

Dahua Technology Denmark ApS

Roskildevej 16, 1.
2620 Albertslund

CVR no. 38 94 39 52

Annual report for 2020

(3rd Financial year)

Adopted at the annual general meeting
on 1 June 2021

Liquan Fu
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Dahua Technology Denmark ApS for the financial year 1 January - 31 December 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Albertslund, 1 June 2021

Executive board

Liquan Fu
Director

Auditor's report on compilation of the financial statements

To the shareholder of Dahua Technology Denmark ApS

We have compiled the financial statements of Dahua Technology Denmark ApS for the financial year 1 January - 31 December 2020 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR - Danish Auditors' Code of Ethics for Professional Accountants, including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Hellerup, 1 June 2021
CVR no. 33 25 68 76



Hans Olsen
State Authorized Public Accountant
MNE no. mne25347

Company details

The company

Dahua Technology Denmark ApS
Roskildevej 16, 1.
2620 Albertslund

CVR no.: 38 94 39 52

Reporting period: 1 January - 31 December 2020

Incorporated: 13 September 2017

Domicile: Albertslund

Executive board

Liquan Fu, director

Auditors

Crowe
Statsautoriseret Revisionsinteressentskab v.m.b.a.
Rygårds Allé 104
2900 Hellerup

Management's review

Business review

The company offers end-to-end security solutions, systems, and services to create values for city operations, corporate management, and consumers.

Financial review

The company's income statement for the year ended 31. december 2020 shows a profit of DKK 304.679, and the balance sheet at 31 December 2020 shows negative equity of DKK 254.656.

The management expects that the coming year will result in a profit.

Financing

Dahua Europe B. V has issued a support letter, which financially secures the company's operations. The company expects to restore equity either through future operations or by further funding by the Group.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Dahua Technology Denmark ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other external expenses.

Revenue

Income from sale of services are recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated 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 according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement
1 January 2020 - 31 December 2020

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> TDKK
Gross profit		8.882.082	4.533
Staff costs	1	-7.789.210	-3.955
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-72.650</u>	<u>-15</u>
Profit/loss before net financials		1.020.222	563
Financial costs		<u>-588.443</u>	<u>-82</u>
Profit/loss before tax		431.779	481
Tax on profit/loss for the year	2	<u>-127.100</u>	<u>422</u>
Profit/loss for the year		<u>304.679</u>	<u>903</u>
Recommended appropriation of profit/loss			
Retained earnings		<u>304.679</u>	<u>903</u>
		<u>304.679</u>	<u>903</u>

Balance sheet at 31 December 2020

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> TDKK
Assets			
Other fixtures and fittings, tools and equipment		160.343	142
Leasehold improvements		141.019	0
Tangible assets	3	<u>301.362</u>	<u>142</u>
Total non-current assets		<u>301.362</u>	<u>142</u>
Goods for resale		451.797	18
Stocks		<u>451.797</u>	<u>18</u>
Receivables from group enterprise		11.428.179	6.351
Other receivables		696.367	390
Deferred tax asset		294.712	422
Receivables		<u>12.419.258</u>	<u>7.163</u>
Cash at bank and in hand		<u>5.848.076</u>	<u>73</u>
Total current assets		<u>18.719.131</u>	<u>7.254</u>
Total assets		<u><u>19.020.493</u></u>	<u><u>7.396</u></u>

Balance sheet at 31 December 2020

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> TDKK
Equity and liabilities			
Share capital		1.500.000	1.500
Retained earnings		-1.754.656	-2.060
Equity		-254.656	-560
Trade payables		40.391	35
Payables to group enterprises		18.048.841	7.381
Other payables		1.185.917	540
Total current liabilities		19.275.149	7.956
Total liabilities		19.275.149	7.956
Total equity and liabilities		19.020.493	7.396
Uncertainty about the continued operation (going concern)	4		
Contingent liabilities	5		
Mortgages and collateral	6		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2020	1.500.000	-2.059.335	-559.335
Net profit/loss for the year	0	304.679	304.679
Equity at 31 December 2020	1.500.000	-1.754.656	-254.656

Notes

	2020 DKK	2019 TDKK
1 Staff costs		
Wages and salaries	7.520.862	3.745
Other social security costs	268.348	210
	7.789.210	3.955
Average number of employees	14	6
2 Tax on profit/loss for the year		
Deferred tax for the year	127.100	-422
	127.100	-422
3 Tangible assets		
	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2020	157.254	0
Additions for the year	100.087	167.681
Disposals for the year	-44.190	0
Cost at 31 December 2020	213.151	167.681
Impairment losses and depreciation at 1 January 2020	14.814	0
Depreciation for the year	45.988	26.662
Impairment and depreciation of sold assets for the year	-7.994	0
Impairment losses and depreciation at 31 December 2020	52.808	26.662
Carrying amount at 31 December 2020	160.343	141.019

Notes

4 Uncertainty about the continued operation (going concern)

Dahua Europe B.V has issued a support letter, which financially secures the company's operations. The company expects to restore equity either through future operations or by further funding by the Group.

5 Contingent liabilities

The Company has entered into a lease agreement, TDKK 552.

6 Mortgages and collateral

None.