

Danish-Chinese Organic Food Center A/S

Unovej 1, 3390 Hundested

CVR no. 38 77 89 35

Annual report 2021

Approved at the Company's annual general meeting on 14 July 2022

Chair of the meeting:

.....
Qiang Liu

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Danish-Chinese Organic Food Center A/S for the financial year 1 January - 31 December 2021.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Board of Directors and the Executive Board have considered the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 14 July 2022

Executive Board:

.....
Qiang Liu

Board of Directors:

.....
Zhe Wang

.....
Qiang Liu

.....
Hugo Høllede

Independent auditor's report on the compilation of financial statements

To the general management of Danish-Chinese Organic Food Center A/S

We have compiled the financial statements of Danish-Chinese Organic Food Center A/S for the financial year 1 January - 31 December 2021 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements in the Danish Auditors Act and International Ethics Standards Board for Professional Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including principles of 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 your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 14 July 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kim Thomsen
State Authorised Public Accountant
mne26736

Management's review

Company details

| | |
|----------------------------|--|
| Name | Danish-Chinese Organic Food Center A/S |
| Address, Postal code, City | Unovej 1, 3390 Hundested |
| CVR no. | 38 77 89 35 |
| Established | 5 July 2017 |
| Registered office | Halsnæs |
| Financial year | 1 January - 31 December |
| Board of Directors | Zhe Wang Qiang Liu Hugo Høllede |
| Executive Board | Qiang Liu |
| Accountant | EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark |

Management commentary

Business review

The purpose of the company is to carry on consulting business to European and Chinese companies with registration of organic goods and associated business.

Financial review

The income statement for 2021 shows a loss of DKK 73 thousand against a loss of DKK 66 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 1,482 thousand.

Full write-down have been made in 2021 of deferred tax assets amounting to DK 130 thousand.

Events after the balance sheet date

As proposed and accepted in board meeting in March 22 , Danish-Chinese Organic Food Center A/S will be closed down in 2022.

Financial statements 1 January - 31 December

Income statement

| Note | DKK'000 | 2021 | 2020 |
|------|--|------------|------------|
| | Gross profit/ loss | 5 | -142 |
| 4 | Financial income | 57 | 57 |
| | Financial expenses | -2 | 0 |
| | Profit/ loss before tax | 60 | -85 |
| 5 | Tax for the year | -133 | 19 |
| | Profit/ loss for the year | -73 | -66 |
| | Recommended appropriation of profit/ loss | | |
| | Retained earnings/ accumulated loss | -73 | -66 |
| | | -73 | -66 |

Financial statements 1 January - 31 December

Balance sheet

| Note | DKK'000 | 2021 | 2020 |
|------|--|-------|-------|
| | ASSETS | | |
| | Fixed assets | | |
| | Investments | | |
| | Deposits, investments | 0 | 31 |
| | | 0 | 31 |
| | Total fixed assets | 0 | 31 |
| | Non-fixed assets | | |
| | Receivables | | |
| | Receivables from group enterprises | 1,498 | 1,348 |
| | Deferred tax assets | 0 | 120 |
| | Other receivables | 0 | 3 |
| | | 1,498 | 1,471 |
| | Cash | 2 | 59 |
| | Total non-fixed assets | 1,500 | 1,530 |
| | TOTAL ASSETS | 1,500 | 1,561 |
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | Share capital | 2,000 | 2,000 |
| | Retained earnings | -518 | -445 |
| | Total equity | 1,482 | 1,555 |
| | Liabilities other than provisions | | |
| | Current liabilities other than provisions | | |
| | Trade payables | 5 | 6 |
| | Corporation tax payable | 13 | 0 |
| | | 18 | 6 |
| | Total liabilities other than provisions | 18 | 6 |
| | TOTAL EQUITY AND LIABILITIES | 1,500 | 1,561 |

- 1 Accounting policies
- 2 Special items
- 3 Staff costs
- 6 Contractual obligations and contingencies, etc.
- 7 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

| DKK'000 | Share capital | Retained earnings | Total |
|--|---------------|-------------------|-------|
| Equity at 1 January 2021 | 2,000 | -445 | 1,555 |
| Transfer through appropriation of loss | 0 | -73 | -73 |
| Equity at 31 December 2021 | 2,000 | -518 | 1,482 |

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Danish-Chinese Organic Food Center A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Effective from the financial year 2021, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of services is recognised as delivery takes place. Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Gross profit/ loss

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Investments

Deposits are measured at cost.

Impairment of fixed assets

The carrying amount of deposits is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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 has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Special items

| DKK'000 | 2021 | 2020 |
|--|-------------------|-----------------|
| Expenses | | |
| Write-down of deferred tax assets | 120 | 0 |
| | <u>120</u> | <u>0</u> |
| Special items are recognised in the below items of the financial statements | | |
| Tax for the year | 120 | 0 |
| Net profit on special items | <u><u>120</u></u> | <u><u>0</u></u> |

3 Staff costs

The Company has no employees.

| DKK'000 | 2021 | 2020 |
|-----------------------------|-----------|-----------|
| 4 Financial income | | |
| Interest, group enterprises | 56 | 57 |
| Other financial income | 1 | 0 |
| | <u>57</u> | <u>57</u> |

5 Tax for the year

| | | |
|--------------------------------------|------------|------------|
| Estimated tax charge for the year | 13 | 0 |
| Deferred tax adjustments in the year | 120 | -19 |
| | <u>133</u> | <u>-19</u> |

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

| | | |
|------------------------------|----------|-----------|
| Other contingent liabilities | 0 | 45 |
| | <u>0</u> | <u>45</u> |

Other contingent liabilities

The Entity participates in a Danish joint taxation arrangement with where Mille International ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of taxon interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

7 Related parties

Danish-Chinese Organic Food Center A/S' related parties comprise the following:

Parties exercising control

| Related party | Domicile | Basis for control |
|----------------|-----------|-------------------|
| Mille Food A/S | Hundested | Shareholdings |

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"By my signature I confirm all dates and content in this document."

Hugo Høllede

Board of Directors

On behalf of: Danish-Chinese Organic Food Center AS

Serial number: PID:9208-2002-2-500028565753

IP: 176.22.xxx.xxx

2022-07-14 19:10:39 UTC

NEM ID 

Zhe Wang

Board of Directors

On behalf of: Danish-Chinese Organic Food Center A/S

Serial number: PID:9208-2002-2-035043232646

IP: 77.241.xxx.xxx

2022-07-15 05:54:42 UTC

NEM ID 

Qiang Liu

Executive Board

On behalf of: Danish-Chinese Organic Food Center A/S

Serial number: PID:9208-2002-2-526585435476

IP: 5.57.xxx.xxx

2022-07-15 12:32:56 UTC

NEM ID 

Qiang Liu

Chair of the meeting

On behalf of: Danish-Chinese Organic Food Center A/S

Serial number: PID:9208-2002-2-526585435476

IP: 5.57.xxx.xxx

2022-07-15 12:32:56 UTC

NEM ID 

Qiang Liu

Board of Directors

On behalf of: Danish-Chinese Organic Food Center A/S

Serial number: PID:9208-2002-2-526585435476

IP: 5.57.xxx.xxx

2022-07-15 12:32:56 UTC

NEM ID 

Kim Thomsen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:1267450293561

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