
Sjølund China Holding ApS

Skamlingvejen 146, DK-6093 Sjølund

Annual Report for
1 October 2022 - 30 September 2023

CVR No. 32 09 39 30

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 6/12 2023

Zoran Aleksic
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company information	
Company information	4
Financial Statements	
Income Statement 1 October - 30 September	5
Balance sheet 30 September	6
Statement of changes in equity	8
Notes to the Financial Statements	9

Management's statement

The Executive Board has today considered and adopted the Financial Statements of Sjølund China Holding ApS for the financial year 1 October 2022 - 30 September 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 financial position at 30 September 2023 of the Company and of the results of the Company operations for 2022/23.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Sjølund, 6 December 2023

Executive Board

Jianhua Fang

Zoran Aleksic

Independent Auditor's report

To the shareholder of Sjølund China Holding ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Sjølund China Holding ApS for the financial year 1 October 2022 - 30 September 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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' 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.

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 Company's internal control.

Independent Auditor's report

- 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.

Trekantområdet, 6 December 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

State Authorised Public Accountant

mne30224

Henrik Forthoft Lind

State Authorised Public Accountant

mne34169

Company information

The Company

Sjølund China Holding ApS
Skamlingvejen 146
DK-6093 Sjølund

CVR No: 32 09 39 30

Financial period: 1 October 2022 - 30 September 2023

Incorporated: 7 April 2009

Financial year: 14th financial year

Municipality of reg. office: Sjølund

Executive Board

Jianhua Fang
Zoran Aleksic

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Income statement 1 October 2022 - 30 September 2023

	Note	2022/23 TDKK	2021/22 TDKK
Gross loss		-9	-78
Income from investments in subsidiaries		-2,684	568
Financial income	2	2	0
Financial expenses	3	-94	-92
Profit/loss before tax		-2,785	398
Tax on profit/loss for the year		0	0
Net profit/loss for the year		-2,785	398

Distribution of profit

	2022/23 TDKK	2021/22 TDKK
Proposed distribution of profit		
Reserve for net revaluation under the equity method	-5,101	347
Retained earnings	2,316	51
	-2,785	398

Balance sheet 30 September 2023

Assets

	Note	2022/23 TDKK	2021/22 TDKK
Investments in subsidiaries	4	20,295	25,396
Investments in associates	5	0	0
Fixed asset investments		20,295	25,396
Fixed assets		20,295	25,396
Receivables from group enterprises		0	110
Receivables		0	110
Cash at bank and in hand		115	6
Current assets		115	116
Assets		20,410	25,512

Balance sheet 30 September 2023

Liabilities and equity

	Note	2022/23	2021/22
		TDKK	TDKK
Share capital		9,620	9,620
Reserve for net revaluation under the equity method		2,279	7,380
Retained earnings		1,458	1,558
Equity		13,357	18,558
Payables to group enterprises		7,012	6,919
Other payables		41	35
Short-term debt		7,053	6,954
Debt		7,053	6,954
Liabilities and equity		20,410	25,512

Key activities	1
Contingent assets, liabilities and other financial obligations	6
Accounting Policies	7

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	<u>TDKK</u>	<u>TDKK</u>	<u>TDKK</u>	<u>TDKK</u>
Equity at 1 October	9,620	7,380	1,558	18,558
Exchange adjustments	0	0	-2,416	-2,416
Net profit/loss for the year	0	-5,101	2,316	-2,785
Equity at 30 September	<u>9,620</u>	<u>2,279</u>	<u>1,458</u>	<u>13,357</u>

Notes to the Financial Statements

1. Key activities

The company's main activity is to own shares in Sjølund Profile Bending (Hefei) Co. Ltd. and Sjøelund Victall Profile Bending (Qindao) Co. Ltd.

2. Financial income

Interest received from group enterprises

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
	2	0
	<u>2</u>	<u>0</u>

3. Financial expenses

Interest paid to group enterprises

Other financial expenses

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
	93	92
	1	0
	<u>94</u>	<u>92</u>

Notes to the Financial Statements

	2022/23	2021/22
	TDKK	TDKK
4. Investments in subsidiaries		
Cost at 1 October	10,289	10,289
Cost at 30 September	10,289	10,289
Value adjustments at 1 October	15,107	14,828
Exchange adjustment	-2,417	1,776
Net profit/loss for the year	-2,684	568
Dividend to the Parent Company	0	-2,065
Value adjustments at 30 September	10,006	15,107
Carrying amount at 30 September	20,295	25,396

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Sjølund Profile Bending (Hefei) Co. Ltd.	Hefei, China	100%

	2022/23	2021/22
	TDKK	TDKK
5. Investments in associated companies		
Cost at 1 October	7,727	7,727
Cost at 30 September	7,727	7,727
Value adjustments at 1 October	-7,727	-7,727
Value adjustments at 30 September	-7,727	-7,727
Carrying amount at 30 September	0	0

Investments in associates are specified as follows:

Name	Place of registered office	Ownership and Votes
Sjoelund Victall Profile Bending (Qingdao) Co. Ltd	Qingdao, China	50%

Notes to the Financial Statements

6. Contingent assets, liabilities and other financial obligations

Guarantee obligations

The company has issued guarantee to bank as a part of the group finance facility agreement in Sjølund A/S.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Ravn Jensen Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

7. Accounting policies

The Annual Report of Sjølund China Holding ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022/23 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Other external expenses

Other external expenses comprise administration costs.

Income from investments in subsidiaries and associates

The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include the proportionate share of the profit for the year.

Notes to the Financial Statements

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with other companies within the group. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.