

China Classification Society Copenhagen ApS

**Tuborg Boulevard 12
2900 Hellerup**

CVR no. 37 93 94 63

Annual Report 2022

The Annual Report was presented and adopted at the company's annual general meeting on:

15 June 2023



Hui Yu
Chairman

ANNUAL REPORT 2022

(6 financial year)

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COMPANY INFORMATION

Company

China Classification Society Copenhagen ApS
Tuborg Boulevard 12
2900 Hellerup

CVR no.

37 93 94 63

Financial year

1 January - 31 December

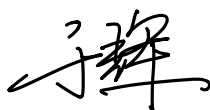
Principal activities

The company's principal activities consist in:

- 1.To carry out classification surveys and surveys for class maintenance to ships and offshore installations and issue classification certificates and corresponding technical documents;
- 2.To carry out statutory surveys and issue corresponding certificates on behalf of the Governments of China and the governments of other countries when so authorized, and to perform other surveys and certification work when so authorized by them;
- 3.To carry out quality inspections to all types of important marine products, and to perform container surveys;
- 4.To carry out researches and experiments with regard to marine safety, environmental protection and classification standards;
- 5.To perform certification services to the shipping companies and their ships according to the ISM Code, ISPS Code and MLC Convention;
- 6.To provide technical consultancy and services with regard to the safety techniques and quality system as well as ship energy efficiency and energy saving and emission reduction.

General manager

Hui Yu



The company's auditor

Haamann A/S, State Authorized Public Accountant Firm
Filmbyen
2650 Hvidovre

CVR no. (business reg. no.) 24 25 69 95

MANAGEMENT'S STATEMENTS

The General manager have today presented the annual report for the financial year 1 January - 31 December 2022 for China Classification Society Copenhagen ApS.

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

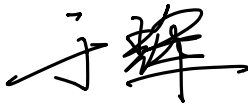
I consider the accounting policies appropriate for the annual report to provide a true and fair view of the company's assets and liabilities, cash flow statement, financial position and performance.

Moreover, in my opinion, the mangagement's review includes a fair review of the matters described.

The management confirms that the company comply with the requirements for not having external audit of the annual report.

Hellerup, 15 June 2023

General manager



Hui Yu

PRACTITIONER'S COMPILATION REPORT

To the Management of China Classification Society Copenhagen ApS

We have compiled the accompanying financial statements of China Classification Society Copenhagen ApS based on information you have provided. These financial statements comprise the statement of financial position of China Classification Society Copenhagen ApS as at 31 December 2022, the statement of income and statement of changes in equity for the year then ended, and a summary of significant accounting policies.

We performed this compilation engagement in accordance with International Standard on Related Services 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statement Act . We have complied with relevant ethical requirements in International Ethics Standards Board for Accountants' international guidelines on the ethical conduct of professional auditors (IESBA Code), including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statement Act.

Hvidovre, 15 June 2023

HAAMANN A/S
State Authorized Public Accountant Firm
CVR.nr. 24 25 69 95

Jan Østergaard
State Authorized Public Accountant
mne30203

MANAGEMENT'S REVIEW

The Company's principal activities

As in previous years, the company's principal activity has consisted of:

1. To carry out classification surveys and surveys for class maintenance to ships and offshore installations and issue classification certificates and corresponding technical documents;
2. To carry out statutory surveys and issue corresponding certificates on behalf of the Governments of China and the governments of other countries when so authorized, and to perform other surveys and certification work when so authorized by them;
3. To carry out quality inspections to all types of important marine products, and to perform container surveys;
4. To carry out researches and experiments with regard to marine safety, environmental protection and classification standards;
5. To perform certification services to the shipping companies and their ships according to the ISM Code, ISPS Code and MLC Convention;
6. To provide technical consultancy and services with regard to the safety techniques and quality system as well as ship energy efficiency and energy saving and emission reduction.

Development in activities and financial affairs

The company had a profit of DKK 462.372, for the financial year, which the company's management considers satisfactory.

In the coming year the company expects a satisfactory result.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that would materially affect the company's financial position.

