

China Egg Products ApS

**Havnegade 36
5000 Odense**

CVR no. 25 52 96 77

Annual report for 2023

Adopted at the annual general
meeting on 24 May 2024

Thor Stadil
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	7
Income statement 1 January 2023 - 31 December 2023	10
Balance sheet at 31 December 2023	11
Notes	13

Statement by management on the annual report

The executive board has today discussed and approved the annual report of China Egg Products ApS for the financial year 1 January - 31 December 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 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 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.

Odense, 15 May 2024

Executive board

Thor Stadil

Christian Nicholas Rosenkrantz
Stadil

Independent auditor's report

To the shareholder of China Egg Products ApS

Opinion

We have audited the financial statements of China Egg Products ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 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 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 and 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 the 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 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.

Independent auditor's report

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.

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.

Independent auditor's report

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 by the relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of management's review.

Odense, 15 May 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Gert Rasmussen
State-authorized public accountant
mne35430

Abdul Wahab Ashraf
State-authorized public accountant
mne46664

Company details

The company

China Egg Products ApS
Havnegade 36
5000 Odense

CVR no.: 25 52 96 77

Reporting period: 1 January - 31 December 2023

Domicile: Odense

Executive board

Thor Stadil
Christian Nicholas Rosenkrantz Stadil

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Tværkajen 5
5100 Odense C

Consolidated financial statements

The company is reflected in the group report as the parent company
Thornico Food & Food Technology Group A/S, Odense
CVR no. 37 75 09 13 (smallest group) and the parent company
Thornico Holding A/S, Odense CVR no. 35 25 80 00 (largest group).

Management's review

Business review

The company's purpose is investment and participation in investments and joint ventures as well as operation of the same within the food industry.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 22.639.912, and the balance sheet at 31 December 2023 shows equity of DKK 375.619.671.

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 China Egg Products ApS for 2023 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 2023 is presented in DKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

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 other external expenses.

Other external expenses

Other external expenses include expenses related to administration.

Accounting policies

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, financial expenses relating to realised and unrealised capital/exchange gains and losses on liabilities and foreign currency transactions.

Income from investments in subsidiaries

The proportionate share of the profit/loss for the year of associates is recognised in the company's income statement after elimination of the proportionate share of intra-group profits/gains.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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

Investments in subsidiaries, associates and participating interests

Investments in subsidiaries, associates and participating interests are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries, associates and participating interests with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Accounting policies

Net revaluations of investments in subsidiaries, associates and participating interests are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of China Egg Products ApS is adopted are not taken to the net revaluation reserve.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents 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.

Liabilities

Liabilities 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'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement 1 January 2023 - 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		-41.057	-229.530
Profit/loss before net financials		-41.057	-229.530
Income from investments in subsidiaries		23.516.078	35.682.568
Financial income	1	2.740	9
Financial costs	2	<u>-276.365</u>	<u>-266.085</u>
Profit/loss before tax		23.201.396	35.186.962
Tax on profit/loss for the year	3	<u>-561.484</u>	<u>67.207</u>
Profit/loss for the year		<u>22.639.912</u>	<u>35.254.169</u>
 Recommended appropriation of profit/loss			
Reserve for net revaluation under the equity method		23.516.078	32.686.179
Retained earnings		<u>-876.166</u>	<u>2.567.990</u>
		<u>22.639.912</u>	<u>35.254.169</u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Investments in subsidiaries	4	<u>375.388.509</u>	<u>394.659.360</u>
Fixed asset investments		<u>375.388.509</u>	<u>394.659.360</u>
Total non-current assets		<u>375.388.509</u>	<u>394.659.360</u>
Receivables from subsidiaries		176.156	0
Corporation tax		<u>69.230</u>	<u>67.207</u>
Receivables		<u>245.386</u>	<u>67.207</u>
Cash at bank and in hand		<u>5.776</u>	<u>5.523</u>
Total current assets		<u>251.162</u>	<u>72.730</u>
Total assets		<u><u>375.639.671</u></u>	<u><u>394.732.090</u></u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		300.000	300.000
Reserve for net revaluation under the equity method		311.103.644	327.378.105
Retained earnings		<u>64.216.027</u>	<u>55.474.300</u>
Equity	5	<u>375.619.671</u>	<u>383.152.405</u>
Payables to subsidiaries		0	11.559.685
Other payables		<u>20.000</u>	<u>20.000</u>
Total current liabilities		<u>20.000</u>	<u>11.579.685</u>
Total liabilities		<u>20.000</u>	<u>11.579.685</u>
Total equity and liabilities		<u>375.639.671</u>	<u>394.732.090</u>
Contingent liabilities	6		
Related parties and ownership structure	7		

Notes

	<u>2023</u>	<u>2022</u>
	DKK	DKK
1 Financial income		
Other financial income	2.740	0
Exchange adjustments	<u>0</u>	<u>9</u>
	<u>2.740</u>	<u>9</u>
2 Financial costs		
Financial expenses, group entities	275.310	264.630
Other financial costs	1.050	1.455
Exchange adjustments costs	<u>5</u>	<u>0</u>
	<u>276.365</u>	<u>266.085</u>
3 Tax on profit/loss for the year		
Current tax for the year	<u>561.484</u>	<u>-67.207</u>
	<u>561.484</u>	<u>-67.207</u>

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
4 Investments in subsidiaries		
Cost at 1 January 2023	<u>64.284.865</u>	<u>64.284.865</u>
Cost at 31 December 2023	<u>64.284.865</u>	<u>64.284.865</u>
Revaluations at 1 January 2023	330.374.495	301.043.229
Exchange adjustment	-21.721.581	-6.351.302
Net profit/loss for the year	23.516.078	35.682.568
Received dividend	-12.614.284	0
Other equity adjustment	<u>-8.451.064</u>	<u>0</u>
Revaluations at 31 December 2023	<u>311.103.644</u>	<u>330.374.495</u>
Carrying amount at 31 December 2023	<u>375.388.509</u>	<u>394.659.360</u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Share capital</u>	<u>Ownership interest</u>
Ovodan Foods (China) Ltd.	Kina		65,8%
Ovodan Egg Co. Ltd.	Kina	0	100,0%

Notes

5 Equity

	<u>Share capital</u>	<u>Reserve for net revalua- tion under the equity method</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	300.000	330.374.495	52.477.909	383.152.404
Exchange adjustment, foreign	0	-21.721.581	0	-21.721.581
Other equity adjustment	0	-8.451.064	0	-8.451.064
Net profit/loss for the year	0	23.516.078	-876.166	22.639.912
Distributed dividends from investments in subsidiaries	0	-12.614.284	12.614.284	0
Equity at 31 December 2023	<u>300.000</u>	<u>311.103.644</u>	<u>64.216.027</u>	<u>375.619.671</u>

There have been no changes in the share capital during the last 5 years.

6 Contingent liabilities

The parent company is jointly taxed with Thornico Holding A/S as management company. The entities are jointly and severally liable for danish income taxes as well as withholding taxes on dividends, interest and royalties payable by the group of jointly taxed entities.

7 Related parties and ownership structure

Consolidated financial statements

The company is reflected in the group report as the parent company Thornico Food & Food Technology Group A/S, Odense CVR no. 37 75 09 13 (smallest group) and the parent company Thornico Holding A/S, Odense CVR no. 35 25 80 00 (largest group).