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ASIAINFO DENMARK APS

C/O BECH-BRUUN, LANGELINIE ALLÉ 35, BECH-BRUUN, 2100 KØBENHAVN Ø

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 31 August 2020**

Chun Zhang

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 35 51 57 98

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COMPANY DETAILS**Company**

Asiainfo Denmark ApS
c/o Bech-Bruun, Langelinie Allé 35
Bech-Bruun
2100 Copenhagen Ø

CVR No.: 35 51 57 98
Established: 11 October 2013
Registered Office: Copenhagen
Financial Year: 1 January - 31 December

Board of Executives

Chun Zhang

Auditor

BDO Statsautoriseret revisionsaktieselskab
Rimmens Alle 89
9900 Frederikshavn

STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Asiainfo Denmark ApS for the financial year 1 January - 31 December 2019.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

The Management's Review includes in my opinion a fair presentation of the matters dealt with in the Review.

I recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 31 August 2020

Board of Executives

Chun Zhang

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Asiainfo Denmark ApS

AUDITORS OPINION ON THE FINANCIAL STATEMENTS

Opinion

We have audited the Financial Statements of Asiainfo Denmark ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The company has in conflict with the Danish act on VAT not stated correct VAT returns to the Danish Tax Agency, whereby the management may incur liability. The company has reported and paid the VAT in 2020.

Frederikshavn, 31 August 2020

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Kristian Thostrup
State Authorised Public Accountant
MNE no. mne35810

MANAGEMENT'S REVIEW

Principal activities

The company's activities is to provide IT solutions and services, including developing and delivering software and service as well as bying, selling and providing general consulting regarding software and hardware products.

Development in activities and financial position

This year an error in the annual report on 5.797.889 DKK has been found, which relates to previous year. The error relates to accumulated provisions, which isn't allowed according to the Danish Financial Statements Act. The error has been corrected directly on the equity per 1 January 2019 and in the comparative for last year. The equity per 1. January 2019 has been adjusted by 5.797.890 DKK, the balance sheet total has been adjusted by 5.797.890 DKK, short-term liabilities has been adjusted by 5.797.890 DKK, while the profit for the year is adjusted by 5.797.890 DKK.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
GROSS PROFIT		25.232.884	27.076.842
Staff costs.....	1	-18.195.551	-20.693.291
Depreciation, amortisation and impairment losses.....		-1.973	0
Other operating expenses.....		-12.407	-327
OPERATING PROFIT		7.022.953	6.383.224
Other financial income.....	2	1.980.864	1.982.457
Other financial expenses.....	3	-1.944.019	-3.636.403
PROFIT BEFORE TAX		7.059.798	4.729.278
Tax on profit/loss for the year.....		0	0
PROFIT FOR THE YEAR		7.059.798	4.729.278
PROPOSED DISTRIBUTION OF DIVIDEND			
Retained earnings.....		7.059.798	4.729.278
TOTAL		7.059.798	4.729.278

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK	2018 DKK
Other plant, machinery tools and equipment.....		19.018	0
Tangible fixed assets.....	4	19.018	0
FIXED ASSETS.....		19.018	0
Trade receivables.....		17.651.451	18.595.171
Receivables from group enterprises.....		0	3.104.813
Other receivables.....		15.209	12.407
Prepayments and accrued income.....		16.473	261.830
Receivables.....		17.683.133	21.974.221
Cash and cash equivalents.....		36.763.375	25.402.855
CURRENT ASSETS.....		54.446.508	47.377.076
ASSETS.....		54.465.526	47.377.076
EQUITY AND LIABILITIES			
Share capital.....		5.513.000	5.513.000
Retained earnings.....		-17.629.828	-24.689.627
EQUITY.....	5	-12.116.828	-19.176.627
Other provisions for liabilities.....		4.674.912	4.674.912
PROVISION FOR LIABILITIES.....		4.674.912	4.674.912
Other long-term debt.....		567.606	0
Long-term liabilities.....	6	567.606	0
Trade payables.....		2.180.939	626.208
Debt to group enterprises.....		49.020.649	47.106.968
Other liabilities.....		10.138.248	14.117.996
Accruals and deferred income.....		0	27.619
Current liabilities.....		61.339.836	61.878.791
LIABILITIES.....		61.907.442	61.878.791
EQUITY AND LIABILITIES.....		54.465.526	47.377.076
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NOTES

	2019 DKK	2018 DKK	Note
Staff costs			1
Average number of employees 26 (2018: 26)			
Wages and salaries.....	16.508.377	17.853.989	
Social security costs.....	1.687.174	1.812.955	
Other staff costs.....	0	1.026.347	
	18.195.551	20.693.291	
Other financial income			2
Other interest income.....	1.980.864	1.982.457	
	1.980.864	1.982.457	
Other financial expenses			3
Other interest expenses.....	1.944.019	3.636.403	
	1.944.019	3.636.403	
Tangible fixed assets			4
		Other plant, machinery tools and equipment	
Additions.....		20.991	
Cost at 31 December 2019.....		20.991	
Depreciation for the year.....		1.973	
Depreciation and impairment losses at 31 December 2019.....		1.973	
Carrying amount at 31 December 2019.....		19.018	

NOTES

	Note
Equity	5

	Share capital	Retained earnings	Total
Equity at 1 January 2019.....	5.513.000	-30.487.516	-24.974.516
Change of equity due to correction of errors.....		5.797.890	5.797.890
Adjusted equity at 1 January 2019.....	5.513.000	-24.689.626	19.176.626
Proposed distribution of profit.....		7.059.798	7.059.798
Equity at 31 December 2019.....	5.513.000	-17.629.828	12.116.828

The share capital consist of 5.513.000 shares of DKK 1,00. The share have not been divided into classes.

Long-term liabilities	6
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	31/12 2019 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2018 total liabilities	Current portion at the beginning of the year
Other long-term debt.....	567.606	0	0	0	0
	567.606	0	0	0	0

Contingencies etc.	7
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Contingent liabilities

The company has entered into a rente obligation, with a termination period on 3 months, 27 TDKK.

Information on uncertainty with respect to recognition and measurement	8
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In the annual report under provisions of the liabilities, there is recognized 4.674 TDKK. This relates to provisions on canceled agreements with subcontractors, which contains an uncertainty about the value of the actual liability.

Consolidated financial statements	9
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The company is included in the group annual report of Asiainfo International (H.K.) limited. The group annual report may be obtained at the following adress: Room 1401, 14/F, Tung Wai Commercial Building, 109-111, Gloucester Road, Wan Chai, Hong Kong.

ACCOUNTING POLICIES

The Annual Report of Asiainfo Denmark ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Correction of error previous year

This year an error in the annual report on 5.797.889 DKK has been found, which relates to previous year. The error relates to accumulated provisions, which isn't allowed according to the Danish Financial Statements Act. The error has been corrected directly on the equity per 1 January 2019 and in the comparative for last year. The equity per 1. January 2019 has been adjusted by 5.797.890 DKK, the balance sheet total has been adjusted by 5.797.890 DKK, short-term liabilities has been adjusted by 5.797.890 DKK, while the profit for the year is adjusted by 5.797.890 DKK

INCOME STATEMENT

Net revenue

Net revenue from sale is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Other provisions for liabilities

Other provisions for liabilities include the expected cost of loss on work in progress.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

ACCOUNTING POLICIES

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.