CSR Capital A/S

Havnen 1
8700 Horsens

Annual Report
2023

CVR No. 31369274

The Annual General Meeting held on
the 10 June 2024

Mogens Madsen
Chairman

Contents

Management's Statement

Today, the Supervisory Board and the Executive Board have considered and adopted the Annual Report of CSR Capital A/S for the financial year 1 January 2023 - 31 December 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 assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flow for the financial year 1 January 2023 - 31 December 2023.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Horsens, 10 June 2024

Executive Board

Niels Holch Povlsen

Supervisory Board

Troels Holch Povlsen Chairman	Niels Holch Povlsen	Adam Christian Dantzer

Independent Auditors' Report

To the shareholders of CSR Capital A/S

Opinion
We have audited the financial statements of CSR Capital A/S for the financial year 1 January 2023 - 31 December 2023, which comprise a significant accounting policies, income statement, balance sheet, statement of changes in equity, statement of cash flows and notes, for the Company. 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 Company at 31 December 2023 and of the results of the Company´s operations and cash flows for the financial year 1 January 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis of 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 "Auditors' 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' 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 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.

The Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatements when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in 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 additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism 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 auditors' 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 auditors' 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 note 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 which we identify during our audit.

Statement on Management's Review
Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the Management's Review, 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's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or with the knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have preformed, we conclude that the Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. We did not identify any materialmisstatement of Management's Review.

Brande, 10 June 2024

Partner Revision
statsautoriseret revisionsaktieselskab
CVR-no. 15807776

Claus Lykke-Jensen
State Authorised Public Accountant
mne10776

Company details

Company	CSR Capital A/S Havnen 1 8700 Horsens CVR No.: 31369274 Date of formation: 27 March 2008 Registered office: Horsens Financial year: 1 January 2023 - 31 December 2023
Supervisory Board	Troels Holch Povlsen, chairman Niels Holch Povlsen Adam Christian Dantzer
Executive Board	Niels Holch Povlsen
Auditors	Partner Revision statsautoriseret revisionsaktieselskab Torvegade 22 7330 Brande CVR-no.: 15807776
Group companies	Sino-Danish Biogas Company ApS, Denmark
Participating Interest	EMF Cooling Systems Hong Kong Ltd., Hong Kong Tranquebank ApS, Denmark Honghe Sino-Danish Rubber Industry Co. Ltd., China

The Company's principal activities
The Company's principal activities are investment in socially and environmentally sustainable companies outside Denmark, including project activities and development of collaborative relationships as well as investment in real estate property.

Insecurity regarding recognition or measurement
The company invests in socially and environmentally sustainable companies. The measurement of this can be more difficult than the measurement of other investments. It is management's opinion that the applied accounting policies ensure the correct recognition of investments.

Development in activities and the financial situation
The gross profit of the financial year 1 January 2023 - 31 December 2023 regarding CSR Capital A/S shows a gross profit of t.DKK -2.058 compared with last year of t.DKK -2.161 and the net income for the year shows t.DKK -10.786 compared with last year of t.DKK -9.728.

Managements expectation for the financial year 2023 was a net income between 1 and 1,5 mill. DKK and the result for the year is considered not satisfactory.

The company's strategy is to make investments in already established companies in collaboration with local and/or foreign, including Danish entrepreneurs, in order to actively contribute to developing new companies and thereby create employment and increased economic growth in local areas and especially China. The company contributes with both share capital and loan investments and also actively participates in the management of the project companies, through board representatives and the providing of experts where it is necessary.

The investment activities are primarily aimed at creating development and growth for the local populations, and at the same time there is focus on contributing to environmental sustainability, social responsibility and the fulfillment of criteria for good and responsible corporate governance. Investments of this type have an earnings potential that is more long-term and a risk profile that is higher than in traditional venture and private equity funds.

