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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 Copenhagen V
CVR no. 20 22 26 70

MENETA HOLDING A/S

KIRKEGYDEN 52, 5270 ODENSE N

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2016

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 16 May 2017

Georg Michael Ruhl

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 25 67 39 48

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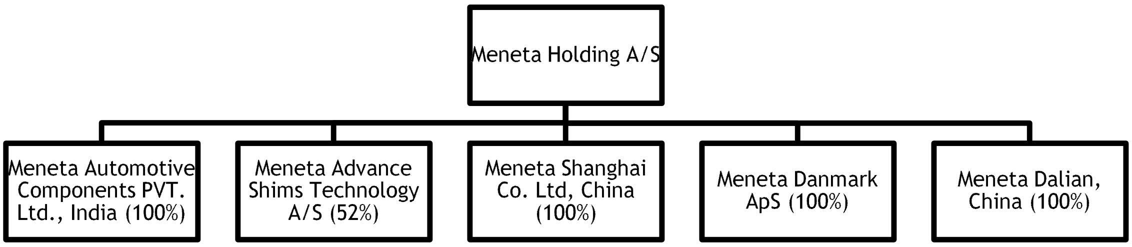
COMPANY DETAILS

Company	Meneta Holding A/S Kirkegyden 52 5270 Odense N	
	Website:	www.meneta.dk
	CVR no.:	25 67 39 48
	Established:	15 October 2000
	Registered Office:	Odense
	Financial Year:	1 January - 31 December
Board of Directors	George Michael Ruhl, Chairman Christopher Watson Johnny Haakonsson Ole Thanning Roholdt	
Board of Executives	Johnny Haakonsson	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	
Bank	Danske Bank Albani Torv 2-3 5000 Odense C	

GROUP STRUCTURE



STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Meneta Holding A/S for the year 1 January - 31 December 2016.

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

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Company's financial position at 31 December 2016 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2016.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Odense, 27 April 2017

Board of Executives

Johnny Haakonsson

Board of Directors

George Michael Ruhl Chairman	Christopher Watson	Johnny Haakonsson

Ole Thanning Roholdt

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Meneta Holding A/S

Opinion
We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Meneta Holding A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group and the Parent Company at 31 December 2016 and of the results of the Group and the Parent Company operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2016 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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements
Management is responsible for the preparation of Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's Review
Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements and the Parent Company 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's Review provides the information required under the Danish Financial Statements Act.

INDEPENDENT AUDITOR'S REPORT

Based on the work we have performed, we conclude that Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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's Review.

Copenhagen, 27 April 2017

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole C. K. Nielsen	Søren Søndergaard Jensen
State Authorised Public Accountant	State Authorised Public Accountant

FINANCIAL HIGHLIGHTS OF THE GROUP

	2016 DKK '000	2015 DKK '000	2014 DKK '000	2013 DKK '000	2012 DKK '000
Income statement					
Net revenue	631.706	620.094	577.444	491.671	467.175
Gross profit/loss	266.548	238.961	220.078	161.531	152.203
Operating profit/loss	91.825	78.186	72.835	25.880	35.039
Financial income and expenses, net	-3.607	-131	-3.022	-19.812	-9.959
Profit/loss for the year before tax	88.218	78.055	69.813	6.068	25.080
Profit/loss for the year	68.572	57.494	48.615	4.322	17.767
Balance sheet					
Balance sheet total	566.091	529.709	455.796	412.463	425.848
Equity	280.931	217.901	161.642	112.461	121.649
Invested capital	304.525	247.039	187.423	131.711	134.243
Cash flows					
Investment in tangible fixed assets	-52.040	-33.219	-31.160	-13.958	-54.474
Average number of full-time employees	**1.615**	**1.360**	**1.346**	**1.187**	**1.099**
Ratios					
Gross margin	42,2	38,5	38,1	32,9	32,6
Profit margin	14,5	12,6	12,6	5,3	7,5
Rate of return	22,5	23,3	25,9	3,3	13,2
Solvency ratio	49,6	41,1	35,5	27,3	28,6
Return on equity	27,5	30,3	35,5	3,7	15,5
Index for net revenue	135	133	124	105	100
Net revenue per employee	391	456	429	414	425

FINANCIAL HIGHLIGHTS OF THE GROUP

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:	Gross profit x 100 / Net revenue
Profit margin:	Operating profit/loss x 100 / Net revenue
Rate of return:	Profit/loss on ordinary activities x 100 / Average invested capital
Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets – trade payables – other provisions – other long and short term working liabilities
Solvency ratio:	Equity ex. minorities, at year end x 100 / Total equity and liabilities, at year end
Return on equity:	Profit/loss after tax x 100 / Average equity
Net revenue per employee DKK ('000)	Net revenue DKK('000) / Average number of full-time employees

The ratios follow in all material respects the recommendations of the Danish Finance Society.

