

Qin Horse Denmark ApS

Indiakaj 20

2100 København Ø

CVR No. 37291153

Annual Report 2018

3. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 21 May 2019



Dong Zhu
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Qin Horse Denmark ApS for the financial year 1 January 2018 - 31 December 2018.

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 assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

In my opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København Ø, 21 May 2019

Executive Board



Dong Zhu

Man. Director

Qin Horse Denmark ApS

Company details

Company	Qin Horse Denmark ApS Indiakaj 20 2100 København Ø
CVR No.	37291153
Date of formation	5 December 2015
Financial year	1 January 2018 - 31 December 2018
Executive Board	Dong Zhu, Man. Director

Management's Review

The Company's principal activities

The Company's principal activities consist in having directly or indirectly to conduct trading and investment activities.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Exceptional circumstances

No exceptional circumstances have affected recognition or measurement.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of DKK 999.843 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 6.141.921 and an equity of DKK 1.728.802.

Expectations for the future

The Company expects its operations to develop positively next year.

Accounting Policies

Reporting Class

The Annual Report of Qin Horse Denmark ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises. loss of debtors, operating leasing costs etc.

Accounting Policies

Income from investments in group enterprises and associates

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortisation of consolidated goodwill.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Equity investments in group enterprises and associates

Investments in group enterprises and associates are recognised in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parents accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at kr. 0, and any amounts receivable from those enterprises are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Other investments

Other securities in the form of securities admitted for trading on a regulated market are recognised at the market value at the balance sheet date.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc.

Accounting Policies

Provisions are recognised when the Company has a legal or actual obligation as a result of a past event, and it is likely that settlement will result in the company spending financial resources.

Provisions that measured at value in use.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

The company are jointly and severally liable as the administration company for subsidiaries corporate taxes to the tax authorities.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2018 kr.	2017 kr.
Gross profit/loss		-7.761	-13.687
Profit/loss from ordinary operating activities		-7.761	-13.687
Income from investments in group enterprises and associates		181.047	0
Income from other investments and receivables that are fixed assets		1.047.231	0
Other finance income	1	11.354	0
Finance expences	2	-865	-87.283
Profit/loss from ordinary activities before tax		1.231.006	-100.970
Tax expense on ordinary activities		-231.163	21.668
Profit/loss		999.843	-79.302
Proposed distribution of results			
Reserve for net revaluation according to equity method		181.047	0
Retained earnings		818.796	-79.302
Distribution of profit/loss		999.843	-79.302

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Assets			
Long-term investments in group enterprises		1.025.382	0
Other long-term investments	3	5.047.231	4.000.000
Investments		<u>6.072.613</u>	<u>4.000.000</u>
Fixed assets		<u>6.072.613</u>	<u>4.000.000</u>
Other short-term receivables		6.638	51.159
Receivables		<u>6.638</u>	<u>51.159</u>
Cash and cash equivalents		<u>62.670</u>	<u>70.985</u>
Current assets		<u>69.308</u>	<u>122.144</u>
Assets		<u>6.141.921</u>	<u>4.122.144</u>

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Liabilities and equity			
Contributed capital	4	50.000	50.000
Reserve for net revaluation according to equity method	5	181.047	0
Retained earnings	6	1.497.755	-165.376
Equity		1.728.802	-115.376
Other provisions		0	11.354
Provisions		0	11.354
Trade payables		5.000	5.000
Tax payables		166.328	0
Other payables		4.240.922	4.221.166
Payables to shareholders and management		869	0
Short-term liabilities other than provisions		4.413.119	4.226.166
Liabilities other than provisions within the business		4.413.119	4.226.166
Liabilities and equity		6.141.921	4.122.144
Contingent liabilities	7		

Notes

1. Finance income

Other finance income	11.354	0
	11.354	0

2. Finance expenses

Other finance expenses	865	87.283
	865	87.283

3. Other long-term investments

Cost at the beginning of the year	4.000.000	4.000.000
Cost at the end of the year	4.000.000	4.000.000

Amortisation for the year	1.047.231	0
Impairment losses and amortisation at the end of the year	1.047.231	0

Carrying amount at the end of the year	5.047.231	4.000.000
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4. Contributed capital

Balance at the beginning of the year	50.000	50.000
Balance at the end of the year	50.000	50.000

5. Reserve for net revaluation according to equity method

Additions during the year	181.047	0
Balance at the end of the year	181.047	0

6. Retained earnings

Balance at the beginning of the year	-165.376	-86.074
Additions during the year	818.796	-79.302
Group contributions	844.335	0
Balance at the end of the year	1.497.755	-165.376

7. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.