
***SKIOLD JYDEN CHINA
HOLDING A/S***

Idomvej 2, DK-7570 Vemb

**Annual Report for 1 January - 31
December 2020**

CVR No 38 15 18 27

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/6 2021

Brian Hyldahl Frimor
Chairman of the General
Meeting

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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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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

Bur, 28 June 2021

Executive Board

Jesper Bech
Executive Officer

Board of Directors

Søren Overgaard
Chairman

Jacob Kaiser

Brian Hyldahl Frimor

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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 2020, which comprise income statement, balance sheet 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' 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 requirements. 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.

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:

Independent Auditor's Report

- 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.

Holstebro, 28 June 2021

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

Søren Overgaard, Chairman
Jacob Kaiser
Brian Hyldahl Frimor

Executive Board

Jesper Bech

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Hjaltvej 16
DK-7500 Holstebro

Bankers

Sydbank
Nygade 15
7500 Holstebro

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Gross profit/loss		-26.620	-25.180
Income from investments in subsidiaries		-3.921.342	-4.286.431
Financial income	2	72.832	74.141
Financial expenses	3	<u>-54.632</u>	<u>-4.398</u>
Profit/loss before tax		-3.929.762	-4.241.868
Tax on profit/loss for the year	4	<u>1.849</u>	<u>-9.790</u>
Net profit/loss for the year		<u>-3.927.913</u>	<u>-4.251.658</u>

Distribution of profit

	<u>2020</u> DKK	<u>2019</u> DKK
Proposed distribution of profit		
Retained earnings	<u>-3.927.913</u>	<u>-4.251.658</u>
	<u>-3.927.913</u>	<u>-4.251.658</u>

Balance Sheet 31 December

	Note	2020 DKK	2019 DKK
Assets			
Investments in subsidiaries	5	0	0
Fixed asset investments		0	0
Receivables from group enterprises		112.102	112.102
Corporation tax receivable from group enterprises		1.849	0
Receivables		113.951	112.102
Cash at bank and in hand		43.065	325.230
Currents assets		157.016	437.332
Assets		157.016	437.332
Liabilities and equity			
Share capital		1.000.000	1.000.000
Retained earnings		-5.260.649	-2.172.020
Equity	6	-4.260.649	-1.172.020
Provisions relating to investments in group enterprises		4.407.861	1.599.562
Provisions		4.407.861	1.599.562
Payables to group enterprises		9.804	0
Payables to group enterprises relating to corporation tax		0	9.790
Short-term debt		9.804	9.790
Debt		9.804	9.790
Liabilities and equity		157.016	437.332
Key activities	1		
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	8		

Notes to the Financial Statements

1 Key activities

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

	<u>2020</u> DKK	<u>2019</u> DKK
2 Financial income		
Interest received from group enterprises	72.832	74.141
	<u>72.832</u>	<u>74.141</u>
3 Financial expenses		
Other financial expenses	1.536	2.847
Exchange adjustments, expenses	526	1.551
Exchange loss	52.570	0
	<u>54.632</u>	<u>4.398</u>
4 Tax on profit/loss for the year		
Current tax for the year	-1.849	9.790
	<u>-1.849</u>	<u>9.790</u>

Notes to the Financial Statements

	2020 DKK	2019 DKK
5 Investments in subsidiaries		
Cost at 1 January	1.290.192	1.290.192
Additions for the year	953.497	0
Cost at 31 December	<u>2.243.689</u>	<u>1.290.192</u>
Value adjustments at 1 January	-4.798.890	-561.867
Exchange adjustment	139.285	49.408
Net profit/loss for the year	-2.280.342	-4.286.431
Other adjustments	-1.641.000	0
Value adjustments at 31 December	<u>-8.580.947</u>	<u>-4.798.890</u>
Equity investments with negative net asset value amortised over receivables	<u>1.929.398</u>	<u>1.909.136</u>
Equity investments with negative net asset value transferred to provisions	<u>4.407.860</u>	<u>1.599.562</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.	Kina, Shandong	USD 350.834	100%

6 Equity

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January	1.000.000	-2.172.020	-1.172.020
Contribution from group	0	700.000	700.000
Exchange adjustments relating to foreign entities	0	139.284	139.284
Net profit/loss for the year	0	-3.927.913	-3.927.913
Equity at 31 December	<u>1.000.000</u>	<u>-5.260.649</u>	<u>-4.260.649</u>

Notes to the Financial Statements

7 Contingent assets, liabilities and other financial obligations

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.

There are no security and contingent liabilities at 31 December 2020.

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of SKIOLD JYDEN CHINA HOLDING A/S for 2020 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 2020 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

8 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

8 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.