)</b>	<b>Number of Securities (fully-diluted)</b>	<b>% of Issued (non-diluted)</b>	<b>% of Issued (fully diluted)</b>
<u>Public Float</u>				
Total outstanding (A)	21,927,584 Common	21,927,584 Common	100	100
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	18,495,679 Common	18,495,679 Common	84.35	84.35
Total Public Float (A-B)	3,431,905	3,431,905	15.65	15.65
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	18,101,495	18,101,495	82.55	82.55
Total Tradeable Float (A-C)	3,826,089	3,826,089	17.45	17.45

Public Securityholders (Registered)

**Instruction:** For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	<u>0</u>	<u>0</u>
100 – 499 securities	<u>5</u>	<u>823</u>
500 – 999 securities	<u>49</u>	<u>24,998</u>
1,000 – 1,999 securities	<u>3</u>	<u>4,491</u>
2,000 – 2,999 securities	<u>0</u>	<u>0</u>
3,000 – 3,999 securities	<u>2</u>	<u>7,122</u>
4,000 – 4,999 securities	<u>1</u>	<u>4,492</u>
5,000 or more securities	<u>20</u>	<u>3,389,979</u>
	<u>80</u>	<u>3,431,905</u>



Public Securityholders (Beneficial)

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	34	2,393
100 – 499 securities	84	13,859
500 – 999 securities	61	33,641
1,000 – 1,999 securities	11	17,098
2,000 – 2,999 securities	5	12,214
3,000 – 3,999 securities	8	27,693
4,000 – 4,999 securities	2	8,778
5,000 or more securities	73	3,316,111
Unable to confirm		

Non-Public Securityholders (Registered)

**Class of Security**

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of securities</u>
1 – 99 securities	_____	_____
100 – 499 securities	_____	_____
500 – 999 securities	_____	_____
1,000 – 1,999 securities	_____	_____
2,000 – 2,999 securities	_____	_____
3,000 – 3,999 securities	_____	_____
4,000 – 4,999 securities	_____	_____
5,000 or more securities	5	18,495,679
	5	18,495,679

14.2 There are no securities convertible or exchangeable into any class of listed securities.

14.3 There are no listed securities reserved for issuance that are not included in section 14.2.

## 15. Executive Compensation

### 15.1 STATEMENT OF EXECUTIVE COMPENSATION OF THE ISSUER

#### Summary Compensation Table

The Issuer has not had a full fiscal year yet but has paid no annual and long term compensation for services in all capacities for the period from incorporation on March 15, 2013 to the most recently completed financial period in respect of the Chief Executive Officer and the Chief Financial Officer as at December 31, 2013, and the other three most highly compensated executive officers of the Issuer as at December 31, 2013, whose individual total compensation for the most recently completed financial year exceeded \$150,000 (of which there were none) and any individual who would have satisfied these criteria but for the fact that individual was not serving as such an officer at the end of the most recently completed financial year (collectively the “Named Executive Officers” or “NEOs”).

Name and Principal Position	Financial Period Ended	Annual Compensation			Long Term Compensation			All Other Compensation \$
		Salary (\$)	Bonus (\$)	Other Annual Comp. (\$)	Awards	Payouts		
					Shares Under Options Granted (#)	Shares/ Units Subject to Resale Restrictions (\$)	LTIP Payouts (\$)	
Ji Wu Li, CEO Jinan, China	December 31, 2013	0	0	0	0	0	0	0
Xian Jun Zong, CFO Dongying, China	December 31, 2013	0	0	0	0	0	0	0
Lin Hoi Yu, President Burnaby, BC	December 31, 2013	0	0	0	0	0	0	0

#### Compensation Discussion and Analysis

The Issuer does not have a compensation program other than paying base salaries to its NEOs. The Issuer intends to adopt policies and practices that recognize the need to provide compensation packages that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive’s level of responsibility. Although the objectives

of base salaries are to recognize market pay, and acknowledge the competencies and skills of individuals, the Issuer has to date not been able to afford to achieve those objectives. The Issuer has no other form of compensation, although payments may be made from time to time to individuals or companies they control for the provision of consulting services, which services will be paid for at competitive industry rates for work of a similar nature by reputable arm's length service providers. The process for determining executive compensation relies solely on board discussions without any formal objectives criteria and analysis.