Several of the investment projects have experienced difficulties in obtaining the liquidity required. It is the management's assessment that several of the projects are unsustainable in the long-term and should be closed or disposed of. It is the management's assessment that the written-down values correspond to the expected realization values.

The company has suspended its investment activities, and is instead working focused on securing the most sustainable parts of the current investments.

Expectations for the future
In 2024 there are expected to be none investments in new companies and a net result in the rage between 0 and 1,5 mill. DKK.

Particular risks
Beyond ordinary occurring risk, no particular risks are considered to affect the company except ordinary occurring risks.

Knowledge and know-how resources
The company's business foundation includes investment in socially and environmentally sustainable companies. These business areas demand particularly high knowledge resources regarding business processes and local issues. In order to constantly be able to live up to this, it is crucial that the company has a low turnover of employees.

Research and development activities
The development activities are carried out in the subsidiaries and are of limited scope. The development comprises primarily of development of environmentally friendly solutions.

Accounting Policies

Reporting Class
The annual report of CSR Capital A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

Changed accounting policies, estimates and errors
The accounting policies applied have changed from reporting class C to reporting class B as the limit value for reporting class B no longer has been exceeded.

Reporting currency
The annual report is presented in Danish kroner.

Translation policies
On initial recognition, transactions in foreign currencies are translated at the exchange rates prevailing at the date of transaction. Gains and losses occurring due to differences between the transaction date rates and the rates at the date of payment are recognised as an item under Financial Income and Expenses in the Income Statement.

Receivables, debts and other monetary items denominated in a foreign currency are translated at the rate at the balance sheet date. The difference between the rate at the balance sheet date and the rate at the time when the receivable or payable occurred or was recognised in the latest Financial Statements is recognised in the Income Statement under Financial Income and Expenses.

Fixed assets purchased in foreign currency are translated at the rate at the date of transaction.

General information

Basis of recognition and measurement
Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit
Gross profit comprises net sales, change in inventories of finished goods and work in progress, work performed by entity, other operating income and external costs.

Accounting Policies

Net sales is recognized in the Income Statement if delivery of risk transfer to the buyer has taken place before the end of the year, and if the income can be calculated reliably and is expected to be received. Net sales recognized including VAT and taxes and less discounts in connection with the sale.

Other external costs comprise costs for distribution, sales, advertising, administration, premises, losses on debtors and operating leasing costs.

Income from investments in group companies and participating interests
The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the parent company's Income Statement after full elimination of intercompany profit/loss and less amortisation of consolidated goodwill.

Financial income and expenses
Financial income and expenses include interest revenue and expenses, realised and unrealised exchange gains and losses. Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year.

Income tax
Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance sheet

Investments
Long-term investments in group companies
Long-term investments in group companies are recognised in the balance sheed at the proportionate share of the equity value of the companies, calculated according to the parents accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at t.DKK 0, and any amounts receivable from those companies are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Net revaluation of long-term investments in group companies is classified under a separate reserve for net revaluation by the equity method in equity, in so far as the carrying amount exceeds the cost. Dividends from subsidiaries that are expected to be adopted before the annual report for CSR Capital A/S is approved are not tied up in the revaluation reserve.

Newly acquired or established companies are recognised in the Annual Report from the date of acquisition. Companies sold or liquidated are recognised up to the date of disposal.

Gain or loss arising from the disposal of group companies are determined as the difference between the selling price and the carrying amount of net assets at the time of sale including remaining goodwill as well as expected costs for sale or liquidation. Gain or loss is recognised in the Income Statement as financial income or expenses.

Accounting Policies

The purchase method is used to account for the acquisition of the subsidiaries; accordingly the assets and liabilities of newly acquired subsidiaries are measured at fair value at the date of acquisition. Restructuring costs recognised in the newly acquired subsidiaries are measured at fair value at the date of acquisition. The tax effect of the revaluation of assets and liabilities is taken into account. Reference is made to the description of goodwill below.

