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CVR no. 20 22 26 70

**ASIAINFO DENMARK APS**

**C/O BECH-BRUUN, LANGELINIE ALLÉ 35, BECH-BRUUN, 2100 COPENHAGEN Ø**

**ANNUAL REPORT**

**1 JANUARY - 31 DECEMBER 2023**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 5 July 2024**

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**Chun Zhang**

**CVR NO. 35 51 57 98**

**CONTENTS**

|   | <b>Page</b> |
|---|-------------|
| <b>Company Details</b>                              |             |
| Company Details.....                                | 3           |
| <b>Statement and Report</b>                         |             |
| Management's Statement.....                         | 4           |
| Independent Auditor's Report.....                   | 5-7         |
| <b>Management Commentary</b>                        |             |
| Management Commentary.....                          | 8           |
| <b>Financial Statements 1 January - 31 December</b> |             |
| Income Statement.....                               | 9           |
| Balance Sheet.....                                  | 10          |
| Equity.....   | 11          |
| Notes.....  | 12-13       |
| Accounting Policies.....                            | 14-16       |

**COMPANY DETAILS**

|                        |   |
|------------------------|---|
| <b>Company</b>         | Asiainfo Denmark ApS<br>c/o Bech-Bruun, Langelinie Allé 35<br>Bech-Bruun<br>2100 Copenhagen Ø                               |
|                        | CVR No.: 35 51 57 98<br>Established: 11 October 2013<br>Municipality: Copenhagen<br>Financial Year: 1 January - 31 December |
| <b>Executive Board</b> | Chun Zhang  |
| <b>Auditor</b>         | BDO Statsautoriseret revisionsaktieselskab<br>Rimmens Alle 89<br>9900 Frederikshavn   |
| <b>Law Firm</b>        | Bech-Bruun Advokatpartnerselskab<br>Langelinie Allé 35<br>2100 Copenhagen Ø   |

## MANAGEMENT'S STATEMENT

*Today the Executive Board have discussed and approved the Annual Report of Asiainfo Denmark ApS for the financial year 1 January - 31 December 2023.*

*The Annual Report is presented in accordance with the Danish Financial Statements Act.*

*In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.*

*The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.*

*I recommend the Annual Report be approved at the Annual General Meeting.*

Copenhagen, 5 July 2024

Executive Board

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Chun Zhang

## INDEPENDENT AUDITOR'S REPORT

*To the Shareholder of Asiainfo Denmark ApS*

### AUDITORS OPINION ON THE FINANCIAL STATEMENTS

#### Opinion

*We have audited the Financial Statements of Asiainfo Denmark ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.*

#### 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 judgment 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.*

## INDEPENDENT AUDITOR'S REPORT

- *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 Commentary**

*Management is responsible for Management Commentary.*

*Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.*

*Based on the work we have performed, we conclude that 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 Management Commentary.*

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### **The Corporation Tax Act**

*The company has been a party to a tax case from 2017, which has just been referred to the National Tax Court, but the final management decision is still awaited from the National Tax Court. The case set by the authorities has not turned out in the company's favor, whereby the size and scope of the case may mean that the management may incur liability.*

## INDEPENDENT AUDITOR'S REPORT

Frederikshavn, 5 July 2024

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Kristian Thostrup  
State Authorised Public Accountant  
MNE no. mne35810

## MANAGEMENT COMMENTARY

### ***Principal activities***

*The company's activities are provision of IT solutions and services, including developing and delivering software and service as well as buying, selling and providing general consulting regarding software and hardware products.*

### ***Development in activities and financial and economic position***

*The result for the year is negatively affected by ('000) DKK 2.599. The company has been a party to a tax case concerning 2017, which is just to be decided, and where we now awaits the National Tax Court. Unfortunately, contrary to management's expectations, the case has not turned out in favor of the company. Thus, the company's tax loss from 2017 is forfeited, and due tax has therefore been set aside which would otherwise have been used in the tax loss.*

### ***Significant events after the end of the financial year***

*No events have occurred after the end of the financial year of material importance for the Company's financial position.*



