
SKIOLD JYDEN CHINA HOLDING A/S

Idomvej 2, DK-7570 Vemb

Annual Report for 1 January - 31 December 2021

CVR No 38 15 18 27

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/06 2022

Rasmus Sandorff Jacobsen
Chairman of the General
Meeting

Contents

| | <u>Page</u> |
|--|-------------|
| Management's Statement and Auditor's Report | |
| Management's Statement | 1 |
| Independent Auditor's Report | 2 |
| Company Information | |
| Company Information | 5 |
| Financial Statements | |
| Income Statement 1 January - 31 December | 6 |
| Balance Sheet 31 December | 7 |
| Statement of Changes in Equity | 8 |
| Notes to the Financial Statements | 9 |

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of SKIOLD JYDEN CHINA HOLDING A/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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

Bur, 10 June 2022

Executive Board

Søren Sandholm Overgaard
CEO

Board of Directors

Rasmus Sandorff Jacobsen
Chairman

Henrik Hilbert Overbye

Søren Sandholm Overgaard

The Annual General Meeting has decided that the Financial Statements for next year are not to be subject to any audit.

Independent Auditor's Report

To the Shareholders of SKIOLD JYDEN CHINA HOLDING A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of SKIOLD JYDEN CHINA HOLDING A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as 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 audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Independent Auditor's Report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

Herning, 10 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Poul Spencer Poulsen
State Authorised Public Accountant
mne23324

Hans Jørgen Andersen
State Authorised Public Accountant
mne30211

Company Information

The Company

SKIOLD JYDEN CHINA HOLDING A/S
Idomvej 2
DK-7570 Vemb

CVR No: 38 15 18 27
Financial period: 1 January - 31 December
Municipality of reg. office: Holstebro

Board of Directors

Rasmus Sandorff Jacobsen, Chairman
Henrik Hilbert Overbye
Søren Sandholm Overgaard

Executive Board

Søren Sandholm Overgaard

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Platanvej 4
DK-7400 Herning

Income Statement 1 January - 31 December

| | <u>Note</u> | <u>2021</u> DKK | <u>2020</u> DKK |
|---|-------------|--------------------|--------------------|
| Gross profit/loss | | -25.800 | -26.620 |
| Income from investments in subsidiaries | | -1.285.817 | -3.921.342 |
| Financial income | 2 | 292.102 | 72.832 |
| Financial expenses | 3 | -151 | -54.632 |
| Profit/loss before tax | | -1.019.666 | -3.929.762 |
| Tax on profit/loss for the year | 4 | -58.553 | 1.849 |
| Net profit/loss for the year | | -1.078.219 | -3.927.913 |

Distribution of profit

| | <u>2021</u> DKK | <u>2020</u> DKK |
|--|--------------------|--------------------|
| Proposed distribution of profit | | |
| Retained earnings | -1.078.219 | -3.927.913 |
| | -1.078.219 | -3.927.913 |

Balance Sheet 31 December

| | Note | 2021 DKK | 2020 DKK |
|--|------|-------------------|-------------------|
| Assets | | | |
| Investments in subsidiaries | 5 | 0 | 0 |
| Fixed asset investments | | 0 | 0 |
| Receivables from group enterprises | | 104.147 | 112.102 |
| Corporation tax receivable from group enterprises | | 0 | 1.849 |
| Receivables | | 104.147 | 113.951 |
| Cash at bank and in hand | | 17.576 | 43.065 |
| Currents assets | | 121.723 | 157.016 |
| Assets | | 121.723 | 157.016 |
| Liabilities and equity | | | |
| Share capital | | 1.000.000 | 1.000.000 |
| Retained earnings | | -6.854.731 | -5.260.649 |
| Equity | | -5.854.731 | -4.260.649 |
| Provisions relating to investments in group enterprises | | 5.917.901 | 4.407.861 |
| Provisions | | 5.917.901 | 4.407.861 |
| Payables to group enterprises | | 0 | 9.804 |
| Payables to group enterprises relating to corporation tax | | 58.553 | 0 |
| Short-term debt | | 58.553 | 9.804 |
| Debt | | 58.553 | 9.804 |
| Liabilities and equity | | 121.723 | 157.016 |
| Key activities | 1 | | |
| Contingent assets, liabilities and other financial obligations | 6 | | |
| Accounting Policies | 7 | | |