INCOME STATEMENT
1 January - 31 December 2022

	<u>Note</u>	<u>2022 DKK</u>	<u>2021 TDKK</u>
Gross result		2.783.356	3.325
Staff costs	1	-2.196.599	-2.808
Other operating costs		<u>-1.053</u>	<u>0</u>
Operating profit and loss		585.704	517
Financial income		26.587	31
Financial expenses		<u>-17.941</u>	<u>-18</u>
Profit before tax		594.350	530
Tax on profit for the year		<u>-131.978</u>	<u>-117</u>
Net profit or loss for the year		<u>462.372</u>	<u>413</u>
Proposed distribution of results			
Retained earnings		<u>462.372</u>	<u>413</u>
		<u>462.372</u>	<u>413</u>

BALANCE SHEET 31 December 2022

ASSETS

	<u>Note</u>	<u>2022 DKK</u>	<u>2021 TDKK</u>
<u>Fixed assets</u>			
Fixed assets			
Deposits		166.997	158
Fixed assets, total		<u>166.997</u>	<u>158</u>
<u>Current assets</u>			
Receivables			
Trade receivables		1.105.372	610
Prepayments		44.500	45
		<u>1.149.872</u>	<u>655</u>
Cash and cash equivalents		<u>1.898.004</u>	<u>2.462</u>
Current assets		<u>3.047.876</u>	<u>3.117</u>
Assets, total		<u>3.214.873</u>	<u>3.275</u>

BALANCE SHEET 31 December 2022

LIABILITIES AND EQUITY

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> TDKK
<u>Equity</u>			
Share capital		50.000	50
Retained earnings		<u>2.717.032</u>	<u>2.254</u>
Equity, total		<u>2.767.032</u>	<u>2.304</u>
<u>Liabilities</u>			
Short-term liabilities other than provisions			
Trade payables		33.647	20
Corporation tax		57.693	53
Other payables		<u>356.501</u>	<u>898</u>
		<u>447.841</u>	<u>971</u>
Total liabilities		<u>447.841</u>	<u>971</u>
Total liabilities and equity		<u>3.214.873</u>	<u>3.275</u>
Contingent liabilities	2		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
Equity 1 January 2022	50.000	2.254.660	2.304.660
Net profit for the year		462.372	462.372
	<hr/>	<hr/>	<hr/>
Equity 31 December 2022	50.000	2.717.032	2.767.032

NOTES

	2022 DKK	2021 TDKK
1. <u>Staff costs</u>		
Wages and salaries	2.135.066	2.796
Pensions	48.000	0
Social security costs	13.533	12
	<u>2.196.599</u>	<u>2.808</u>
 Average number of employees	 <u>2</u>	 <u>3</u>

2. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 22 months and average lease payments yearly of DKK 91.260, a total of DKK 167.310.

The company has concluded leasehold agreements with average leasehold payments yearly of DKK 165.499. The company can terminate the leasehold with 3 months notice.

The company has concluded leasehold agreements with terms to maturity of 21 months and average leasehold payments yearly of DKK 366.480.

ACCOUNTING POLICIES

The Annual Report of China Classification Society Copenhagen ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with application of some provisions for a higher reporting class C.

The accounting policies applied remain unchanged from last year.

General principles for recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities. Moreover, all expenses are incurred, including depreciation and amortisation.

Assets are recognised in the balance sheet when it is probable that future financial benefits 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.

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 existed at the balance sheet date.

Income Statement

Revenue

Gross profit is made up of net sales less the direct sales costs attributable to net sales and less other external costs. Other operating income and expenses comprise items of a secondary nature to the principal activity of the company.

Income from the sale of goods and services is recognised in the income statement from the date of delivery and when the risk has passed to the buyer and is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

ACCOUNTING POLICIES

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

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. Current and deferred tax regarding changes in equity is recognised directly in equity.

BALANCE SHEET

Other non-current assets

Leasehold deposits are recognised in the balance sheet at cost.

Receivables

Receivables are measured at amortised cost, usually corresponding to nominal value. The value is reduced by impairment losses for bad and doubtful debts.

Prepayments

Prepayments recognised under assets comprise of prepaid costs for the subsequent financial years.

Tax payable and deferred tax

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

Deferred tax is measured under the balance-sheet liability method for temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Any net deferred tax assets are measured at net realisable value.

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the reporting date, will be applicable at the time when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement. For the current year, a tax rate of 22 per cent has been applied.

ACCOUNTING POLICIES

Payables

Financial liabilities are recognised initially at the proceeds received net of transaction costs incurred. In subsequent periods, financial liabilities are measured at amortised cost corresponding to the capitalised value using the effective interest rate, entailing that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other debt is measured at amortised cost, usually corresponding to nominal value.

Foreign currency translation

Foreign currency transactions are translated the exchange rate prevailing at the date of the transaction. Exchange differences arising between the exchange rate prevailing at the transaction date and the exchange rate at the payment date are recognised in the income statement as a net financial income or expense. If currency positions are regarded as a hedge of future cash flows, value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled on the reporting date are measured at the closing exchange rate. The difference between the closing rate and the rate at the time of the establishment of the receivable or payable is recognised in the income statement under financial income and expenses.

Non-current assets purchased in foreign currencies are measured at the exchange rate at the transaction date.

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Jan Østergaard

Statsautoriseret revisor

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