

COPAC A/S

Diplomvej 381
2800 Kgs. Lyngby

Annual report
1 January 2019 - 31 December 2019

**The annual report has been presented and
approved on the company's general meeting the**

16/09/2020

Yuyang Feng
Chairman of general meeting

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Company information

Reporting company COPAC A/S
Diplomvej 381
2800 Kgs. Lyngby

e-mail: info@copac.dk

CVR-nr: 34625115

Reporting period: 01/01/2019 - 31/12/2019

Statement by Management

Management has today considered and approved the annual report for the financial year 01. January 2019 - 31. December 2019 for COPAC A/S.

The annual report is presented in accordance with the Danish Financial Statements Act.

Management believes that the financial statements give a true and fair view of the company's assets, liabilities and financial position and of the result.

The annual report is submitted for approval by the General Assembly.

Management considers the conditions for opting out of audit to be met.

Kgs. Lyngby, the 16/09/2020

Management

Yuyang Feng
CEO

Board of directors

Henrik Kemp
Chairman

Yuyang Feng
Boardmember

Jue Wang
Boardmember

Auditor's reports

To the Management of COPAC A/S

We have compiled the financial statements of COPAC A/S for the financial year 1 January – 31 December 2019 based on the Company's bookkeeping records and other information provided by you. The financial statements comprise income statement, balance sheet and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 Engagements to Compile Financial Statements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Auditors Act and FSR – Danish Auditors' ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

København, 16/09/2020

Morten Høgh-Petersen , mne34283
state authorised public accountant
KPMG P/S
CVR: 25578198

Management's Review

Principal activities

The company's activities consists of the development and sales of instruments and solutions to industries and research institutes.

Developments in activities and financial conditions

The company's income statement for 2019 shows a loss of DKK 367,516 (2018: profit of 117,293) and the company's balance as of December 31, 2019, shows equity was DKK 30,729 (2018: DKK 398,245).

Events after the balance sheet date

As of the signing date, the COVID-19 pandemic has not had any negative effects on the Company's subsequent operations. It is, however, still unknown what effect COVID-19 will have on results for the coming year.

Apart from above, no significant events have occurred after the balance sheet date, which could influence the evaluation of the Company's financial position at 31 December 2019.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Staff cost

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial expenses

Financial expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest expenses.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Investments

Other receivables and deposits are recognised at amortised cost.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Receivables

Receivables are measured at amortised cost.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Other liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 Jan 2019 - 31 Dec 2019

	Disclosure	2019 kr.	2018 kr.
Gross profit (loss)		131,740	537,271
Employee expense	1	-600,286	-419,977
Profit (loss) from ordinary operating activities		-468,546	117,293
Other finance expenses		-1,319	-745
Profit (loss) from ordinary activities before tax		-469,865	116,549
Tax expense		102,349	0
Profit (loss)		-367,516	116,549
Proposed distribution of results			
Retained earnings		-367,516	116,549
Proposed distribution of profit (loss)		-367,516	116,549

Balance sheet 31 December 2019

Assets

	Disclosure	2019 kr.	2018 kr.
Deposits		15,857	15,857
Investments		15,857	15,857
Total non-current assets		15,857	15,857
Manufactured goods and goods for resale		30,000	30,000
Inventories		30,000	30,000
Trade receivables		14,344	75,044
Receivables from group enterprises		12,097	126,985
Current deferred tax assets		102,349	0
Receivables		128,790	202,029
Cash and cash equivalents		71,608	332,284
Current assets		230,398	564,313
Total assets		246,255	580,170

Balance sheet 31 December 2019

Liabilities and equity

	Disclosure	2019 kr.	2018 kr.
Contributed capital		400,000	400,000
Retained earnings		-369,271	-1,755
Total equity		30,729	398,245
Tax payables		0	25,641
Long-term liabilities other than provisions, gross		0	25,641
Trade payables		0	24,500
Payables to associates		64,913	0
Other payables, including tax payables, liabilities other than provisions		26,120	25,246
Payables to shareholders and management		124,493	132,179
Short-term liabilities other than provisions, gross		215,526	181,925
Liabilities other than provisions, gross		215,526	181,925
Liabilities and equity, gross		246,255	580,170

Disclosures

1. Employee expense

	2019	2018
	kr.	kr.
Wages and salaries	594,673	414,504
Social security contributions	5,613	5,473
	<u>600,286</u>	<u>419,977</u>

2. Disclosure of contingent liabilities

The Group's Danish entities are severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax. The Group as a whole is not liable to any other parties.

3. Information on average number of employees

Average number of employees	2019
	1