
SEWPG European Innovation Center ApS

Brendstrupgårdsvej 13, DK-8200 Aarhus N

Annual Report for 2020

CVR No. 39 61 98 30

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 25/6 2021

Jun Miao
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 Financial Statements of SEWPG European Innovation Center ApS 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.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Aarhus N, 25 June 2021

Executive Board

Xiaogang Meng
CEO

Board of Directors

Jun Miao
Chairman

Fengfeng Huang

Xiaogang Meng

Independent Auditor's report

To the shareholder of SEWPG European Innovation Center ApS

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 SEWPG European Innovation Center ApS for the financial year 1 January - 31 December 2020, 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' 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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.

Independent Auditor's report

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:

- 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.

Aarhus C, 25 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Christian Bertelsen

State Authorised Public Accountant

mne36171

Company information

The Company	SEWPG European Innovation Center ApS Brendstrupgårdsvej 13 DK-8200 Aarhus N CVR No: 39 61 98 30 Financial period: 1 January - 31 December Incorporated: 28 May 2018 Financial year: 3rd financial year Municipality of reg. office: Aarhus
Board of Directors	Jun Miao, chairman Fengfeng Huang Xiaogang Meng
Executive board	Xiaogang Meng
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C

Management's review

Key activities

SEWPG European Innovation Center ApS engages in technical development, technical consultation, technical service and investment consultation in the field of wind power equipment, parts and technology.

Development in the year

The income statement of the Company for 2020 shows a profit of kDKK 2,466, and at 31 December 2020 the balance sheet of the Company shows positive equity of kDKK 5,604.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Correction of material misstatements in prior year

In connection with the preparation of the financial statements for 2020, Management has identified a material error in the annual report for 2019. As a result hereof, management has in the 2020 financial statements chosen to correct the Company's comparative figures.

A correction in the prior year profit and loss statement and balance sheet has been made amounting to 665 kDKK. The correction is made to the Company's development projects in progress, which has for 2019 been reduced by 665 kDKK. The Company's loss before tax has been increased by 665 kDKK.

Income statement 1 January - 31 December

	Note	2020 TDKK	2019 TDKK
Gross profit/loss		17,705	-1,689
Staff expenses	1	-14,887	-2,188
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-331	-66
Profit/loss before financial income and expenses		2,487	-3,943
Financial expenses		-81	-50
Profit/loss before tax		2,406	-3,993
Tax on profit/loss for the year	3	60	593
Net profit/loss for the year		2,466	-3,400

Distribution of profit

	2020 TDKK	2019 TDKK
Proposed distribution of profit		
Retained earnings	2,466	-3,400
	2,466	-3,400

Balance sheet 31 December

Assets

	Note	2020 TDKK	2019 TDKK
Acquired licenses		306	465
Intangible assets	4	306	465
Other fixtures and fittings, tools and equipment		373	393
Property, plant and equipment	5	373	393
Deposits		552	111
Fixed asset investments		552	111
Fixed assets		1,231	969
Receivables from group enterprises		0	4,269
Other receivables		710	616
Deferred tax asset		580	827
Prepayments		524	443
Receivables		1,814	6,155
Cash at bank and in hand		6,397	8,860
Current assets		8,211	15,015
Assets		9,442	15,984

Balance sheet 31 December

Liabilities and equity

	Note	2020 TDKK	2019 TDKK
Share capital		7,400	7,400
Retained earnings		-1,796	-4,263
Equity		5,604	3,137
Trade payables		465	1,217
Payables to group enterprises		0	10,948
Other payables		3,373	682
Short-term debt		3,838	12,847
Debt		3,838	12,847
Liabilities and equity		9,442	15,984

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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	7,400	-3,597	3,803
Net effect of correction of material misstatements	0	-665	-665
Adjusted equity at 1 January	7,400	-4,262	3,138
Net profit/loss for the year	0	2,466	2,466
Equity at 31 December	7,400	-1,796	5,604

Notes to the Financial Statements

	2020 TDKK	2019 TDKK
1. Staff Expenses		
Wages and salaries	11,327	1,906
Pensions	1,171	231
Other social security expenses	145	51
Other staff expenses	2,244	0
	14,887	2,188
 Average number of employees	 17	 6

	2020 TDKK	2019 TDKK
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	159	13
Depreciation of property, plant and equipment	172	53
	331	66

	2020 TDKK	2019 TDKK
3. Income tax expense		
Current tax for the year	5	0
Deferred tax for the year	227	-593
Adjustment of deferred tax concerning previous years	-292	0
	-60	-593

Notes to the Financial Statements

4. Intangible fixed assets

	Acquired licenses TDKK
Cost at 1 January	478
Cost at 31 December	478
Impairment losses and amortisation at 1 January	13
Amortisation for the year	159
Impairment losses and amortisation at 31 December	172
Carrying amount at 31 December	306

5. Property, plant and equipment

	Other fixtures and fittings, tools and equipment TDKK
Cost at 1 January	446
Additions for the year	152
Cost at 31 December	598
Impairment losses and depreciation at 1 January	53
Depreciation for the year	172
Impairment losses and depreciation at 31 December	225
Carrying amount at 31 December	373

Notes to the Financial Statements

6. Related parties

SEWPG European Innovation Center ApS' related parties comprise the following:

Control:

Shanghai Electric Wind Power Group Co. Ltd.

Address:

No.115 CaobaoRd.

Xuhui District

Shanghai

China

Shanghai Electric Wind Power Group Co. Ltd. holds 100% of the contributed capital in the Company/Entity.

Notes to the Financial Statements

7. Accounting policies

The Annual Report of SEWPG European Innovation Center ApS 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.

Correction of material misstatements

In connection with the preparation of the financial statements for 2020, Management has identified a material error in the annual report for 2019. As a result hereof, management has in the 2020 financial statements chosen to correct the Company's comparative figures.

A correction in the prior year profit and loss statement and balance sheet has been made amounting to 665 kDKK. The correction is made to the Company's development projects in progress, which has for 2019 been reduced by 665 kDKK. The Company's loss before tax has been increased by 665 kDKK.

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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales and 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 revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

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.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 0 year.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 years
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Depreciation period and residual value are reassessed annually.

Other fixed asset investments

Other fixed asset investments consist of deposits.

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.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.