



Strong Scandinavia A/S

Jellingvej 26
9230 Svenstrup J
CVR No. 20470143

Annual report 2023

The Annual General Meeting adopted the annual report on 24.06.2024

Kenn Michael Jensen
Chairman of the General Meeting

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Entity details

Entity

Strong Scandinavia A/S

Jellingvej 26

9230 Svenstrup J

Business Registration No.: 20470143

Registered office: Aalborg

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Xuan He, chairman

Tan Guangping

Kenn Michael Jensen

Executive Board

Kenn Michael Jensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Strong Scandinavia A/S for the financial year 01.01.2023 - 31.12.2023.

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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Svenstrup, 24.06.2024

Executive Board

Kenn Michael Jensen

Board of Directors

Xuan He
chairman

Tan Guangping

Kenn Michael Jensen

Independent auditor's extended review report

To the shareholders of Strong Scandinavia A/S

Conclusion

We have performed an extended review of the financial statements of Strong Scandinavia A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aalborg, 24.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Sami Nikolai El-Galaly

State Authorised Public Accountant

Identification No (MNE) mne42793

Management commentary

Primary activities

The Company's activities comprise import, sale and marketing of digital TV, audio and video products and related accessories as well as internet and network products and computer equipment.

Development in activities and finances

The Company's income statement for 2023 shows a negative result of DKK 176 K and equity amounts to DKK 21,872 K at 31.12.2023. The result is considered unsatisfactory by Management.

Uncertainty relating to recognition and measurement

The Company purchases products in foreign currencies, mainly in EUR and USD. Similarly, the Company trades in foreign currencies with some of its larger costumers.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		4,212,192	5,151,435
Staff costs	1	(3,873,379)	(4,892,681)
Depreciation, amortisation and impairment losses		(140,019)	(110,512)
Operating profit/loss		198,794	148,242
Other financial income		700,621	2,272,261
Other financial expenses		(1,116,983)	(614,762)
Profit/loss before tax		(217,568)	1,805,741
Tax on profit/loss for the year	2	42,000	(397,740)
Profit/loss for the year		(175,568)	1,408,001
Proposed distribution of profit and loss			
Retained earnings		(175,568)	1,408,001
Proposed distribution of profit and loss		(175,568)	1,408,001

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Land and buildings		6,032,995	6,057,086
Other fixtures and fittings, tools and equipment		57,904	32,154
Property, plant and equipment	3	6,090,899	6,089,240
Fixed assets		6,090,899	6,089,240
Manufactured goods and goods for resale		3,260,272	2,060,368
Prepayments for goods		6,981,010	2,591,862
Inventories		10,241,282	4,652,230
Trade receivables		2,812,139	1,133,907
Receivables from group enterprises		3,007,874	129,804
Other receivables		53,273	85,430
Income tax receivable		83,786	0
Receivables		5,957,072	1,349,141
Cash		2,960,016	17,524,852
Current assets		19,158,370	23,526,223
Assets		25,249,269	29,615,463

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		500,000	500,000
Retained earnings		21,372,171	21,547,739
Equity		21,872,171	22,047,739
Deferred tax		195,000	237,000
Other provisions		627,750	1,170,133
Provisions		822,750	1,407,133
Mortgage debt		0	633,107
Deposits		183,000	0
Non-current liabilities other than provisions	4	183,000	633,107
Current portion of non-current liabilities other than provisions	4	0	240,463
Prepayments received from customers		698,166	673,330
Trade payables		249,986	318,427
Payables to group enterprises		123,560	1,381,150
Income tax payable		0	322,322
Other payables		1,299,636	2,591,792
Current liabilities other than provisions		2,371,348	5,527,484
Liabilities other than provisions		2,554,348	6,160,591
Equity and liabilities		25,249,269	29,615,463
Unrecognised rental and lease commitments	5		
Assets charged and collateral	6		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	21,547,739	22,047,739
Profit/loss for the year	0	(175,568)	(175,568)
Equity end of year	500,000	21,372,171	21,872,171

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	3,423,517	4,446,856
Pension costs	399,852	394,572
Other social security costs	50,010	51,253
	3,873,379	4,892,681
Average number of full-time employees	5	5

2 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	0	355,740
Change in deferred tax	(42,000)	42,000
	(42,000)	397,740

3 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost beginning of year	9,241,727	666,834
Additions	97,500	44,178
Disposals	0	(247,481)
Cost end of year	9,339,227	463,531
Depreciation and impairment losses beginning of year	(3,184,641)	(634,680)
Depreciation for the year	(121,591)	(18,428)
Reversal regarding disposals	0	247,481
Depreciation and impairment losses end of year	(3,306,232)	(405,627)
Carrying amount end of year	6,032,995	57,904

4 Non-current liabilities other than provisions

	Due within 12 months	Due after more than 12 months
	2022	2023
	DKK	DKK
Mortgage debt	240,463	0
Deposits	0	183,000
	240,463	183,000

5 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	197,512	228,460

6 Assets charged and collateral

None.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

The annual report is presented in DKK.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation

Depreciation relating to property, plant and equipment comprise of depreciation for the financial year, and gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income, including payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Property, plant and equipment**

Land and buildings and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	5-50 years
Other fixtures and fittings, tools and equipment	3-4 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised

cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.