#### Long Term Incentive Plans

The Issuer does not have a Long Term Incentive Plan pursuant to which it provides compensation intended to motivate performance over a period greater than one financial year.

#### Option/SAR Grants During The Most Recently Completed Financial Year

No share options were granted to the Named Executive Officer during the financial reporting period ended December 31, 2013.

#### Defined Benefit or Actuarial Plan Disclosure

No pension or retirement benefit plans have been instituted by the Issuer and none are proposed at this time.

#### Termination of Employment, Change in Responsibilities and Employment Contracts

During the most recently completed financial year, there were no employment contracts between the Issuer and a Named Executive Officer, and no compensatory plans, contracts or arrangements where a Named Executive Officer is entitled to receive more than \$100,000 from the Issuer, including periodic payments or instalments, in the event of:

- (a) The resignation, retirement or any other termination of the Named Executive Officer's employment with the Issuer and its subsidiaries;
- (b) A change of control of the Issuer or any of its subsidiaries; or
- (c) A change in the Named Executive Officer's responsibilities following a change in control.

## Director Compensation

The directors of the Issuer do not receive compensation for attendance of directors' meetings but may be reimbursed for travel expenses related to the directors' meetings. The directors may also receive compensation in the form of stock options.

## 16. Indebtedness of Directors and Executive Officers

None of the proposed directors and officers of the Issuer are indebted to the Issuer.

## 17. Risk Factors

- 17.1 The success of the Issuer is dependant upon certain factors that may be beyond the Issuer's control. Risk factors relating to the Issuer and its business likely to influence an investor's decision to purchase securities of the Issuer are as follows:

### Competition

As a start up venture the Issuer's prospects are affected by the risks, expenses, and difficulties frequently encountered by companies in the growth stage, particularly companies in highly competitive markets. There is significant and increasing competition in the area of solar technology. The Issuer will have to compete with other companies which may have better expertise, financial and human resources. The existence of competition could adversely affect the Issuer's ability to attract financing, develop existing projects and acquire new projects.

As an early growth-stage company, the risks faced by the Issuer include, but are not limited to, evolving and unpredictable business models and growth management. To address these risks, the Issuer must, among other things, expand its customer base, implement and successfully execute its business and marketing strategy, continue to develop and upgrade its processes and technology, provide superior service to customers, respond to competitive developments, and attract, retain, and motivate qualified personnel. There is no assurance that the Issuer will be profitable in the future.

### Financing Risks

The Issuer is limited in both financial resources, and sources of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no

assurance that adequate financing will be obtained in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of operations.

If the Issuer is unable to fund any such investment required to advance the business under the TTA or otherwise fails to invest in new technology or obtain adequate sales, then financial condition or results of operations could be materially and adversely affected.

#### Dependency on Small Number of Management Personnel

Further, the Issuer is dependent on a very small number of personnel, the loss of any of whom could have an adverse effect on their business operation.

#### Uninsurable Risks

The business of the Issuer may be uninsurable or the insurance may not be purchased due to high cost. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the shares of the Issuer.

#### Title Matters

A legal opinion with respect to the Minghui Technology was obtained. The opinion states that the owner of the Minghui Technology has valid title in China and that Minghui has the right to license the Minghui Technology to the Issuer. However, it remains possible that any of the Minghui Technology may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. In addition, no legal opinion was obtained as to the use and application of the Minghui Technology outside of China. It remains possible that there are pre-existing intellectual property rights that the Minghui Technology may infringe upon.

#### Environmental Regulations

The operations of the Issuer may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed

projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the operations of the Issuer. The Issuer intends to fully comply with all environmental regulations.

