



Cosco Shipping Lines Denmark A/S

Birkerød Kongevej 150
3460 Birkerød
CVR No. 15288191

Annual report 2021

The Annual General Meeting adopted the
annual report on 03.03.2022

Morten Struve

Chairman of the General Meeting

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Entity details

Entity

Cosco Shipping Lines Denmark A/S

Birkerød Kongevej 150

3460 Birkerød

Business Registration No.: 15288191

Registered office: Rudersdal

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Tian Dong, Chairman

Enjie Yin

Wang Han

Erik Lund Eriksen

Deming Tu

Zaikun Tian

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 Denmark A/S for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 03.03.2022

Executive Board

Deming Tu

Board of Directors

Tian Dong
Chairman

Enjie Yin

Wang Han

Erik Lund Eriksen

Deming Tu

Zaikun Tian

Independent auditor's report

To the shareholders of Cosco Shipping Lines Denmark A/S

Opinion

We have audited the financial statements of Cosco Shipping Lines Denmark A/S for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 03.03.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Kreiner

State Authorised Public Accountant
Identification No (MNE) mne26765

Management commentary

Primary activities

The Company carries on shipping activities.

Development in activities and finances

The income statement of the Company for 2021 shows a profit of DKK 1,249,843, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 1,749,843.

Events after the balance sheet date

The outbreak of coronavirus/COVID-19 is still a current event in the months after 31.12.2021. The outbreak has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economical effect cannot be measured at this time.

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

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		19,081,192	19,433,578
Staff costs	1	(18,001,323)	(15,652,119)
Depreciation, amortisation and impairment losses		0	(19,261)
Operating profit/loss		1,079,869	3,762,198
Other financial income	2	583,283	185,776
Other financial expenses	3	(27,866)	(793,092)
Profit/loss before tax		1,635,286	3,154,882
Tax on profit/loss for the year	4	(385,443)	(705,568)
Profit/loss for the year		1,249,843	2,449,314
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		1,249,843	0
Extraordinary dividend distributed in the financial year		11,347,378	0
Retained earnings		(11,347,378)	2,449,314
Proposed distribution of profit and loss		1,249,843	2,449,314

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		0	0
Property, plant and equipment	5	0	0
Other receivables		280,322	271,865
Financial assets	6	280,322	271,865
Fixed assets		280,322	271,865
Trade receivables		1,849,913	2,285,980
Receivables from group enterprises		6,221,721	15,281,383
Deferred tax		417,290	493,224
Other receivables		223,798	522,611
Receivables		8,712,722	18,583,198
Cash		5,752,568	5,882,340
Current assets		14,465,290	24,465,538
Assets		14,745,612	24,737,403

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		500,000	500,000
Retained earnings		0	11,347,378
Proposed dividend		1,249,843	0
Equity		1,749,843	11,847,378
Other payables		1,535,466	1,792,908
Non-current liabilities other than provisions	7	1,535,466	1,792,908
Trade payables		894,644	689,384
Payables to group enterprises		5,115,781	3,779,226
Joint taxation contribution payable		309,509	580,382
Other payables		5,140,369	6,048,125
Current liabilities other than provisions		11,460,303	11,097,117
Liabilities other than provisions		12,995,769	12,890,025
Equity and liabilities		14,745,612	24,737,403
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Group relations	10		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	11,347,378	0	0	11,847,378
Extraordinary dividend paid	0	0	(11,347,378)	0	(11,347,378)
Profit/loss for the year	0	(11,347,378)	11,347,378	1,249,843	1,249,843
Equity end of year	500,000	0	0	1,249,843	1,749,843

Notes

1 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	15,378,692	13,292,905
Pension costs	2,344,204	2,111,712
Other staff costs	278,427	247,502
	18,001,323	15,652,119
Average number of full-time employees	26	22

2 Other financial income

	2021	2020
	DKK	DKK
Financial income from group enterprises	189,560	185,776
Exchange rate adjustments	393,723	0
	583,283	185,776

3 Other financial expenses

	2021	2020
	DKK	DKK
Other interest expenses	27,866	1,483
Exchange rate adjustments	0	791,609
	27,866	793,092

4 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	309,509	580,382
Change in deferred tax	75,934	125,186
	385,443	705,568

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	509,343	1,221,294
Disposals	(317,594)	0
Cost end of year	191,749	1,221,294
Depreciation and impairment losses beginning of year	(509,343)	(1,221,294)
Reversal regarding disposals	317,594	0
Depreciation and impairment losses end of year	(191,749)	(1,221,294)
Carrying amount end of year	0	0

6 Financial assets

	Other receivables DKK
Cost beginning of year	271,865
Additions	8,457
Cost end of year	280,322
Carrying amount end of year	280,322

7 Non-current liabilities other than provisions

Non-current other payables with an outstanding amount after 5 years, amounts to 0 kr.

8 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	2,946,570	3,892,000

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Cosco Shipping Lines Nordic A/S 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 tax on 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.

10 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Cosco Shipping Lines Nordic A/S, Denmark, Birkerød

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 remain unchanged from last year. However there has been made a reclassification in the comparative figures with no change in the result. Receivables from group enterprises has been decreased with 32.039.059 kr, payables to group enterprises has been decreased with 24.047.041 kr., trade receivables has been increased with 1.949.346 kr., trade payables has been decreased with 6.353.436 kr., other payables (current liability) has been decreased with 269.617 kr., Joint taxation contribution payable has been increased with 580.382 kr.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

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 ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary 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 comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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:

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.

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.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.