

Hanshow Europe ApS

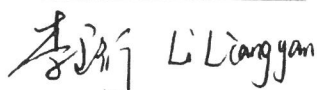
**Indiakaj 20
2100 Copenhagen**

CVR no. 37 92 20 64

Annual Report 2018

The Annual Report was presented and adopted at the company's annual general meeting on:

14 May 2019

 Liangyan

Liangyan Li
Chairman

ANNUAL REPORT 2018

(2. financial year)

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COMPANY INFORMATION

Company

Hanshow Europe ApS
Indiakaj 20
2100 Copenhagen

CVR no.

37 92 20 64

Financial year

1 January - 31 December

Principal activities

The company's principal activities consist in directly or through the holding of investments in other companies, to conduct trading activities and other activities that, in the opinion of the Executive Board, are associated with that.

CEO

Liangyan Li

The company's auditor

Haamann A/S, State Authorized Public Accountant Firm
Filmbyen 20
2650 Hvidovre
CVR no. (business reg. no.) 24 25 69 95

MANAGEMENT'S STATEMENTS

The CEO have today presented the annual report for the financial year 1 January - 31 December 2018 for Hanshow Europe ApS.

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

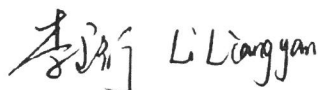
I consider the accounting policies appropriate for the annual report to provide a true and fair view of the company's assets and liabilities, cash flow statement, financial position and performance.

Moreover, in opinion, the mangagement's review includes a fair review of the matters described.

The management confirms that the company comply with the requirements for not having external audit of the annual report.

Copenhagen, 14 May 2019

Executive Board:



Liangyan Li

PRACTITIONER'S COMPILATION REPORT

To the Management of Hanshow Europe ApS

We have compiled the accompanying financial statements of Hanshow Europe ApS for the financial year 1 January - 31 December 2018 based on information you have provided.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.


We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and FSR – danske revisorer's Code of Ethics, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Hvidovre, 14 May 2019

HAAMANN A/S
State Authorized Public Accountant Firm
CVR.nr. 24 28 69 95

Jan Østergaard
State Authorized Public Accountant
mne30203

MANAGEMENT'S REVIEW

The Company's principal activities

The company's principal activities consist in directly or through the holding of investments in other companies, to conduct trading activities and other activities that, in the opinion of the Executive Board, are associated with that.

Uncertainty as to recognition and measurement

No exceptional circumstances have occurred in the financial year.

Exceptional circumstances

No exceptional circumstances have occurred in the financial year.

Development in activities and financial affairs

The company had a loss of DKK -852.063, for the financial year, which the company's management considers unsatisfactory.

In the coming year the management expects a satisfactory result.

Financial resources

The company has lost more than half of the share capital. Equity at 31 December 2018 amounts to DKK - 783.952. It is the company's management's expectation that the company's share capital will be re-established as a result of future positive results.

In accordance with section 119 of the Danish Companies Act, the company's management at the annual general meeting will account for the company's financial position and present an action plan to re-establish the company capital.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that would materially affect the company's financial position.

INCOME STATEMENT
1 January - 31 December 2018

	<u>Note</u>	<u>2018 DKK</u>	<u>2017 TDKK</u>
Gross result		-81.112	-132
Staff costs	1	<u>-770.776</u>	<u>-326</u>
Operating profit and loss		-851.888	-458
Financial expenses		<u>-175</u>	<u>-4</u>
Profit or loss before tax		-852.063	-462
Tax on profit or loss for the year	2	<u>0</u>	<u>0</u>
Net profit or loss for the year		<u>-852.063</u>	<u>-462</u>
Proposed distribution of results			
Dividend for the financial year		0	0
Retained earnings		<u>-852.063</u>	<u>-462</u>
		<u>-852.063</u>	<u>-462</u>