#### No History of Earnings or Dividends

There is no assurance that the Issuer will generate earnings, operate profitably or provide a return on investment in the future. The Issuer has no plans to pay dividends for the foreseeable future.

#### Securities of the Issuer and Dilution

The Issuer plans to focus on the development of the Minghui Technology as well as other agreements and interests it may acquire from time to time, and will use its working capital to carry out such activities. However, the Issuer will require additional funds to further such activities. To obtain such funds, the Issuer may sell additional securities including, but not limited to, the Issuer's Shares or some form of convertible security, the effect of which would result in substantial dilution of the equity interests of the holders of the Issuer's Shares.

There is no assurance that additional funding will be available to the Issuer to develop the Minghui Technology, to acquire additional properties or for the substantial capital that is typically required to expand operations to generate increased revenues. There is no assurance that the Issuer will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further development of the Minghui Technology or any other properties that the Issuer may acquire.

- 17.2 There are no risks that security holders of the Issuer may become liable to make an additional contribution beyond the price of the security.

### **18. Promoters**

- 18.1 The Issuer has no promoters.

### **19. Legal Proceedings**

- 19.1 To the management's knowledge, there are no legal proceedings material to the Issuer to which the Issuer or a subsidiary of the Issuer is a party or of which any of their respective property is the subject matter. There are no such proceedings known to the Issuer to be contemplated.

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19.2 Regulatory actions:

- (a) There are no penalties or sanctions imposed against the Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the period from incorporation on March 15, 2013 to the date hereof;
- (b) There are no other penalties or sanctions imposed by a court or regulatory body against the Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; and
- (c) There are no settlement agreements the Issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the period from incorporation on March 15, 2013 to the date hereof.

**20. Interest of Management and Others in Material Transactions**

20.1 The approximate amount of any material interest, direct or indirect, of any of the following persons or companies in any transaction within the period of incorporation on March 15, 2013 to the date of the Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer are as follows:

- (a) The following directors and/or executive officers of the Issuer:

The Issuer and Dongying Minghui New Energy Science & Technology Co., Ltd. entered into the TTA on April 15, 2013, pursuant to which Dongying Minghui New Energy Science & Technology Co., Ltd. was issued 9,750,000 common shares in the Issuer at \$0.02 per share. Dongying Minghui New Energy Science & Technology Co., Ltd. was issued 2,250,000 common shares in the Issuer at \$0.02 per share in consideration for \$45,000 cash equity on May 3, 2013.

Iceberg Ventures Inc., a company owned wholly by Lin Hoi Yu, President and Director of the Issuer, was issued 4,000,000 common shares in the Issuer at \$0.02 per share for the consideration of \$80,000 cash equity on May 3, 2013. Lin Hoi Yu was issued 260,920 common shares in the Issuer at \$0.10 per share on December 17, 2013, for the consideration of a debt owing by the Issuer to Lin Hoi Yu in the amount of \$26,092, pursuant to a convertible promissory note dated June 30, 2013.



Xian Jun Zong, CFO and Director of the Issuer, holds an 10.6% indirect interest in the Issuer via Dongying Minghui New Energy Science & Technology Co., Ltd.

Ji Wu Li, CEO and Director of the Issuer, is a director of Dongying Minghui New Energy Science & Technology Co., Ltd.

- (b) The following persons or companies are the direct or indirect beneficial owners of, or exercise control or direction over, more than 10 percent of any class or series of the Issuer's outstanding voting securities:

Dongying Minghui New Energy Science & Technology Co., Ltd. holds a 63.85% direct interest in the Issuer. The Issuer and Dongying Minghui New Energy Science & Technology Co., Ltd. entered into the TTA on April 15, 2013, pursuant to which Dongying Minghui New Energy Science & Technology Co., Ltd. was issued 9,750,000 common shares in the Issuer at \$0.02 per share. Dongying Minghui New Energy Science & Technology Co., Ltd. was issued 2,250,000 common shares in the Issuer at \$0.02 per share in consideration for \$45,000 cash equity on May 3, 2013.

