

Famsun Denmark Research & Development Center ApS

Åbogade 15, 8200 Aarhus N
CVR no. 35 52 58 90

Annual report for 2019

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 23.04.20

Kim Jensen Møller
Dirigent

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The company

Famsun Denmark Research & Development Center ApS
Åbogade 15
8200 Aarhus N
Danmark
Tel.: 72 17 01 20
Website: www.famsun.dk
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 by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.19 - 31.12.19 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 company's assets, liabilities and financial position as at 31.12.19 and of the results of the company's activities for the financial year 01.01.19 - 31.12.19.

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.

Aarhus, March 26, 2020

Executive Board

Pengfei Zhang

Board of Directors

Fan Tianming
Chairman

Chen Zhengjun

Liu Guangdao

Independent auditor's report on extended review

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

Conclusion

We have performed an extended review of the financial statements of Famsun Denmark Research & Development Center ApS for the financial year 01.01.19 - 31.12.19 which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Based on the work performed, in our opinion, the financial statements give a true and fair view of the company's assets, equity and liabilities and financial position as at 31.12.19 and the company's financial performance for the financial year 01.01.19 - 31.12.19 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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

The management is responsible for the management's review.

Our opinion on the financial statements does not include the management's review, and we do not express any form of conclusion on the management's review.

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

Independent auditor's report on extended review

misstated.

Furthermore, it is our responsibility to consider whether management's review contains the information required under the Danish Financial Statements Act.

Based on the work performed, we believe that the management's review is in accordance with the financial statements and has been prepared in accordance with the provisions of the Danish Financial Statements Acts. We have not detected any material misstatement in the 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 express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures primarily consisting of making inquiries of management and others within the company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Independent auditor's report on extended review

Kolding, March 26, 2020

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 01.01.19 - 31.12.19 shows a profit/loss of DKK -41,423 against DKK 208,998 for the period 01.01.18 - 31.12.18. The balance sheet shows equity of DKK 3,765,067.

Subsequent events

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

Income statement

Note		2019 DKK	2018 DKK
	Gross profit	3.187.118	3.401.661
1	Staff costs	-3.211.787	-3.130.989
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	-24.669	270.672
	Financial income	0	445
	Financial expenses	-23.170	-2.500
	Profit/loss before tax	-47.839	268.617
	Tax on profit or loss for the year	6.416	-59.619
	Profit/loss for the year	-41.423	208.998
	Proposed appropriation account		
	Retained earnings	-41.423	208.998
	Total	-41.423	208.998

ASSETS		31.12.19	31.12.18
		DKK	DKK
Note			
	Receivables from group enterprises	345.841	250.607
	Deferred tax asset	24.762	18.346
	Income tax receivable	70.000	44.496
	Other receivables	256.790	183.019
	Prepayments	7.788	0
	Total receivables	705.181	496.468
	Cash	3.565.906	3.736.622
	Total current assets	4.271.087	4.233.090
	Total assets	4.271.087	4.233.090

Balance sheet

EQUITY AND LIABILITIES		31.12.19	31.12.18
		DKK	DKK
Note			
	Share capital	80.000	80.000
	Retained earnings	3.685.067	3.726.490
	Total equity	3.765.067	3.806.490
	Other payables	68.849	0
	Total long-term payables	68.849	0
	Trade payables	106.190	39.223
	Other payables	330.981	387.377
	Total short-term payables	437.171	426.600
	Total payables	506.020	426.600
	Total equity and liabilities	4.271.087	4.233.090

- 2 Contingent liabilities
- 3 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.01.19 - 31.12.19		
Balance as at 01.01.19	80.000	3.726.490
Net profit/loss for the year	0	-41.423
Balance as at 31.12.19	80.000	3.685.067

	2019	2018
	DKK	DKK
1. Staff costs		
Wages and salaries	2.889.225	2.790.576
Pensions	260.398	253.540
Other social security costs	11.360	11.644
Other staff costs	50.804	75.229
Total	3.211.787	3.130.989
Average number of employees during the year	3	3

2. Contingent liabilities

Other contingent liabilities

[Redegør for øvrige eventualforpligtelser for virksomheden]

3. Charges and security

The company has not provided any 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 -**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.

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

4. Accounting policies - continued -

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.

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.

4. Accounting policies - continued -

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.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

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