MANAGEMENT'S REVIEW

Principal activities

On 1 January 2016 Meneta ApS changed to Meneta A/S and subsequently merged with Meneta Holding ApS, with Meneta A/S as the continuing company, under the name Meneta Holding A/S.

Meneta Holding A/S is the parent company of Meneta Danmark ApS and Meneta Advanced Shims Technology A/S, both Denmark, Meneta Automotive Components Private Limited, India, Meneta Shanghai and Meneta Dalian, both China.

The activities of the company lie within production and sales of braking components, such as back plates, anti-noise shims, Kit-set and accessories.

Meneta Holding obtains also revenue and profit from NVH Dyno testing from Branch office in Koblenz, Germany for external customers.

Aside from the management and secretary, the company employs employees within the areas of new technology, finance and IT as well as employees to support the various subsidiaries within business development, R & D, production, design etc.

Development in activities and financial position

The Group obtained a consolidated sale of DKK 632 m being an increase of approximately 2 %.

EBITDA made up DKK 125 m, an increase of approximately 14 %.

The result of the year ended at DKK 69 m against DKK 58 m in year 2015. The result was not as expected because of a lower revenue and profit from Meneta Automotive Components Private Limited, India, but the profit of the year is the highest in Meneta Group history.

The result of the two Danish companies and Meneta Shanghai was satisfactory.

Throughout the year, we have invested DKK 52 m in fixed assets in the various group companies.

Profit/loss for the year compared to future expectations

We expect for 2017 a minor increase in revenue and a continued, satisfactory profit, being slightly above this year's profit.

Events after the end of the financial year

Meneta Holding A/S has end of 2016 invested in land next to the factory in Odense, where the building of new production, warehouse and test facilities, and office is ongoing during most of year 2017.

Further, no events have occurred after the end of the financial year of material importance for the company's financial position.

Special risks
A considerable part of the Group’s raw materials are dependent on the price of steel and oil.

Raw materials, sales prices, and assets and liabilities are dependent on the development in a line of currencies. The currency exposure is constantly evaluated and risk hedging takes place according to determined policies and rules.

Environmental situation
Meneta Holding A/S is aware of the products’ and production processes’ potential environmental impact. Work is done constantly to reduce it.

Development activities
The Group’s utilized means on development activities have been taken to the profit and loss account.

Corporate social responsibility
Product development is focused on reducing the environmental impact of our products including the elimination of heavy metals.

Currently Meneta does not have a corporate social responsibility policy.

Target figures and policies for the underrepresented gender
The company focuses on increasing the number of female managers and have established target figures for how many of the underrepresented gender shoud sit on the board of directors. Further the company has prepared policies to ensure the right composition of gender in the management generally.

The Company has a target that at least 20 % of the board members elected at the Annual General Meeting of shareholders in the Company must be women within the next 4 years. Status at the end of 2016 is that none of the Company’s board members are women.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group 2016 DKK '000	Group 2015 DKK '000	Parent company 2016 DKK '000	Parent company 2015 DKK '000
NET REVENUE	1	**631.706**	**620.094**	**28.821**	**26.719**
Cost of sales		-276.834	-297.496	-218	-160
Other external expenses	2	-88.324	-83.637	430	1.365
GROSS PROFIT/LOSS		**266.548**	**238.961**	**29.033**	**27.924**
Staff costs	3	-141.207	-128.753	-6.851	-5.187
Depreciation, amortisation and impairment		-33.516	-32.022	-4.091	-3.248
OPERATING PROFIT		**91.825**	**78.186**	**18.091**	**19.489**
Income from investments		0	0	47.976	35.570
Other financial income	4	1.894	6.056	508	699
Other financial expenses		-5.501	-6.187	-1.611	-1.999
PROFIT BEFORE TAX		**88.218**	**78.055**	**64.964**	**53.759**
Tax on profit/loss for the year	5	-19.646	-20.561	-3.921	-4.739
PROFIT FOR THE YEAR - DISCONTINUED OPERATIONS		**68.572**	**57.494**	**61.043**	**49.020**
Minority shareholders' share of result of subsidiaries		-7.529	-8.474	0	0
PROFIT FOR THE YEAR	6	**61.043**	**49.020**	**61.043**	**49.020**