Dongying Huaxin Environmental Protection Technology Co., Ltd., holds a 16.47% indirect interest in the Issuer via Dongying Minghui New Energy Science & Technology Co., Ltd.

Dongying Jinhua Decoration Co., Ltd. holds a 15.96% indirect interest in the Issuer via Dongying Minghui New Energy Science & Technology Co., Ltd.

Jin Hua Cui holds a 10.38% indirect interest in the Issuer via Dongying Jinhua Decoration Co., Ltd.

Lin Hoi Yu, President and Director of the Issuer, holds a 19.43% interest in the Issuer, of which 1.19% is directly held and 18.24% is indirectly held via Iceberg Ventures Inc., a company wholly owned by Lin Hoi Yu.

- (c) There are no associates or affiliates of any of the persons or companies referred to in paragraphs (a) or (b).

## **21. Auditors, Transfer Agents and Registrars**

- 21.1 The name and address of the auditor of the Issuer is Manning Elliott LLP, Chartered Accountants, 11<sup>th</sup> Floor, 1050 West Pender Street, Vancouver, British Columbia, V6E3S7
- 21.2 Computershare Investor Services Inc. at its principal office at 510 Burrard Street, 2nd Floor, Vancouver, B.C Vancouver, British Columbia, is the transfer agent and registrar for the Issuer's shares.

## **22. Material Contracts**

- 22.1 The following are material contracts, other than contracts entered into in the ordinary course of business, that were entered into within the period from incorporation on March 15, 2013 to the date hereof by the Issuer or a subsidiary of the Issuer:

The Issuer and Dongying Minghui New Energy Science & Technology Co., Ltd. entered into the TTA on April 15, 2013, pursuant to which Dongying Minghui New Energy Science & Technology Co., Ltd. was issued 9,750,000 common shares in the Issuer at \$0.02 per share, in consideration for a perpetual, territorially limited, irrevocable license to the Minghui Technology, which consists of the design, development, construction, manufacture, maintenance and operation of the solar radiation plate, flat-plate solar collector, multi-source heat pump, deep geothermal pump system, and other systems necessary for a certain building-integrated heating and cooling system.

- 22.2 The Issuer has not entered into any co-tenancy, unitholders' or limited partnership agreements.

## **23. Interest of Experts**

- 23.1 No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement has received or will receive a direct or indirect interest in the property of the Issuer or of a Related Person of the Issuer.

## 24. Other Material Facts

- 24.1 There are no other material facts about the Issuer and its securities that are not disclosed under the preceding items that are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

## 25. Financial Statements

- 25.1 The following financial statements for the Issuer are annexed to this Listing Statement:
- (a) copies of all financial statements including the auditor's reports required to be prepared and filed under applicable securities legislation for the current year as if the Issuer were subject to such law (as the Issuer has not yet completed one full financial year); and
  - (b) a copy of financial statements for any completed interim period of the current fiscal year.

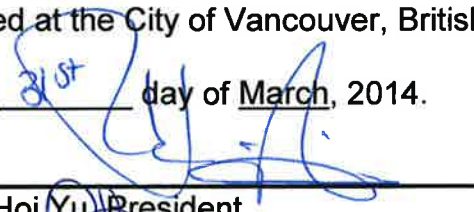
The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

### CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, CDN MSolar Corp., hereby applies for the listing of the above mentioned securities on CSE. The foregoing contains full, true and plain disclosure of all material information relating to CDN MSolar Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at the City of Vancouver, British Columbia

this 21<sup>st</sup> day of March, 2014.

  
\_\_\_\_\_  
Lin Hoi Yu, President

  
\_\_\_\_\_  
Donald Gordon, Director

  
\_\_\_\_\_  
Brian Peterson, Director

## CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the target). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at the City of Vancouver, British Columbia

this 31<sup>st</sup> day of March, 2014.

  
\_\_\_\_\_  
Lin Hoi Yu

  
\_\_\_\_\_  
Brian Peterson, Director

  
\_\_\_\_\_  
Donald Gordon, Director