



Kide Engineering ApS

c/o Bech-Bruun
Langelinie Allé 35
2100 Copenhagen

CVR No. 39307685

Annual Report 2019

2. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 15 August 2020

Kai Zhang
Chairman

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Kide Engineering ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of Kide Engineering 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 our 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 our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Copenhagen, 15 August 2020

Executive Board

Kai Zhang
Man. Director

Kide Engineering ApS

Company details

Company	Kide Engineering ApS c/o Bech-Bruun Langelinie Allé 35 2100 Copenhagen
CVR No.	39307685
Date of formation	28 January 2018
Registered office	Copenhagen
Executive Board	Kai Zhang, Man. Director

Management's Review

The Company's principal activities

The Company's principal activities consist in of engineering consulting and thereby related business activities according to the Executive Board.

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 -2.866.002 and the Balance Sheet at 31 December 2019 a balance sheet total of DKK 652.981 and an equity of DKK -2.252.971.

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.

Financial resources

The company has lost more than 50% of the company's capital and is thus covered by the rules on capital losses in the Companies Act. Management expects equity to be restored within 3-4 years, at the company's own earnings.

The Company is dependent on the necessary financing being provided by the Company's capital owners. Management expects the necessary financing to be made available from the company's capital owners and, accordingly, submits its annual report, subject to continued operations.

Accounting Policies

Reporting Class

The Annual Report of Kide Engineering 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 selection of few provisions from reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

Basis of recognition and measurement

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, cost of raw and consumables and other external expenses.

Accounting Policies

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Raw materials and consumables used

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs of subcontractors and change in inventories for the year.

Other external expenses

Other external costs include costs for distribution and administration.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

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 and surcharges and allowances under the tax prepayment scheme.

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

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.

Supply of services in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the reporting date and total expected income from the work in progress.

Where it is difficult to determine a reliable selling price, the selling price is measured at the lower of costs incurred and the net realisable value.

Work in progress is recognised in the balance sheet under receivables or payables depending on the net value of the selling price less invoicing on account.

Prepayments from customers are recognised under liabilities.

Advertising from promotional costs and costs of negotiating contracts are expensed incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Accounting Policies

Equity

Equity includes the share capital and a number of other equity items that may be statutory or stipulated in the Articles of Association.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Kide Engineering ApS

Income Statement

	Note	2019 kr.	2018 kr.
Gross profit		-1.062.522	682.323
Employee benefits expense	1	-1.748.083	-493.911
Profit from ordinary operating activities		-2.810.605	188.412
Other finance income		0	1.068
Finance expenses arising from group enterprises		-46.130	-8.710
Other finance expenses		-9.267	-6.391
Profit from ordinary activities before tax		-2.866.002	174.379
Tax expense on ordinary activities		0	-51.348
Profit		-2.866.002	123.031
Proposed distribution of results			
Retained earnings		-2.866.002	123.031
Distribution of profit		-2.866.002	123.031

Kide Engineering ApS**Balance Sheet as of 31 December**

	Note	2019 kr.	2018 kr.
Assets			
Short-term trade receivables		0	285.000
Contract work in progress		0	755.535
Short-term receivables from group enterprises		144.662	49.956
Short-term tax receivables from group enterprises		0	82.522
Other short-term receivables		176.623	80.150
Receivables		321.285	1.253.163
Cash and cash equivalents		331.696	236.745
Current assets		652.981	1.489.908
Assets		652.981	1.489.908

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Liabilities and equity			
Contributed capital		490.000	490.000
Retained earnings		-2.742.971	123.031
Equity		-2.252.971	613.031
Payables to group enterprises		2.039.036	0
Long-term liabilities other than provisions		2.039.036	0
Trade payables		22.000	21.318
Payables to group enterprises		0	490.326
Tax payables		0	137.618
Other payables		844.916	227.615
Short-term liabilities other than provisions		866.916	876.877
Liabilities other than provisions within the business		2.905.952	876.877
Liabilities and equity		652.981	1.489.908
Contingent liabilities	3		
Collaterals and assets pledges as security	4		

Notes

1. Employee benefits expense

	2019	2018
Wages and salaries	1.736.218	469.155
Post-employment benefit expense	8.899	23.160
Social security contributions	2.966	1.596
	<u>1.748.083</u>	<u>493.911</u>
Average number of employees	<u>3</u>	<u>1</u>

2. Financial resources

The company has lost more than 50% of the company's capital and is thus covered by the rules on capital losses in the Companies Act. Management expects equity to be restored within 3-4 years, at the company's own earnings.

The Company is dependent on the necessary financing being provided by the Company's capital owners. Management expects the necessary financing to be made available from the company's capital owners and, accordingly, submits its annual report, subject to continued operations.

3. 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.

The total amount appears from the annual report of Kide Engineering ApS which is the administration company in the joint taxation.

4. Collaterals and securities

No securities or mortgages exist at the balance sheet date.