**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

|   | Note | 2023<br>DKK       | 2022<br>DKK       |
|---|------|-------------------|-------------------|
| <b>GROSS PROFIT</b> .....                             |      | <b>19,205,540</b> | <b>24,261,853</b> |
| Staff costs.....                                      | 1    | -17,473,714       | -17,074,229       |
| Depreciation, amortisation and impairment losses..... |      | -23,670           | -19,067           |
| <b>OPERATING PROFIT</b> .....                         |      | <b>1,708,156</b>  | <b>7,168,557</b>  |
| Other financial income.....                           |      | 14,475,176        | 7,643,585         |
| Other financial expenses.....                         |      | -11,356,807       | -7,165,118        |
| <b>PROFIT BEFORE TAX</b> .....                        |      | <b>4,826,525</b>  | <b>7,647,024</b>  |
| Tax on profit/loss for the year.....                  | 2, 3 | -7,426,076        | -1,006,546        |
| <b>LOSS FOR THE YEAR</b> .....                        |      | <b>-2,599,551</b> | <b>6,640,478</b>  |
| <b>PROPOSED DISTRIBUTION OF PROFIT</b>                |      |                   |                   |
| Retained earnings.....                                |      | -2,599,551        | 6,640,478         |
| <b>TOTAL</b> .....                                    |      | <b>-2,599,551</b> | <b>6,640,478</b>  |

**BALANCE SHEET AT 31 DECEMBER**

| <b>ASSETS</b>   | <b>Note</b> | <b>2023<br/>DKK</b> | <b>2022<br/>DKK</b> |
|---|-------------|---------------------|---------------------|
| Other plant, machinery tools and equipment.....                         |             | 103,681             | 67,807              |
| Property, plant and equipment.....                                      | 4           | <b>103,681</b>      | <b>67,807</b>       |
| <b>NON-CURRENT ASSETS.....</b>  |             | <b>103,681</b>      | <b>67,807</b>       |
| Trade receivables.....  |             | 16,707,041          | 17,339,568          |
| Deferred tax assets.....  |             | 0                   | 1,200,000           |
| Corporation tax receivable.....   |             | 10,849              | 1,023,486           |
| <b>Receivables.....</b>   |             | <b>16,717,890</b>   | <b>19,563,054</b>   |
| Cash and cash equivalents.....  |             | <b>54,922,502</b>   | <b>56,166,122</b>   |
| <b>CURRENT ASSETS.....</b>  |             | <b>71,640,392</b>   | <b>75,729,176</b>   |
| <b>ASSETS.....</b>  |             | <b>71,744,073</b>   | <b>75,796,983</b>   |
| <b>EQUITY AND LIABILITIES</b>   |             |                     |                     |
| Share Capital.....  |             | 5,513,000           | 5,513,000           |
| Retained earnings.....  |             | -2,213,012          | 386,539             |
| <b>EQUITY.....</b>  |             | <b>3,299,988</b>    | <b>5,899,539</b>    |
| Provision for deferred tax.....   |             | 22,810              | 0                   |
| <b>PROVISIONS.....</b>  |             | <b>22,810</b>       | <b>0</b>            |
| Trade payables.....   |             | 0                   | 142,438             |
| Debt to group enterprises.....  |             | 60,100,103          | 60,304,153          |
| Corporation tax.....  |             | 5,179,780           | 0                   |
| Other liabilities.....  |             | 2,756,230           | 4,151,173           |
| Accruals and deferred income.....                                       |             | 385,162             | 5,299,680           |
| <b>Current liabilities.....</b>   |             | <b>68,421,275</b>   | <b>69,897,444</b>   |
| <b>LIABILITIES.....</b>   |             | <b>68,421,275</b>   | <b>69,897,444</b>   |
| <b>EQUITY AND LIABILITIES.....</b>                                      |             | <b>71,744,073</b>   | <b>75,796,983</b>   |
| Information on significant uncertainties at recognition and measurement | 5           |                     |                     |
| Consolidated Financial Statements                                       | 6           |                     |                     |

## EQUITY

| DKK                                     | Share Capital    | Retained earnings | Total            |
|---|------------------|-------------------|------------------|
| Equity at 1 January 2023.....           | 5,513,000        | 386,539           | 5,899,539        |
| Proposed profit allocation.....         |                  | -2,599,551        | -2,599,551       |
| <b>Equity at 31 December 2023 .....</b> | <b>5,513,000</b> | <b>-2,213,012</b> | <b>3,299,988</b> |