BALANCE SHEET AT 31 DECEMBER

		Group		Parent company	
ASSETS	**Note**	**2016** DKK '000	**2015** DKK '000	**2016** DKK '000	**2015** DKK '000
Land and buildings		80.950	82.702	21.818	23.490
Production plant and machinery		112.603	98.397	8.222	5.009
Other plant, machinery, tools and equipment		9.104	9.674	534	718
Tangible fixed assets in progress and prepayment		21.028	14.388	8.515	3.358
Tangible fixed assets	7	**223.685**	**205.161**	**39.089**	**32.575**
Participating interests in affiliated undertakings		0	0	273.890	218.554
Other long-term receivables from affiliated undertakings		0	0	14.926	20.076
Fixed asset investments	8	**0**	**0**	**288.816**	**238.630**
FIXED ASSETS		**223.685**	**205.161**	**327.905**	**271.205**
Raw materials and consumables		68.720	50.355	0	0
Goods in progress		18.632	18.557	0	0
Finished goods and goods for resale		78.625	73.020	0	0
Inventories		**165.977**	**141.932**	**0**	**0**
Trade receivables		129.207	91.342	1.171	1.307
Amounts owed by affiliated undertakings		0	33.499	7.802	11.888
Deferred tax assets	9	238	154	0	0
Other receivables		25.241	48.131	5.041	4.839
Receivables		**154.686**	**173.126**	**14.014**	**18.034**
Cash and cash equivalents		**21.743**	**9.490**	**1**	**36**
CURRENT ASSETS		**342.406**	**324.548**	**14.015**	**18.070**
ASSETS		**566.091**	**529.709**	**341.920**	**289.275**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2016 DKK '000	Group 2015 DKK '000	Parent company 2016 DKK '000	Parent company 2015 DKK '000
Share capital	10	40.600	40.600	40.600	40.600
Reserve for net revaluation under the equity method		0	0	154.422	104.311
Retained profit		240.331	177.301	85.909	72.990
Minority shareholders		46.157	38.628	0	0
EQUITY		**327.088**	**256.529**	**280.931**	**217.901**
Debt to banks		34.215	31.395	35.501	31.398
Other creditors		58	58	0	20.076
Lease liabilities		5.155	10.479	0	0
Long-term liabilities	11	**39.428**	**41.932**	**35.501**	**51.474**
Short-term portion of long-term liabilities	11	9.127	13.729	7.661	4.670
Debt to banks		89.731	67.988	3.032	1.892
Trade payables		55.885	67.292	576	991
Payables to group enterprises		0	0	4.694	981
Other creditors		44.832	82.239	9.525	11.366
Current liabilities		**199.575**	**231.248**	**25.488**	**19.900**
LIABILITIES		**239.003**	**273.180**	**60.989**	**71.374**
EQUITY AND LIABILITIES		**566.091**	**529.709**	**341.920**	**289.275**

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EQUITY

	Group			
	Share capital	Retained profit	Minority shareholders	Total
Equity at 1 January 2016	40.600	177.301	38.628	256.529
Value adjustments of equity		1.987		1.987
Proposed distribution of profit		61.043	7.529	68.572
Equity at 31 December 2016	**40.600**	**240.331**	**46.157**	**327.088**

	Parent company			
	Share capital	Reserve for net revaluation according to equity va	Retained profit	Total
Equity at 1 January 2016	40.600	104.311	72.990	217.901
Value adjustments of equity			1.987	1.987
Proposed distribution of profit		50.111	10.932	61.043
Equity at 31 December 2016	**40.600**	**154.422**	**85.909**	**280.931**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2016 DKK '000	**2015** DKK '000
Profit/loss for the year	68.572	57.494
Reversed depreciation of the year	33.516	32.022
Reversed tax on profit for the year	19.646	20.561
Other adjustments	1.985	7.239
Change in inventory	-24.045	-21.451
Change in receivables	19.437	-45.937
Change in current liabilities (ex bank, tax and dividend)	-73.060	12.382
CASH FLOWS FROM OPERATING ACTIVITY	**46.051**	**62.310**
Purchase of tangible fixed assets	-52.040	-33.219
CASH FLOWS FROM INVESTING ACTIVITY	**-52.040**	**-33.219**
Other changes in long-term debt	-3.501	-21.109
CASH FLOWS FROM FINANCING ACTIVITY	**-3.501**	**-21.109**
CHANGE IN CASH AND CASH EQUIVALENTS	**-9.490**	**7.982**
Cash and cash equivalents at 1 January	-58.498	-66.480
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**-67.988**	**-58.498**

