



TEMPRESS A/S

Sønderskovvej 10
8362 Hørning

CVR no. 72 59 41 18

ANNUAL REPORT FOR 2022/23



Adopted at the annual general
meeting on
26. marts 2024

A handwritten signature in black ink, appearing to read "Wai Keung Luk".

Wai Keung Luk
chairman

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ADVOSION

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory board and executive board have today discussed and approved the annual report of Tempres A/S for the financial year 1 October 2022 - 30 September 2023.

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 company's financial position at 30 September 2023 and of the results of the company's operations for the financial year 1 October 2022 - 30 September 2023.

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

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

Hørning, 26 March 2024

Executive board


Søren Kruuse
Director

Supervisory board

Wai Keung Luk
chairman



Leung Hung Sui



Lo Hok Keung



INDEPENDENT AUDITOR'S REPORT ON EXTENDED REVIEW

To the shareholder of Tempress A/S

Opinion

We have performed extended review of the financial statements of Tempress A/S for the financial year 1 October 2022 - 30 September 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position at 30 September 2023 and of the results of the company's operations for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 and IESBA Code. We believe that the 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 responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

INDEPENDENT AUDITOR'S REPORT ON EXTENDED REVIEW

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit and accordingly we do not express an audit opinion on these financial statements.

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 extended review 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 extended review, 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, we conclude that 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 of management's review.

Skanderborg, 26 March 2024

ADVOSION

Statsautoriseret revisionspartnerselskab
CVR no. 37 55 70 64



Michael Rathleff Algren
Statsautoriseret revisor
mne35388

ADVOSION

COMPANY DETAILS

The company

Tempress A/S
Sønderskovvej 10
8362 Hørning

CVR no.: 72 59 41 18

Reporting period: 1 October 2022 - 30 September 2023

Domicile: Skanderborg

Board of directors

Wai Keung Luk, chairman
Leung Hung Sui
Lo Hok Keung

Executive board

Søren Kruhøffer, director

Auditors

ADVOSION
Statsautoriseret revisionspartnerselskab
Krøyer Kielbergs Vej 3, 5. th.
8660 Skanderborg

MANAGEMENT'S REVIEW

Business review

Tempress A/S produces precision instruments for mechanical and electric measurement of temperature, pressure and level in industrial plants, ships and installations. The products are sold to customers all over the world.

Financial review

The company's income statement for the year ended 30 September 2023 shows a loss of DKK 1.038.025, and the balance sheet at 30 September 2023 shows negative equity of DKK 43.658.350.

The management consider the results unsatisfactory.

A statement of support has been submitted by the parent company. A group company which is the primary lender has also submitted a letter of support for the debt of DKK 57.604.713 as of 30. September 2023. We refer to note 1.

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 Tempress A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, 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 2022/23 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, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods for resale and finished goods is 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

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts etc.

Staff costs

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.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation 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 that relate to the financial year. Net financials include interest income and expenses, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed to be 5 years. The amortisation period is based on an assessment of the acquiree's market position and earnings capacity.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the licence term, however maximally 5 years.

ACCOUNTING POLICIES

Development costs and costs relating to rights developed by the company are recognised in the income statement as costs in the year of acquisition.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses.

Tangible assets

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5 years	0 %

Assets costing less than DKK 32.000 are expensed in the year of acquisition.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale.

Other investments

Other financial fixed assets, consisting of rent deposits, are measured at nominal value on the balance sheet date.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

ACCOUNTING POLICIES

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

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.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other 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'.

ADVOSION

INCOME STATEMENT 1 OCTOBER - 30 SEPTEMBER

	<u>Note</u>	<u>2022/23</u> DKK	<u>2021/22</u> DKK
Gross profit		6.778.314	5.591.344
Staff costs	2	<u>-6.596.898</u>	<u>-6.921.016</u>
Profit/loss before amortisation/depreciation and impairment losses		181.416	-1.329.672
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-11.059</u>	<u>-1.363</u>
Profit/loss before net financials		170.357	-1.331.035
Financial income	3	6.295	29.919
Financial costs	4	<u>-1.214.677</u>	<u>-1.233.895</u>
Profit/loss before tax		-1.038.025	-2.535.011
Tax on profit/loss for the year	5	<u>0</u>	<u>139.886</u>
Profit/loss for the year		<u>-1.038.025</u>	<u>-2.395.125</u>
Retained earnings		<u>-1.038.025</u>	<u>-2.395.125</u>
		<u>-1.038.025</u>	<u>-2.395.125</u>