## NOTES

|  | 2023<br>DKK       | 2022<br>DKK                                      | Note     |
|--|-------------------|--|----------|
| <b>Staff costs</b>   |                   |  | <b>1</b> |
| Average number of full time employees                              | 27                | 26   |          |
| Wages and salaries.....  | 16,379,590        | 15,911,501                                       |          |
| Pensions.....  | 843,799           | 927,705  |          |
| Social security costs.....   | 250,325           | 235,023  |          |
|  | <b>17,473,714</b> | <b>17,074,229</b>                                |          |
| <b>Tax on profit/loss for the year</b>                             |                   |  | <b>2</b> |
| Calculated tax on taxable income of the year.....                  | 1,055,802         | 6,546  |          |
| Adjustment of tax in previous years.....                           | 5,147,464         | 0  |          |
| Adjustment of deferred tax.....                                    | 1,222,810         | 1,000,000  |          |
|  | <b>7,426,076</b>  | <b>1,006,546</b>                                 |          |
| <b>Special items</b>   |                   |  | <b>3</b> |
| As a result of the tax case, there are the following adjustments:  |                   |  |          |
| Tax, relating to previous years.....                               | 5,147,464         | 0  |          |
|  | <b>5,147,464</b>  | <b>0</b>   |          |
| <b>Property, plant and equipment</b>                               |                   |  | <b>4</b> |
|  |                   | Other plant,<br>machinery tools<br>and equipment |          |
| DKK  |                   |  |          |
| Cost at 1 January 2023.....  |                   | 228,845  |          |
| Additions.....   |                   | 59,544   |          |
| Disposals.....   |                   | -9,538   |          |
| <b>Cost at 31 December 2023.....</b>                               |                   | <b>278,851</b>                                   |          |
| Depreciation and impairment losses at 1 January 2023.....          |                   | 151,500  |          |
| Depreciation for the year.....                                     |                   | 23,670   |          |
| <b>Depreciation and impairment losses at 31 December 2023.....</b> |                   | <b>175,170</b>                                   |          |
| <b>Carrying amount at 31 December 2023.....</b>                    |                   | <b>103,681</b>                                   |          |

## NOTES

## Note

**Information on significant uncertainties at recognition and measurement**

5

At the beginning of 2021, the Danish Tax Authorities resumed the Company's tax return for 2017 and in this connection increased the Company's taxable income for 2017 by DKK ('000) 148,045. The Danish Tax Authorities does not believe that the Company was part of a framework agreement, why the costs incurred in connection with this framework agreement have not been treated correctly in the previous income year, as the Company is not the right bearer of the expenses.

The Company does not agree with the Danish Tax Authorities and has, together with its lawyer, appealed the case to the National Tax Court and to the Danish Tax Appeals Board.

Shortly before the annual report were dated, a proposal was made by the Tax Appeals Agency, recommending to the National Tax Court that the case be settled in favor of the Tax Agency. The company's lawyer has pointed out some matters that were not clarified, which is why the Tax Appeals Agency will now reassess their recommendation to the National Tax Court.

As a result of the Danish Tax Appeals Authority's recommendation, which is, however, being reassessed, the management has chosen to include the corporation tax in the annual accounts, which has been offset against the company's tax loss. Thus, this year the management has considered the fiscal deficit to have been eliminated. Even though the tax corporation has been included in the report, the company still disagrees with The Danish Tax Agency's decision and intend to appeal the case further.

**Consolidated Financial Statements**

6

*The Company is included in the group annual report of Asiainfo International (H.K.) limited.*

*The group annual report may be obtained at the following adress: Room 1401, 14/F, Tung Wai Commercial Building, 109-111, Gloucester Road, Wan Chai, Hong Kong.*

## ACCOUNTING POLICIES

*The Annual Report of Asiainfo Denmark ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.*

*The Annual Report is prepared consistently with the accounting principles applied last year.*

### INCOME STATEMENT

#### **Net revenue**

*Net revenue from sale is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.*

*Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.*

#### **Cost of sales**

*Cost of sales comprise costs incurred to achieve the net revenue for the year.*

#### **Other operating income**

*Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as repayments from public authorities are included. Compensations are recognised when the income is deemed to be realisable.*

#### **Other external expenses**

*Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.*

#### **Staff costs**

*Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees.*

#### **Financial income and expenses**

*Financial income and expenses include interest income and expenses, financial expenses of debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.*

#### **Tax**

*The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.*

## ACCOUNTING POLICIES

### BALANCE SHEET

#### **Tangible fixed assets**

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

|  | Useful life | Residual value |
|--|-------------|----------------|
| Other plant, fixtures and equipment..... | 5 years     | 0 %            |

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

#### **Impairment of fixed assets**

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

#### **Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

#### **Tax payable and deferred tax**

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

## ACCOUNTING POLICIES

### **Liabilities**

*Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.*

*Amortised cost for short-term liabilities usually corresponds to the nominal value.*

### **Accruals, liabilities**

*Accruals recognised as liabilities include payments received regarding income in subsequent years.*

### **Foreign currency translation**

*Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.*

*Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.*

*Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.*