BALANCE 31 December 2018

ASSETS

	<u>Note</u>	<u>2018 DKK</u>	<u>2017 TDKK</u>
<u>Fixed assets</u>			
Fixed assets			
Deposits		<u>6.100</u>	<u>6</u>
Fixed assets, total		<u>6.100</u>	<u>6</u>
<u>Current assets</u>			
Receivables			
Other short-term receivables		<u>18.217</u>	<u>0</u>
Cash and cash equivalents		<u>861.188</u>	<u>117</u>
Current assets		<u>879.405</u>	<u>117</u>
Assets, total		<u>885.505</u>	<u>123</u>

BALANCE 31 December 2018

LIABILITIES AND EQUITY

	<u>Note</u>	<u>2018 DKK</u>	<u>2017 TDKK</u>
<u>Equity</u>	3		
Share capital		530.000	530
Retained earnings		<u>-1.313.952</u>	<u>-462</u>
Equity, total		<u>-783.952</u>	<u>68</u>
 <u>Liabilities</u>			
Short-term liabilities other than provisions			
Trade payables		51.750	39
Payables to group enterprises		1.581.186	10
Other payables		<u>36.521</u>	<u>6</u>
		<u>1.669.457</u>	<u>55</u>
 Total liabilities		<u>1.669.457</u>	<u>55</u>
 Total liabilities and equity		<u>885.505</u>	<u>123</u>

NOTES

	2018 DKK	2017 TDKK
1. <u>Staff costs</u>		
Wages and salaries	763.199	323
Social security costs	7.577	3
	<u>770.776</u>	<u>326</u>
Average number of employees	<u>1</u>	<u>1</u>

2. <u>Tax on profit or loss for the year</u>		
Tax calculated on the taxable income for the year	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

3. Equity

	Share capital	Retained earnings	Total
Equity 1 January 2018	530.000	-461.889	68.111
Net profit for the year		-852.063	-852.063
Equity 31 December 2018	<u>530.000</u>	<u>-1.313.952</u>	<u>-783.952</u>

The company's equity at 31 December 2018 amounts to DKK-783.952 and the company has thus lost more than 50% of the share capital. Management believes that the company's capital will be re-established in its own operations over the coming years.

ACCOUNTING POLICIES

The Annual Report of Hanshow Europe 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 application of some provisions for a higher reporting class C.

The accounting policies applied remain unchanged from last year.

General principles for recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities. Moreover, all expenses are incurred, including depreciation and amortisation.

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 financial benefits 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.

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 existed at the balance sheet date.

Income Statement

Revenue

Other external expenses

Gross profit is made up of net sales less the direct sales costs attributable to net sales and less other external costs.

Income from the sale of goods is recognised in the income statement from the date of delivery and when the risk has passed to the buyer and services are possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss 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. Current and deferred tax regarding changes in equity is recognised directly in equity.

BALANCE SHEET**Other non-current assets**

Leasehold deposits are recognised in the balance sheet at cost.

Receivables

Receivables are measured at amortised cost, usually corresponding to nominal value. The value is reduced by impairment losses for bad and doubtful debts.

Prepayments

Prepayments recognised under assets comprise of prepaid costs, for the of subsequent financial years.

Tax payable and deferred tax

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

Deferred tax is measured under the balance-sheet liability method for temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Any net deferred tax assets are measured at net realisable value.

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the reporting date, will be applicable at the time when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement. For the current year, a tax rate of 22% has been applied.

Payables

Debt is measured at amortised cost, usually corresponding to nominal value.

ACCOUNTING POLICIES

Foreign currency translation

Foreign currency transactions are translated the exchange rate prevailing at the date of the transaction. Exchange differences arising between the exchange rate prevailing at the transaction date and the exchange rate at the payment date are recognised in the income statement as a net financial income or expense. If currency positions are regarded as a hedge of future cash flows, value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled on the reporting date are measured at the closing exchange rate. The difference between the closing rate and the rate at the time of the establishment of the receivable or payable is recognised in the income statement under financial income and expenses.

Non-current assets purchased in foreign currencies are measured at the exchange rate at the transaction date.