NOTES

	Group		Parent company		
	2016 DKK '000	**2015** DKK '000	**2016** DKK '000	**2015** DKK '000	**Note**
Net revenue					**1**
Revenue, Denmark	807	870	0	0	
Revenue, other countries	630.899	619.224	28.821	26.719	
	631.706	**620.094**	**28.821**	**26.719**	
Segment details (geography)					
Revenue, Denmark	807	870	0	0	
Revenue, other countries	630.899	619.224	28.821	26.719	
	631.706	**620.094**	**28.821**	**26.719**	
Fee to statutory auditors					**2**
Total fee:					
BDO	838	880	229	110	
	838	**880**	**229**	**110**	
Specification of fee:					
Statutory audit	573	452	67	45	
Other services	265	428	162	65	
	838	**880**	**229**	**110**	
Staff costs					**3**
Average number of employees Group: 1.615 (2015: 1.360) Parent company: 11 (2015: 7)					
Wages and salaries	126.010	115.064	5.822	4.339	
Pensions	8.286	7.693	957	809	
Social security costs	6.911	5.996	72	39	
	141.207	**128.753**	**6.851**	**5.187**	
Other financial income					**4**
Afiliated undertakings	0	0	321	0	
Other interest income	1.894	6.056	187	699	
	1.894	**6.056**	**508**	**699**	

NOTES

	Group 2016 DKK '000	Group 2015 DKK '000	Parent company 2016 DKK '000	Parent company 2015 DKK '000	Note
Tax on profit/loss for the year					5
Calculated tax on taxable income of the year	19.551	20.794	4.074	4.563	
Adjustment of tax for previous years	-97	0	-52	360	
Adjustment of deferred tax	192	-233	-101	-184	
	19.646	**20.561**	**3.921**	**4.739**	
Proposed distribution of profit					6
Reserve for net revaluation under the equity method	0	0	50.111	42.391	
Retained profit	61.043	49.020	10.932	6.629	
	61.043	**49.020**	**61.043**	**49.020**	

Tangible fixed assets 7

	Group Land and buildings	Group Production plants and machinery
Cost at 1 January 2016	110.131	255.771
Exchange adjustment	2.301	2.282
Additions	963	41.253
Disposals	0	-8.479
Cost at 31 December 2016	**113.395**	**290.827**
Depreciation and impairment losses at 1 January 2016	27.429	157.374
Exchange adjustment	315	1.030
Reversal of depreciation of assets disposed of	0	-8.331
Depreciation for the year	4.701	28.151
Depreciation and impairment losses at 31 December 2016	**32.445**	**178.224**
Carrying amount at 31 December 2016	**80.950**	**112.603**

	Group Other plants, machinery, tools and equipment	Group Tangible fixed assets in progress and prepayment
Cost at 1 January 2016	22.146	14.388
Exchange adjustment	425	133
Additions	2.177	14.598
Disposals	0	-8.091
Cost at 31 December 2016	**24.748**	**21.028**
Depreciation and impairment losses at 1 January 2016	12.472	
Exchange adjustment	254	
Depreciation for the year	2.918	
Depreciation and impairment losses at 31 December 2016	**15.644**	
Carrying amount at 31 December 2016	**9.104**	**21.028**

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Fixed asset investments 8

	Parent company Equity investments in group enterprises
Cost at 1 January 2016	114.243
Additions	5.225
Cost at 31 December 2016	**119.468**
Revaluation at 1 January 2016	104.311
Exchange adjustment	1.985
Profit/loss for the year	47.976
Profit on internal sale of fixed assets	150
Revaluation at 31 December 2016	**154.422**
Carrying amount at 31 December 2016	**273.890**

Investments in subsidiaries (DKK '000)

Name and registered office	Equity	Profit/loss for the year	Ownership
Meneta Danmark ApS, Odense	72.173	13.479	100 %
Meneta Advance Shims Technology A/S, Odense	96.160	8.157	52 %
Meneta Automative Components Pvt. Ltd., India	96.111	10.054	100 %
Meneta Shanghai Co. Ltd, China	34.747	11.748	100 %
Meneta Dalian Co. Ltd., China	21.154	4.486	100 %

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Note

Deferred tax assets 9

Provision for deferred tax comprises deferred tax on contract work in progress, inventory and intangible and tangible fixed assets.

