



Cosco Shipping Lines Nordic A/S

Birkerød Kongevej 150 A
3460 Birkerød
CVR No. 10702577

Annual report 2023

The Annual General Meeting adopted the annual report on 01.05.2024

Xiao Peng

Chairman of the General Meeting

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Entity details

Entity

Cosco Shipping Lines Nordic A/S
Birkerød Kongevej 150 A
3460 Birkerød

Business Registration No.: 10702577
Registered office: Rudersdal
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Xudong Su, chairman
Wang Han
Enjie Yin
Deming Tu
Zaikun Tian
Erik Lund Eriksen

Executive Board

Deming Tu

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Cosco Shipping Lines Nordic A/S for the financial year 01.01.2023 - 31.12.2023.

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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Birkerød, 01.05.2024

Executive Board

Deming Tu

Board of Directors

Xudong Su
chairman

Wang Han

Enjie Yin

Deming Tu

Zaikun Tian

Erik Lund Eriksen

Independent auditor's report

To the shareholders of Cosco Shipping Lines Nordic A/S

Opinion

We have audited the financial statements of Cosco Shipping Lines Nordic A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 01.05.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Anders Kreiner

State Authorised Public Accountant

Identification No (MNE) mne26765

Management commentary

Primary activities

The activities of the Company comprises shipping services.

The Company has shipping activities in Denmark and has the following two branches, both of which has shipping activities:

- Cosco Shipping Lines (Norway), Oslo, Norway (branch)
- Cosco Shipping Lines Nordic A/S filial i Sverige, Sweden (branch)

Description of material changes in activities and finances

Merger of businesses

With effect from January 1, 2023, the former subsidiaries Cosco Shipping Lines Denmark A/S and Cosco Shipping Lines Sweden AB were merged into Cosco Shipping Lines Nordic A/S, with Cosco Shipping Lines Nordic A/S as the ongoing legal entity. The financial figures of 2023 reflect the merged entities combined, while the comparison figures for 2022 only reflect the figures of Cosco Shipping Lines Nordic A/S on a stand-alone basis.

Development in activities and finances

Profit for the year amounts to DKK 262,394.

The increase in both income statement and balance sheet compared to 2022, is due to the merger of businesses stated above.

The financial results is below what was expected, due to increased costs levels.

Foreign branches

Country Manager Ahmed Ait, Cosco Shipping Lines (Norway), branch of Cosco Shipping Lines Nordic A/S, Stortorvet 3, 0104 Oslo, Norway

Country Manager Erik Eriksen, Cosco Shipping Lines Nordic A/S filial i Sverige, branch of Cosco Shipping Lines Nordic A/S, Stigbergsliden 5, 414 63 Göteborg.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue		95,419,000	34,643,818
Cost of sales		(50,878,477)	(23,129,871)
Other external expenses		(10,270,107)	(1,790,117)
Gross profit/loss		34,270,416	9,723,830
Staff costs	1	(32,875,127)	(9,144,745)
Depreciation, amortisation and impairment losses	2	(56,113)	0
Operating profit/loss		1,339,176	579,085
Income from investments in group enterprises		0	1,287,479
Other financial income	3	7,503	186,149
Other financial expenses	4	(872,932)	(5,691)
Profit/loss before tax		473,747	2,047,022
Tax on profit/loss for the year	5	(211,353)	(167,370)
Profit/loss for the year		262,394	1,879,652
Proposed distribution of profit and loss:			
Retained earnings		262,394	1,879,652
Proposed distribution of profit and loss		262,394	1,879,652

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Other fixtures and fittings, tools and equipment		230,868	0
Leasehold improvements		0	0
Property, plant and equipment	6	230,868	0
Investments in group enterprises		0	6,347,487
Other receivables		540,198	259,452
Financial assets	7	540,198	6,606,939
Fixed assets		771,066	6,606,939
Trade receivables		1,884,976	436,295
Receivables from group enterprises		3,490,980	10,657,371
Deferred tax		707,172	0
Other receivables		191,845	328,652
Income tax receivable		373,675	0
Prepayments		1,479,600	0
Receivables		8,128,248	11,422,318
Cash		6,409,238	6,012,392
Current assets		14,537,486	17,434,710
Assets		15,308,552	24,041,649

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	8	1,000,000	1,000,000
Translation reserve		0	6,401
Retained earnings		2,368,704	6,564,193
Equity		3,368,704	7,570,594
Holiday pay obligation		1,963,344	0
Non-current liabilities other than provisions	9	1,963,344	0
Trade payables		1,758,624	11,532,671
Payables to group enterprises		0	282,432
Income tax payable		97,245	763,213
Other payables		8,120,635	3,892,739
Current liabilities other than provisions		9,976,504	16,471,055
Liabilities other than provisions		11,939,848	16,471,055
Equity and liabilities		15,308,552	24,041,649
Unrecognised rental and lease commitments	10		
Non-arm's length-related party transactions	11		

Statement of changes in equity for 2023

	Contributed capital DKK	Translation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	6,401	6,564,193	7,570,594
Effect of mergers and business combinations	0	0	2,099,909	2,099,909
Extraordinary dividend paid	0	0	(6,564,193)	(6,564,193)
Transfer to reserves	0	(6,401)	6,401	0
Profit/loss for the year	0	0	262,394	262,394
Equity end of year	1,000,000	0	2,368,704	3,368,704

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	29,807,233	8,494,300
Pension costs	2,424,878	535,171
Other staff costs	643,016	115,274
	32,875,127	9,144,745
Average number of full-time employees	48	11

2 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Depreciation of property, plant and equipment	56,113	0
	56,113	0

3 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	0	94,557
Other interest income	7,503	0
Exchange rate adjustments	0	91,592
	7,503	186,149

4 Other financial expenses

	2023	2022
	DKK	DKK
Other interest expenses	52,254	5,691
Exchange rate adjustments	820,678	0
	872,932	5,691

5 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	230,635	167,370
Change in deferred tax	(45,935)	0
Adjustment concerning previous years	26,653	0
	211,353	167,370

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	48,673	39,239
Additions through business combinations etc.	198,614	1,192,695
Additions	286,981	16,181
Cost end of year	534,268	1,248,115
Depreciation and impairment losses beginning of year	(48,673)	(39,239)
Additions through business combinations etc.	(198,614)	(1,208,876)
Depreciation for the year	(56,113)	0
Depreciation and impairment losses end of year	(303,400)	(1,248,115)
Carrying amount end of year	230,868	0

7 Financial assets

	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	6,347,487	259,452
Additions through business combinations etc.	0	280,746
Disposals on divestments etc.	(6,347,487)	0
Cost end of year	0	540,198
Carrying amount end of year	0	540,198

8 Share capital

	Number	Par value DKK	Nominal value DKK
Shares	2,000	500	1,000,000
	2,000		1,000,000

9 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK
Holiday pay obligation	1,963,344
	1,963,344

Liabilities due after 5 years amounts to DKK 0.

10 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	8,941,209	0

11 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Non-comparability

With effect from January 1, 2023, the former subsidiaries Cosco Shipping Lines Denmark A/S and Cosco Shipping Lines Sweden AB were merged into Cosco Shipping Lines Nordic A/S, with Cosco Shipping Lines Nordic A/S as the ongoing legal entity. The financial figures of 2023 reflect the merged entities combined, while the comparison figures for 2022 only reflect the figures of Cosco Shipping Lines Nordic A/S on a stand-alone basis. Therefore the numbers for 2022 is not considered comparable to 2023.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Business combinations

The uniting-of-interests method is applied on mergers, where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Property, plant and equipment**

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.