Positive balances (goodwill) between cost and the fair value of assets and liabilities including the provision for restructuring acquired are recognised under investments in group companies and amortised over their estimated economic lives determined on the basis of managements experience in the relevant lines of business. The amortisation period cannot exceed 20 years and is longest for strategically acquired companies with strong market positions and long-term earning profiles. The carrying amount of goodwill is assessed for impairment on an ongoing basis and any impairment loss is recognised in the Income Statement if the carrying amount exceeds the expected future net income from the company or activity to which the goodwill relates.

Long-term investments in participating interests
Long-term investments in participating interests are measured at cost. If the net realisable value is lower than the cost price, a write down to this lower value is made.

Receivables
Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Prepayments, assets
Prepayments recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity
Dividend
Proposed dividend for the year is recognised as a separate item in equity.

Reserve for net revaluation according to equity method
Net revaluation of long-term investments in group companies is classified under a separate reserve for net revaluation according to equity method in equity, in so far as the carrying amount exceeds the cost price. Dividends from subsidiaries that are expected to be adopted before the approval of the present annual report, is not tied up in the revaluation reserve. The reserve is adjusted with other equity movements in subsidiaries.

Provisions
Provision for deferred tax
Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities
Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid. Tax receivables and liabilities are presented as a net amount to the extent that there is a legal ground for set-off, and the items are expected to be settled net or simultaneously.

According to the joint taxation rules, CSR Capital A/S as an administrations company is jointly and unlimited liable to the tax authorities for corporation taxes and withholding taxes on interest, royalties and dividends incurred before for the joint taxation. Payable and receivable joint taxation contributions are recognized in the balance sheet as "Tax receivables" or "Tax payables".

Liabilities other than provisions
Liabilities other than provisions are measured at amortised cost, which usually corresponds to the nominal value.

Accounting policies cash flow statement

The Cash Flow Statement shows the company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the company's cash and cash equivalents at the beginning and end of the year.

The cash flow from buying and selling companies is shown separately under cash flows from investment activity. Cash flows relating to acquired companies are recognized in the cash flow statement from the time of acquisition, and cash flows relating to sold companies are recognized up to the time of sale.

Cash flow from the operating activity
Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions as well as tax payment.

Cash flow from the investing activity
Cash flow from the investing activity comprises cash flows from purchase and sale of intangible assets, tangible assets and investments.

Cash flow from the financing activity
Cash flows from financing activities include changes in the size or composition of contributed capital and associated costs. In addition, the cash flows from the financing activity include raising and repaying long-term liabilities as well as payment of dividends to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand less short-term debt to banks as well as short-term securities which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Income Statement

	Note	2023 t.DKK	2022 t.DKK
Gross profit		**-2.058**	**-2.162**
Income from investments in group companies		-9	250
Income from investments in participating interests		-9.765	-8.427
Finance income	1	1.341	896
Finance expenses	2	-295	-285
Result before tax		**-10.786**	**-9.728**
Net result for the year		**-10.786**	**-9.728**
Proposed distribution of results			
Retained earnings		-10.786	-9.728
Distribution of profit		**-10.786**	**-9.728**

Balance Sheet as of 31 December

	Note	2023 t.DKK	2022 t.DKK
Assets			
Long-term investments in group companies	4	72	1.439
Long-term investments in participating interests	5	56.966	67.682
Investments		**57.038**	**69.121**
Fixed assets		**57.038**	**69.121**
Trade receivables		0	8
Receivables from group companies		4.577	4.763
Receivables from participating interests		15.561	12.564
Other receivables		2.017	2.030
Prepayments	6	54	47
Receivables		**22.209**	**19.412**
Cash and cash equivalents		**1.072**	**1.809**
Current assets		**23.281**	**21.221**
Assets		**80.319**	**90.342**

