

# **Qin Horse Denmark ApS**

Søndervej 18

2830 Virum

CVR No. 37291153

## **Annual Report 2019**

4. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 18 August 2020



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Dong Zhu  
Chairman

## **Qin Horse Denmark ApS**

### **Contents**

|                        |    |
|------------------------|----|
| Management's Statement | 3  |
| Company Information    | 4  |
| Management's Review    | 5  |
| Accounting Policies    | 6  |
| Income Statement       | 9  |
| Balance Sheet          | 10 |
| Notes                  | 12 |

**Management's Statement**

Today, Management has considered and adopted the Annual Report of Qin Horse Denmark ApS for the financial year 1 January 2019 - 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 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 2019 - 31 December 2019.

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.

Virum, 18 August 2020

**Executive Board**



Dong Zhu  
Man. Director

## **Qin Horse Denmark ApS**

### **Company details**

|                        |   |
|------------------------|---|
| <b>Company</b>         | Qin Horse Denmark ApS<br>Søndervej 18<br>2830 Virum |
| CVR No.                | 37291153  |
| Date of formation      | 5 December 2015                                     |
| <b>Executive Board</b> | 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.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 1 January 2019 - 31 December 2019 shows a result of DKK 3.943.144 and the Balance Sheet at 31 December 2019 a balance sheet total of DKK 11.465.649 and an equity of DKK 4.827.611.

### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

The outbreak of COVID-19 is of great importance to the world economy. The Danish Government has launched some initiatives to mitigate its effects.

Consequences of COVID-19 are considered by management as an event that occurred after the balance sheet date (December 31, 2019) and therefore constitute a non-regulatory event for the company.

The Management is closely following the evolution of COVID-19 and its impact on the company. At present, it is not possible to assess the impact on the annual report for 2020, which is why the management cannot comment more specifically on this.

## **Accounting Policies**

### **Reporting Class**

The Annual Report of Qin Horse Denmark ApS for 2019 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 and other external expenses.

### **Other external expenses**

Other external costs include costs for distribution, sales, advertising, administration, 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, 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.

### Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

## **Accounting Policies**

### **Provisions**

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

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

### **Other payables**

Other payables 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.



Qin Horse Denmark ApS

**Income Statement**

|   | Note | 2019<br>kr.      | 2018<br>kr.      |
|---|------|------------------|------------------|
| <b>Gross profit</b>   |      | <b>-19.105</b>   | <b>-7.761</b>    |
| <b>Profit from ordinary operating activities</b>                    |      | <b>-19.105</b>   | <b>-7.761</b>    |
| Income from investments in group enterprises and associates         |      | -165.412         | 181.047          |
| Income from other investments and receivables that are fixed assets |      | 5.520.049        | 1.047.231        |
| Other finance income  | 1    | 0                | 11.354           |
| Finance expences  | 2    | -235.232         | -865             |
| <b>Profit from ordinary activities before tax</b>                   |      | <b>5.100.300</b> | <b>1.231.006</b> |
| Tax expense on ordinary activities                                  | 3    | -1.157.156       | -231.163         |
| <b>Profit</b>   |      | <b>3.943.144</b> | <b>999.843</b>   |
| <br><b>Proposed distribution of results</b>                         |      |                  |                  |
| Reserve for net revaluation according to equity method              |      | -165.413         | 181.047          |
| Retained earnings   |      | 4.108.557        | 818.796          |
| <b>Distribution of profit</b>                                       |      | <b>3.943.144</b> | <b>999.843</b>   |

Qin Horse Denmark ApS

Balance Sheet as of 31 December

|  | Note | 2019<br>kr.       | 2018<br>kr.      |
|--|------|-------------------|------------------|
| <b>Assets</b>                              |      |                   |                  |
| Long-term investments in group enterprises |      | 1.024.861         | 1.025.382        |
| Long-term investments in associates        |      | 774               | 0                |
| Other long-term investments                |      | 10.383.533        | 5.047.231        |
| <b>Investments</b>                         |      | <b>11.409.168</b> | <b>6.072.613</b> |
| <b>Fixed assets</b>                        |      | <b>11.409.168</b> | <b>6.072.613</b> |
| Other short-term receivables               |      | 0                 | 6.638            |
| <b>Receivables</b>                         |      | <b>0</b>          | <b>6.638</b>     |
| <b>Cash and cash equivalents</b>           |      | <b>56.481</b>     | <b>62.670</b>    |
| <b>Current assets</b>                      |      | <b>56.481</b>     | <b>69.308</b>    |
| <b>Assets</b>                              |      | <b>11.465.649</b> | <b>6.141.921</b> |

