

Famsun Denmark Research & Development Center ApS

Kokholm 3B, 6000 Kolding
CVR no. 35 52 58 90

Annual report for 2018

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 21.03.19

Kim Møller Jensen
Dirigent



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The company

Famsun Denmark Research & Development Center ApS
Kokholm 3B
6000 Kolding
Danmark
Tel.: 72 17 01 20
Website: www.famsun.dk
Registered office: Kolding
CVR no.: 35 52 58 90
Financial year: 01.01 - 31.12

Executive Board

Pengfei Zhang

Board Of Directors

Fan Tianming, chairman
Chen Zhengjun
Liu Guangdao

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement of the Board of Directors and Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.01.18 - 31.12.18 for Famsun Denmark Research & Development Center ApS.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.18 and of the results of the the company's activities for the financial year 01.01.18 - 31.12.18.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Kolding, March 21, 2019

Executive Board

Pengfei Zhang

Board Of Directors

Fan Tianming
Chairman

Chen Zhengjun

Liu Guangdao

To the capital owner of Famsun Denmark Research & Development Center ApS

Opinion

We have conducted an extended review of the financial statements of Famsun Denmark Research & Development Center ApS for the financial year 01.01.18 - 31.12.18 comprising the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements present fairly, in all material respects, the company's assets, equity and liabilities and financial position as at 31.12.18 and the company's financial performance for the financial year 01.01.18 - 31.12.18 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the 'Auditor's responsibilities for the extended review 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 rules and requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Statement regarding the 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 extended review of the financial statements, it is our responsibility to read the management's review and in this connection consider whether the management's review is materially inconsistent with the financial statements or the knowledge we have obtained during our extended review, or in any other way 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 Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Danish Financial Statements Act and for such internal control as the 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 extended review of the financial statements

Our responsibility is to conduct an extended review of the financial statements in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements financial statements prepared in accordance with the Danish Financial Statements Act and to issue an extended review report. However, because of the matter described in the 'Basis for disclaimer of opinion' section of our report, we were not able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on these financial statements

An extended review comprises procedures primarily consisting of enquiries to the management and, if appropriate, other company employees, analytical procedures, the specifically required supplementary procedures as well as an assessment of the evidence obtained.

The scope of procedures performed in an extended review is not as extensive as for an audit. Consequently, we do not express an audit opinion on the financial statements.

Kolding, March 21, 2019

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Marianne Christoffersen

State Authorized Public Accountant
MNE-no. mne34133

Primary activities

The objective of the company is to carry out research and development activities in the feed, pet food and food industry mainly within intelligent feed and food factories, process automation, data analysis, software development, plant layout, and related business.

The activities are primarily carried out for the parent company.

Development in activities and financial affairs

The income statement for the period 01.01.18 - 31.12.18 shows a profit/loss of DKK 208,998 against DKK 272,921 for the period 01.01.17 - 31.12.17. The balance sheet shows equity of DKK 3,806,490.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2018 DKK	2017 DKK
	Gross profit	3.401.661	3.651.034
1	Staff costs	-3.130.989	-3.259.515
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	270.672	391.519
	Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment	0	-35.291
	Profit/loss before net financials	270.672	356.228
	Financial income	445	-2.642
	Financial expenses	-2.500	-3.451
	Profit/loss before tax	268.617	350.135
	Tax on profit or loss for the year	-59.619	-77.214
	Profit/loss for the year	208.998	272.921
	Proposed appropriation account		
	Retained earnings	208.998	272.921
	Total	208.998	272.921

ASSETS		31.12.18	31.12.17
		DKK	DKK
Note			
	Receivables from group enterprises	250.607	0
	Deferred tax asset	18.346	24.461
	Income tax receivable	44.496	19.176
	Other receivables	183.019	197.911
	Prepayments	0	35.053
	Total receivables	496.468	276.601
	Cash	3.736.622	3.921.540
	Total current assets	4.233.090	4.198.141
	Total assets	4.233.090	4.198.141

Balance sheet

EQUITY AND LIABILITIES		31.12.18	31.12.17
		DKK	DKK
Note			
	Share capital	80.000	80.000
	Retained earnings	3.726.490	3.517.492
	Total equity	3.806.490	3.597.492
	Trade payables	39.223	86.493
	Payables to group enterprises	0	161.659
	Other payables	387.377	352.497
	Total short-term payables	426.600	600.649
	Total payables	426.600	600.649
	Total equity and liabilities	4.233.090	4.198.141

2 Contingent liabilities

3 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.01.18 - 31.12.18			
Balance pr. 01.01.18	80.000	3.517.492	3.597.492
Net profit/loss for the year	0	208.998	208.998
Balance as at 31.12.18	80.000	3.726.490	3.806.490

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	2.790.576	2.866.662
Pensions	253.540	279.474
Other social security costs	11.644	9.089
Other staff costs	75.229	104.290
Total	3.130.989	3.259.515
Average number of employees during the year	3	4

2. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 21 months and average lease payments of t.DKK 240, a total of t.DKK 420.

3. Charges and security

The company has not provided any other security over assets.

4. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement.

4. Accounting policies - continued -**LEASES**

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT**Gross profit**

Gross profit comprises revenue and other external expenses.

Revenue

Income from the sale of services is recognised as delivery takes place. Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Acquired rights	3	0
Other plant, fixtures and fittings, tools and equipment	3	0

4. Accounting policies - continued -

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

4. Accounting policies - continued -

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

4. Accounting policies - continued -

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.