Statement of Changes in Equity

| | <u>Share capital</u> DKK | <u>Retained earnings</u> DKK | <u>Total</u> DKK |
|---|-----------------------------|-------------------------------------|--------------------------|
| Equity at 1 January | 1.000.000 | -5.260.649 | -4.260.649 |
| Exchange adjustments relating to foreign entities | 0 | -515.863 | -515.863 |
| Net profit/loss for the year | 0 | -1.078.219 | -1.078.219 |
| Equity at 31 December | <u>1.000.000</u> | <u>-6.854.731</u> | <u>-5.854.731</u> |

Notes to the Financial Statements

1 Key activities

The company's purpose is to hold shares in other companies.

2 Financial income

Interest received from group enterprises
Exchange gains

| | <u>2021</u> DKK | <u>2020</u> DKK |
|--|-----------------------|----------------------|
| Interest received from group enterprises | 79.888 | 72.832 |
| Exchange gains | <u>212.214</u> | <u>0</u> |
| | <u>292.102</u> | <u>72.832</u> |

3 Financial expenses

Other financial expenses
Exchange adjustments, expenses
Exchange loss

| | | |
|--------------------------------|-------------------|----------------------|
| Other financial expenses | 151 | 1.536 |
| Exchange adjustments, expenses | 0 | 526 |
| Exchange loss | <u>0</u> | <u>52.570</u> |
| | <u>151</u> | <u>54.632</u> |

4 Tax on profit/loss for the year

Current tax for the year

| | | |
|--------------------------|----------------------|----------------------|
| Current tax for the year | <u>58.553</u> | <u>-1.849</u> |
| | <u>58.553</u> | <u>-1.849</u> |

Notes to the Financial Statements

| | 2021 DKK | 2020 DKK |
|---|--------------------|-------------------|
| 5 Investments in subsidiaries | | |
| Cost at 1 January | 2.243.689 | 1.290.192 |
| Additions for the year | 0 | 953.497 |
| Cost at 31 December | <u>2.243.689</u> | <u>2.243.689</u> |
| Value adjustments at 1 January | -8.580.947 | -4.798.890 |
| Exchange adjustment | -515.863 | 139.285 |
| Net profit/loss for the year | -75.930 | -2.280.342 |
| Other adjustments | -1.205.737 | -1.641.000 |
| Value adjustments at 31 December | <u>-10.378.477</u> | <u>-8.580.947</u> |
| Equity investments with negative net asset value amortised over receivables | <u>2.216.887</u> | <u>1.929.398</u> |
| Equity investments with negative net asset value transferred to provisions | <u>5.917.901</u> | <u>4.407.860</u> |
| Carrying amount at 31 December | <u>0</u> | <u>0</u> |

Investments in subsidiaries are specified as follows:

| Name | Place of registered office | Share capital | Votes and ownership |
|--|----------------------------|---------------|---------------------|
| Jyden Animal Housing (Qingdao) Co., Ltd. | China, Shandong | USD 350.834 | 100% |

6 Contingent assets, liabilities and other financial obligations

The company and the subsidiary are both part of the SKIOLD Group. The SKIOLD Group intends to support the ongoing operations of Group companies.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of SKIOLD Group A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of SKIOLD JYDEN CHINA HOLDING A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

7 Accounting Policies (continued)

Income Statement

Other external expenses

Other external expenses comprise expenses for premises as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with SKIOLD Group A/S and other Danish enterprises in the associated joint taxation. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Notes to the Financial Statements

7 Accounting Policies (continued)

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.