Esco Medical ApS

Kringelled 10 8250 Egå

CVR 35 38 39 48

Annual Report for the year 2016

4th financial year

The Annual Report has been presented and approved at the Company's ordinary general meeting

Egå, 30 May 2017

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Poul Lund Christensen

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Company information

Address

Kringelled 10

8250 Egå

Executive Board

Lim Lay Yew

Auditor

The company has no auditor as it, according to the articles of

association has chosen not to have the annual report audited.

Ownership control

The Company is owned by:

Adm. Dir. Lim Lay Yew

Kanton Road, Tanjong 295A

437078 Singapore

Singapore

Financial year

1 January - 31 December

Statement by the Executive Board

The Executive Board has today discussed and approved the Annual Report of Esco Medical ApS for the financial year 1 January - 31 December 2016.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

We consider the accounting principles appropriate, and in our opinion the Annual Report gives a true and fair view of the Company's assets and liabilities, financial position and the results of operations.

In our opinion, the managements review gives a true and fair statement of the conditions mentioned in the review.

We consider the conditions for not performing audit to be fulfilled.

We recommend to the Annual General meeting of shareholders that the Annual Report for the coming year should not be audited. We consider the conditions for not performing audit of the coming year to be fulfilled.

We recommend that the Annual Report is approved by the Annual General Meeting of shareholders.

Egå, 30 May 2017

Executive Board

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Lim Lay Yew

Management's review

Principal activities

The principal activity of the company is to do business within import, export, sale and service of laboratory-, pharma- and medical equipment.

Unusual circumstances

No unusual circumstances have affected the company's activities during the year.

Uncertainty relating to recognition and measurement

The company has no uncertainty relating to recognition and measurement.

Development in activities and financial position

The company's financial position and the result of the year will be shown in the following income statement of the financial year 1 January - 31 December 2016 and the balance sheet as per 31 December 2016.

It is the company's 4th financial year. The annual report is prepared in DKK.

The result for the period shows a profit of DKK 140.362. The Management considers the result to be satisfactory.

Subsequent events

No significant events have occurred after the balance sheet date, which could have influence on the evaluation of the financial statements.

Future prospects

The company expect a profit for the coming year.

The annual report of the Company has been prepared in accordance with the provisions of the Danish Financial Statements Act for Class B companies.

The accounting policies were applied consistently with the principles of prior years financial reporting.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, write downs and provisions.

Assets are recognized in the balance sheet when it is likely that the future financial benefits will accrue on the company and when the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is likely that the future financial benefits will be deducted from the company and when the value of the liability can be measured reliably.

The first recognition measures assets and liabilities at cost. Subsequently, assets and liabilities will be measured individually in respect of each accounting item as described below.

Certain financial assets and liabilities are measured at cost, thus recognizing a constant effective interest over the term. Amortized cost is computed as original cost less deductions, if any, as well as additions/deductions of the accumulated amortization of the difference between cost and nominal value.

When recognizing and measuring, gains, losses and risk in connection with the presentation of the annual report are considered and which confirm or invalidate events, which existed at balance sheet date.

Foreign currency translation

During the year transactions in foreign currencies are translated at the rate of exchange as at the transaction date.

Receivables, liabilities and other items in foreign currencies which are unsettled on the balance sheet date are translated at the exchange rate as at the balance sheet date.

Realized and unrealized exchange rate adjustments are included in the profit and loss account under financial items.

Accounting principles applied

Income statement

Gross profit / Gross loss

With reference to section 32 of the Danish Financial Statements Act, the items from 'Revenue' to and including 'Other external expenses' are consolidated into one item stated as Gross profit / Gross loss.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Financial items

Interest income and expense and similar items are recognized in the income statement with the amounts relating to the financial year. The financial items comprise interest income and expense, realized and unrealized exchange rate gains and losses resulting from transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Balance sheet

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses based on an individual assessment of receivables.

Tax assets, receivables and liabilities

Current tax liabilities and outstanding current tax are recognized in the balance sheet as computed tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between accounting and tax values of assets and liabilities. In cases, e.g. regarding shares where computation of the tax value can be made according to alternative tax rules, deferred tax is measured either on basis of the planned use of the asset or on settlement of the liability.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at expected realizable value, either by payment of tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Deferred net tax assets, if any, are measured at net realizable value.

Deferred tax is measured on basis of the tax rules and tax rates ruling at balance sheet date, when the deferred tax is expected to become current tax. Changes in deferred tax because of changes in tax rates are recognized in the income statement.

Liabilities

Liabilities are measured at amortized cost equal to nominal value.

Income statement 1 January - 31 December 2016

	Note	2016	2015
		DKK	DKK
Gross profit		2.986.826	2.494.008
Staff costs	1	(2.801.358)	(2.253.487)
Profit before financial items	-	185.468	240.521
Financial income	2	95	35
Financial expenses	3	(4.275)	(2.074)
Profit before tax		181.288	238.482
Tax on net profit for the year	4	(40.926)	(55.856)
Net profit for the year		140.362	182.626

Proposed distribution of profit/(loss)

	Note	2016	2015
		DKK	DKK
Net profit for the year		140.362	182.626
At disposal	-	140.362	182.626
Proposed distribution of profit/(loss)			
Retained earnings		140.362	182.626
		140.362	182.626

Balance sheet as at 31 December 2016

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	Note	2016	2015
		DKK	DKK
Receivables from affiliates		787.008	599.178
Deposits		10.875	10.875
Receivable VAT		15.506	5.976
Total receivables	-	813.389	616.029
Total cash and cash equivalents		188.679	118.760
Total current assets		1.002.068	734.789
Total assets		1.002.068	734.789

EQUITY AND LIABILITIES

	Note	2016	2015 DKK
Share capital		80.000	80.000
Retained earnings	_	403.513	263.151
Total shareholders equity	5 _	483.513	343.151
Trade payables		20.082	13.992
Payable corporation tax		36.016	55.930
Other payables		462.457	321.716
Total short-term liabilities		518.555	391.638
Total equity and liabilities	_	1.002.068	734.789

Contingent liabilities

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Notes to the annual report

		2016	2015
	_	DKK	DKK
1	Staff costs		
	Salaries and wages	2.779.614	2.238.446
	Other social security costs	21.744	15.041
		2.801.358	2.253.487
	Average number of employees during the year 4, last year 3.		
2	Financial income	0	3
	Interest income other	0 95	32
	Exchange rate gain	95	32
	_	95	35
3	Financial expenses		
	Interest expenses bank	703	368
	Interest expenses other	214	380
	Interest on corporate tax	3.200	1.202
	Exchange rate loss	158	124
	_	4.275	2.074
	Tour our most profit for the year		
4	Tax on net profit for the year	40.832	55.930
	Tax for the year Prior year adjustments	94	(74)
		40.926	55.856

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Notes to the annual report

Shareholders equity	Share capital DKK	Retained earnings DKK	Total DKK
Balance 1 January 2016	80.000	263.151 140.362	343.151 140.362
Result of the year	0	140.362	140.302
Balance 31 December 2016	80.000	403.513	483.513

Share capital

The share capital comprises 80 shares of DKK 1.000 or multiples hereof.

There are no changes in the share capital within the last 4 years.

6 Contingent liabilities

The Company has on the date of the fiscal year ending entered into rental agreement for office premises. The agreements can be terminated with a 4 months notice.