ADVOSION

BALANCE SHEET 30 SEPTEMBER

	Note	2022/23 DKK	2021/22 DKK
Assets			
Completed development projects		0	2.843
Acquired patents		0	2.300
Intangible assets		0	5.143
Other fixtures and fittings, tools and equipment	6	34.521	11.137
Tangible assets		34.521	11.137
Deposits		48.000	0
Fixed asset investments		48.000	0
Total non-current assets		82.521	16.280
Raw materials and consumables		2.147.246	884.821
Work in progress		7.643.042	2.956.387
Finished goods and goods for resale		2.147.246	7.518.908
Prepayments for goods		392.030	775.662
Stocks		12.329.564	12.135.778
Trade receivables		4.174.976	4.147.290
Receivables from group enterprises		1.689.329	3.070.010
Other receivables		792.305	138.600
Corporation tax		139.886	308.287
Prepayments		15.850	93.443
Receivables		6.812.346	7.757.630
Cash at bank and in hand		1.719.783	614.041
Total current assets		20.861.693	20.507.449
Total assets		20.944.214	20.523.729

ADVOSION

BALANCE SHEET 30 SEPTEMBER

	Note	2022/23 DKK	2021/22 DKK
Equity and liabilities			
Share capital		3.000.000	3.000.000
Retained earnings		-46.658.350	-45.620.325
Equity		-43.658.350	-42.620.325
Payables to group enterprises		57.604.713	56.148.217
Holiday allowance		708.947	673.095
Total non-current liabilities	7	58.313.660	56.821.312
Trade payables		1.549.325	2.655.709
Payables to group enterprises		2.448.492	1.915.013
Other payables		2.291.087	1.752.020
Total current liabilities		6.288.904	6.322.742
Total liabilities		64.602.564	63.144.054
Total equity and liabilities		20.944.214	20.523.729
Contingent liabilities	9		
Mortgages and collateral	10		

ADVOSION

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 October 2022	3.000.000	-45.620.325	-42.620.325
Net profit/loss for the year	0	-1.038.025	-1.038.025
Equity at 30 September 2023	<u>3.000.000</u>	<u>-46.658.350</u>	<u>-43.658.350</u>

NOTES

1 Condition for continued operation (going concern)

The company has lost its equity. The management expect to reestablish the equity from future earnings or from a capital increase. The management estimates that the company has sufficient funds for the coming year. This annual report is submitted on the condition that the necessary credit facilities can be maintained or increased as needed. The annual report is therefore submitted under the expectation that the company is going concern.

A statement of support has been submitted by the parent company. A letter of support has been submitted by a group company which is the primary lender.

	2022/23 DKK	2021/22 DKK
2 Staff costs		
Wages and salaries	5.968.136	6.237.060
Pensions	1.049.458	1.069.739
Other social security costs	210.459	202.085
Other staff costs	68.845	72.070
	7.296.898	7.580.954
Transfer to production wages	-700.000	-659.938
	6.596.898	6.921.016
Number of fulltime employees on average	13	15
3 Financial income		
Other financial income	6.295	29.919
	6.295	29.919
4 Financial costs		
Financial expenses, group entities	1.106.496	1.100.118
Other financial costs	108.181	133.777
	1.214.677	1.233.895

ADVOSION

NOTES

	2022/23 DKK	2021/22 DKK		
5 Tax on profit/loss for the year				
Current tax for the year	0	-139.886		
	0	-139.886		
6 Tangible assets		Other fixtures and fittings, tools and equipment		
Cost at 1 October 2022		222.782		
Additions for the year		29.300		
Cost at 30 September 2023		252.082		
Impairment losses and depreciation at 1 October 2022		211.645		
Depreciation for the year		5.916		
Impairment losses and depreciation at 30 September 2023		217.561		
Carrying amount at 30 September 2023		34.521		
7 Long term debt				
	Debt at 1 October 2022	Debt at 30 September 2023	Instalment next year	Debt outstanding after 5 years
Payables to group enterprises	56.148.217	57.604.713	0	57.604.713
Holiday allowance	673.095	708.947	0	708.947
	56.821.312	58.313.660	0	58.313.660

NOTES

8 Contingent assets

The company has losses that can be carried forward. The tax value amounts to T.DKK 12.262. The tax asset is not recognized in the balance sheet because it is uncertain when and to what extent it can be used.

9 Contingent liabilities

The company has no contingent liabilities.

10 Mortgages and collateral

None of the company's assets are provided as security for third parties.