Qin Horse Denmark ApS

Balance Sheet as of 31 December

|  | Note | 2019<br>kr.       | 2018<br>kr.      |
|--|------|-------------------|------------------|
| <b>Liabilities and equity</b>                                |      |                   |                  |
| Contributed capital  | 4    | 50.000            | 50.000           |
| Reserve for net revaluation according to equity method       | 5    | 15.634            | 181.047          |
| Retained earnings  | 6    | 4.761.977         | 1.497.755        |
| <b>Equity</b>  |      | <b>4.827.611</b>  | <b>1.728.802</b> |
| Trade payables   |      | 5.000             | 5.000            |
| Payables to group enterprises                                |      | 21.165            | 0                |
| Tax payables   |      | 1.155.555         | 166.328          |
| Other payables   |      | 5.455.449         | 4.240.922        |
| Payables to shareholders and management                      |      | 869               | 869              |
| <b>Short-term liabilities other than provisions</b>          |      | <b>6.638.038</b>  | <b>4.413.119</b> |
| <b>Liabilities other than provisions within the business</b> |      | <b>6.638.038</b>  | <b>4.413.119</b> |
| <b>Liabilities and equity</b>                                |      | <b>11.465.649</b> | <b>6.141.921</b> |
| Contingent liabilities                                       | 7    |                   |                  |

**Notes**

**1. Finance income**

|                      |          |               |
|----------------------|----------|---------------|
| Other finance income | 0        | 11.354        |
|                      | <u>0</u> | <u>11.354</u> |

**2. Finance expenses**

|                        |                |            |
|------------------------|----------------|------------|
| Other finance expenses | 235.232        | 865        |
|                        | <u>235.232</u> | <u>865</u> |

**3. Tax expense**

|                      |                  |                |
|----------------------|------------------|----------------|
| Selskabsskat, aktuel | 1.157.156        | 185.218        |
| Reg. af udskudt skat | 0                | 45.945         |
|                      | <u>1.157.156</u> | <u>231.163</u> |

**4. Contributed capital**

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Balance at the beginning of the year  | 50.000        | 50.000        |
| <b>Balance at the end of the year</b> | <u>50.000</u> | <u>50.000</u> |

**5. Reserve for net revaluation according to equity method**

|                                       |               |                |
|---------------------------------------|---------------|----------------|
| Balance at the beginning of the year  | 181.047       | 0              |
| Additions during the year             | -165.413      | 181.047        |
| <b>Balance at the end of the year</b> | <u>15.634</u> | <u>181.047</u> |

**6. Retained earnings**

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| Balance at the beginning of the year  | 1.497.755        | -165.376         |
| Additions during the year             | 4.108.557        | 818.796          |
| Group contributions                   | 0                | 844.335          |
| Reklassificeret til Primo             | -844.335         | 0                |
| <b>Balance at the end of the year</b> | <u>4.761.977</u> | <u>1.497.755</u> |

**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.

**Notes**

**1. Finance income**

|                      |          |               |
|----------------------|----------|---------------|
| Other finance income | 0        | 11.354        |
|                      | <u>0</u> | <u>11.354</u> |

**2. Finance expenses**

|                        |                |            |
|------------------------|----------------|------------|
| Other finance expenses | 235.232        | 865        |
|                        | <u>235.232</u> | <u>865</u> |

**3. Tax expense**

|                      |                  |                |
|----------------------|------------------|----------------|
| Selskabsskat, aktuel | 1.157.156        | 185.218        |
| Reg. af udskudt skat | 0                | 45.945         |
|                      | <u>1.157.156</u> | <u>231.163</u> |

**4. Contributed capital**

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Balance at the beginning of the year  | 50.000        | 50.000        |
| <b>Balance at the end of the year</b> | <u>50.000</u> | <u>50.000</u> |

**5. Reserve for net revaluation according to equity method**

|                                       |               |                |
|---------------------------------------|---------------|----------------|
| Balance at the beginning of the year  | 181.047       | 0              |
| Additions during the year             | -165.413      | 181.047        |
| <b>Balance at the end of the year</b> | <u>15.634</u> | <u>181.047</u> |

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|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
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