Balance Sheet as of 31 December

	Note	2023 t.DKK	2022 t.DKK
Liabilities and equity			
Share capital		30.000	30.000
Retained earnings		41.325	52.111
Equity		**71.325**	**82.111**
Trade payables		3.814	109
Other payables		5.181	8.122
Short-term liabilities other than provisions		**8.995**	**8.231**
Liabilities other than provisions		**8.995**	**8.231**
Liabilities and equity		**80.319**	**90.342**

Contingent liabilities	7		
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Statement of changes in Equity

t.DKK	Share capital	Retained earnings	Total
Equity 1 January 2023	**30.000**	**52.111**	**82.111**
Profit (loss)		**-10.786**	**-10.786**
Equity 31 December 2023	**30.000**	**41.325**	**71.325**

The share capital consists of 30.000 shares of 1.000 DKK each. No shares are granted special rights.

The share capital of the parent company has remained unchanged for the last 5 years.

Cash Flow Statement

	2023 t.DKK	2022 t.DKK
Net result for the year	-10.786	-9.728
Income from investments in group companies	9	-250
Income from investments in participating interests	9.765	8.427
Financial income	-1.341	-849
Financial expenses	295	238
Income tax	0	0
Change in receivables	14	30
Change in trade payables and other payables	764	1
Cash flow from operating activities before financial items	**-1.280**	**-2.131**
Interest received and similar	1.341	849
Interest paid and similar	-295	-238
Cash flows from operating activities	**-234**	**-1.520**
Purchase of financial assets	0	-1.653
Cash flows from investing activities	**0**	**-1.653**
Change in receivables from group companies and participating interests	-504	4.417
Cash flows from financing activities	**-504**	**4.417**
Change in cash and cash equivalents	**-738**	**1.244**
Cash and cash equivalents at 1 January	1.810	565
Cash and cash equivalents at 31 December	**1.072**	**1.809**

Notes

	2023 t.DKK	2022 t.DKK

1. Finance income

	2023 t.DKK	2022 t.DKK
Other finance income	1.341	849
	1.341	**849**

2. Finance expenses

	2023 t.DKK	2022 t.DKK
Other finance expenses	295	238
	295	**238**

3. Income tax

	2023 t.DKK	2022 t.DKK
Tax on taxable income	0	0
	0	**0**

4. Long-term investments in group companies

	2023 t.DKK	2022 t.DKK
Cost at 1 January	11.273	9.620
Addition during the year	0	1.653
Disposal during the year	-1.653	0
Cost at 31 December	**9.620**	**11.273**
Revaluations at 1 January	-9.834	-9.529
Revaluations for the year	-9	250
Transfers during the year to other items	295	-555
Revaluations at 31 December	**-9.548**	**-9.834**
Carrying amount at 31 December	**72**	**1.439**

Notes

	2023 t.DKK	2022 t.DKK

5. Long-term investments in participating interests

	2023 t.DKK	2022 t.DKK
Cost at 1 January	79.882	79.882
Disposal during the year	-9.683	0
Transfers during the year from other item	1.653	0
Cost at 31 December	**71.852**	**79.882**
Depreciation and amortisation at 1 January	-12.200	-3.773
Impairment losses for the year	-2.390	-8.427
Transfers during the year from other item	-295	0
Impairment losses and amortisation at 31 December	**-14.886**	**-12.200**
Carrying amount at 31 December	**56.966**	**67.682**

6. Prepayments

	2023 t.DKK	2022 t.DKK
Mangement fee and administration fee	54	47
	54	**47**

7. Contingent liabilities

Joint taxation
The company is the administration company in relation to the national joint taxation and is liable from the financial year 2013 unlimited and in solidarity with the other jointly taxed companies for the total corporation tax.

As of the financial year 2013, the company is liable unlimitedly and jointly with the other jointly taxed companies for any obligations to include withholding tax on interest, royalties and dividends.

Any future corrections of corporation taxes or withholding taxes, etc. could lead to the company's liability constitutes another amount.

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.