	Group		Parent company	
	2016	**2015**	**2016**	**2015**
	DKK '000	DKK '000	DKK '000	DKK '000
Deferred tax assets, 1 January 2016	154	154	0	0
Added in the year 2016	84	0	0	0
Deferred tax assets 31 December 2016	**238**	**154**	**0**	**0**

Net deferred tax assets at year-end amount to EUR ('000) 238. Given that there is no taxable losses at year-end and based on the company's projected future taxable profits, the deferred tax asset is fully recoverable.

Share capital 10

Specification of the share capital:

Shares, 100 in the denomination of 406.000 DKK	40.600	40.600
	40.600	**40.600**

Long-term liabilities 11

	Group			
	1/1 2016 total liabilities	**31/12 2016 total liabilities**	**Repayment next year**	**Debt outstanding after 5 years**
Bank loan	45.124	41.495	7.280	16.724
Other liabilities	58	58	0	0
Lease liabilities	10.479	7.002	1.847	0
	55.661	**48.555**	**9.127**	**16.724**

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Contingencies etc. 12

Contingent liabilities

	Group		Parent company	
	2016 DKK '000	**2015** DKK '000	**2016** DKK '000	**2015** DKK '000
Guarantee for subsidiaries............	114.338	96.523	38.718	70.398

Joint liabilities
The Danish companies of the Group is jointly and severally liable for tax on the Group's joint taxable income.

Charges and securities 13

	Group		Parent company	
	Carrying amount of assets **DKK '000**	Nominal value of mortgage or outstanding debt **DKK '000**	Carrying amount of assets **DKK '000**	Nominal value of mortgage or outstanding debt **DKK '000**
Land and buildings.....................	21.818	0	21.818	0
Production, plant and machinery, estimated value........................	8.500	0	8.500	0
Mortgage deeds on property and other security for bank debt, norminal.................................	0	19.000	0	19.000
Chattel mortgage on machinery and plant.....................................	0	2.000	0	0
Chattel mortgage on inventory and receivables..............................	151.654	40.000	0	0
Shares in Meneta Denmark ApS and Meneta Automotive Components Pvt. Ltd..................................	167.465	167.465	167.465	167.465

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Related parties 14
Meneta Holding A/S' related parties include:

Meneta Denmark ApS
Meneta Advanced Shims Technology A/S
Meneta Automotive Component Pvt. Ltd., India
Meneta (Shanghai) Co. Ltd., China
Meneta Dalian Co. Ltd. China

Controlling interest
Steve Wang, USA

Other related parties having performed transactions with the company
The company’s related parties with significant influence comprise subsidiaries and associates, the board of directors, board of executives, and leading employees of such companies as well as closely related family members of these. Related parties also comprise companies in which members of the above group hold significant interest.

Transactions with related parties
The company did not carry out any substantial transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The annual report of Meneta Holding A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large enterprise.

The annual report is prepared consistently with the accounting principles used last year.

Consolidated financial statements
The consolidated financial statements include the parent company Meneta Holding A/S and its subsidiaries in which Meneta Holding A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor’s opinion, built on an overall assessment of the production equipment.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries’ market value of net assets and liabilities at the acquisition date.

Positive differences between acquisition value and market value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the income statement under an individual assessment of the useful life. Negative differences are recognised in the Income Statement upon acquisition. Differences from acquired enterprises amount to DKK (‘000).

Investments in associates are measured in the balance sheet at the proportional share of the value of the enterprises, calculated under the accounting policies of the parent company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the income statement after elimination of the proportional share of internal gains and losses.

INCOME STATEMENT

Net revenue
Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

ACCOUNTING POLICIES

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. Repayments from public authorities are deducted from staff costs.

Investments in subsidiaries
The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Financial income and expenses in general
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, 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 on profit for the year
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.

BALANCE SHEET

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

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
Buildings..	5-30 years	0 %
Production plant and machinery..	4-10 years	0 %
Other plant, fixtures and equipment...	3-10 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.

Fixed asset investments
Investments in subsidiaries are measured in the company's balance sheet under the equity method.

Investments in subsidiaries are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipments.

Consolidated goodwill is amortised over the expected useful life determined on the basis of management's experience within the individual lines of business. Consolidated goodwill is amortised on a straight-line basis over the period of amortisation which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific condition.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiary's deficit.

Impairment of fixed assets
The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, 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 net realisable value is lower than the carrying amount, the assets are written down to the lower value.

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.

ACCOUNTING POLICIES

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

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.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

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

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

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 of current liabilities usually corresponds to nominal value.

ACCOUNTING POLICIES

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.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

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.

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and cash in hand.