

## **Proud City (Denmark) Agri ApS**

Ryttergårdsvej 3

7673 Harboøre

CVR No. 35478981

## **Annual Report 2024**

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 17 June 2025

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Sucheng He  
Chairman



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## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Proud City (Denmark) Agri ApS for the financial year 1 January 2024 - 31 December 2024.

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 2024 and of the results of the Company's operations for the financial year 1 January 2024 - 31 December 2024.

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

The conditions for not conducting an audit of the Financial Statement have been met.

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

Harboøre, 17 June 2025

### **Executive Board**

Jan Pedersen  
Manager

Tian Shucai  
Manager

Sucheng He  
Manager

## **Auditors' Report on Compilation of Financial Statements**

### **To the Management of Proud City (Denmark) Agri ApS**

We have compiled the accompanying financial statements of Proud City (Denmark) Agri ApS for the financial year 1 January 2024 - 31 December 2024 based on the information you have provided.

These financial statements comprise a summary of significant accounting Policies, income statement, balance sheet, statement of change in equity and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), 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 requirements under the Danish Act on Approved auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

The Financial Statement 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 review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Accounts Act.

Ringsted, 17 June 2025

**Sønderup I/S**  
**Statsautoriserede revisorer**  
CVR-no. 31824559

Tom Sønderup  
State Authorised Public Accountant  
mne10489

## **Accounting Policies**

The annual report of Proud City (Denmark) Agri ApS for 2024 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with application of individual rules from class C.

The accounting principles were applied consistently with the principles of last year's financial reporting.

The income statement is presented by the type of expenditure and the balance sheet is presented in account form. The measurement currency used is Danish kroner. All other currencies are considered foreign currency

### **Translation policies**

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

### **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 amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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.

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

## **Income statement**

### **Gross profit/loss**

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of other operating income and other external expenses.

### **Other external expenses**

Other external expenses include expenses for administration, premises etc.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains.

## **Balance sheet**

### **Tangible fixed assets**

## **Accounting Policies**

Land and buildings are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

	<b>Useful life</b>	<b>Residual value</b>
Buildings	50 years	0-20%

Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

The carrying amounts of property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortization and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

### **Liquid Assets**

Liquid assets are measured at nominal value.

### **Current tax liabilities**

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

### **Other payables**

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

## Income Statement

	Note	2024 kr.	2023 kr.
<b>Gross profit</b>		<b>-58.784</b>	<b>-38.377</b>
Depreciation and write-downs		-191.856	-191.854
<b>Profit from ordinary operating activities</b>		<b>-250.640</b>	<b>-230.231</b>
Other finance expenses		-3	-8
<b>Profit from ordinary activities before tax</b>		<b>-250.643</b>	<b>-230.239</b>
<b>Profit</b>		<b>-250.643</b>	<b>-230.239</b>
<b>Proposed distribution of results</b>			
Retained earnings		-250.643	-230.239
<b>Distribution of profit</b>		<b>-250.643</b>	<b>-230.239</b>

**Balance Sheet as of 31 December**

	Note	2024 kr.	2023 kr.
<b>Assets</b>			
Land and buildings		6.656.547	6.848.403
<b>Total tangible fixed assets</b>		<u>6.656.547</u>	<u>6.848.403</u>
<b>Fixed assets</b>		<u>6.656.547</u>	<u>6.848.403</u>
<b>Cash funds</b>		<u>846</u>	<u>3.634</u>
<b>Current assets</b>		<u>846</u>	<u>3.634</u>
<b>Assets</b>		<u>6.657.393</u>	<u>6.852.036</u>

**Balance Sheet as of 31 December**

	<b>Note</b>	<b>2024 kr.</b>	<b>2023 kr.</b>
<b>Liabilities and equity</b>			
Contributed capital		80.000	80.000
Retained earnings		-1.088.213	-837.570
<b>Equity</b>		<b>-1.008.213</b>	<b>-757.570</b>
Other payables		7.665.606	7.609.606
<b>Total Long-term liabilities</b>	<b>1</b>	<b>7.665.606</b>	<b>7.609.606</b>
<b>Liabilities other than provisions within the business</b>		<b>7.665.606</b>	<b>7.609.606</b>
<b>Liabilities and equity</b>		<b>6.657.393</b>	<b>6.852.036</b>
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## Statement of changes in Equity

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2024	80.000	-837.570	-757.570
Profit (loss)	0	-250.643	-250.643
<b>Equity 31 December 2024</b>	<b>80.000</b>	<b>-1.088.213</b>	<b>-1.008.213</b>

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

## Notes

### 1. Long-term liabilities

TDKK: 7.666 of long -term debt are due after 5 years

### 2. Uncertainty connected with recognition or measurement

The mink farms are recognized in the balance sheet with a value of 6.660 t.kr. These assets are valued at normal impairment based on the company's normal accounting policies. As mentioned above, the company's activity has been forcibly shut down by the authorities in connection with the general closure of Danish mink farms, and the application possibilities for the mink farm are unknown.

Investments in group companies are also greatly affected as a result of Covid-19. The activity in the group company are closely related to the activity in the Danish farms.

The company expects to be covered by the compensation schemes that are being worked on from a political point of view, but as the scope of these compensation schemes is partly unknown, there is thus uncertainty associated with the valuation of the mink farm.

In the course of the year 2023 it has been possible to apply for compensation from the Danish authorities in connection with the closure of the Danish mink industry in November 2020.

Basically, this compensation process consists of calculating the compensation amount for the value of the company's fixed assets as well as the lost future earnings.

The company has currently made some preliminary assessments and calculations regarding the expected compensation that it expects to receive. These assessments have not yet been completed, which is why this compensation has not yet been applied for and thus the level of the total expected compensation is not yet known.

Based on the model put forward by the Danish authorities, there is a prospect that the company is entitled to a total compensation that clearly exceeds the booked value of "Fixed assets" of DKK 6.656.547. This annual report does not include any share of the profit that the company expects to achieve from this.

## **Notes**

### **3. Contingent liabilities**

The company has a tax loss. The deferred tax liability associated therewith is not enabled, as it is estimated that it will not be used.

The value of the tax asset amounts to TDKK 485.

The company is liable for the total tax of jointly taxed Danish companies.

### **4. The Company's principal activities**

The company's main activity is to own a minkfarm.