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

MENETA A/S

KIRKEGYDEN 52, 5270 ODENSE N

ANNUAL REPORT

2015

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 4 May 2016

_____

George Michael Ruhl

CVR NO. 25 67 39 48

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COMPANY DETAILS

Company	Meneta A/S Kirkegyden 52 5270 Odense N
	Website: www.meneta.dk E-mail: men@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, Vice-chairman Johnny Haakonsson Ole Thanning Roholdt
Board of Executives	Johnny Haakonsson
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Nordea Bank A/S Vester Stationsvej 7 5000 Odense C

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 A/S for the year 1 January - 31 December 2015.

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 company's financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015.

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

We recommend that the Annual Report be approved at the Annual General meetings.

Odense, 30 March 2016

Board of Executives

_____
Johnny Haakonsson

Board of Directors

_____	_____	_____
George Michael Ruhl	Christopher Watson	Johnny Haakonsson

_____
Ole Thanning Roholdt

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Meneta A/S

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Meneta A/S for the financial year 1 January to 31 December 2015, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility 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 free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit Legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of financial statements that give a true and fair view 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion
In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

INDEPENDENT AUDITOR'S REPORT

STATEMENT ON THE MANAGEMENT'S REVIEW

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, 30 March 2016

BDO Statsautoriseret revisionsaktieselskab, CVR-nr. 20 22 26 70

Ole C. K. Nielsen
State Autorized Public Accountant

Søren Søndergaard Jensen
State Autorized Public Accountant

KEY FIGURES AND RATIOS

	2015 DKK '000	2014 DKK '000	2013 DKK '000	2012 DKK '000	2011 DKK '000
Income statement					
Net revenue	26.719	9.130	168.884	169.741	176.835
Gross profit	28.393	13.161	46.933	49.010	50.993
Operating profit/loss	19.758	9.407	-7.376	390	-1.923
Profit/loss for the year	48.771	43.187	-1.087	13.123	-8.376
Balance sheet					
Balance sheet total	266.271	225.316	253.459	268.217	250.560
Equity	196.055	140.047	91.300	100.846	90.788
Ratios					
Gross margin	106,3	144,2	27,8	28,9	28,8
Rate of return	21,8	18,8	-2,8	0,2	-0,8
Solvency ratio	73,6	62,2	36,0	37,6	36,2
Average number of employees	7	2	116	108	112
Index for net revenue	15	5	96	96	100

The key figures follow in all material respects the recommendations of the Danish Association of Financial Analysts. Reference is made to the definitions and concepts in the accounting policies.

MANAGEMENT'S REVIEW

Principal activities
Meneta A/S is solely the parent company of all subsidiaries and at the same time owner of assets such as land and buildings for the Danish companies.

Meneta A/S obtains also revenue from NVH Dyno testing and from services given to subsidiaries.

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 and design etc.

Development in activities and financial position
The revenue of the parent company made up 27 Mio. DKK.

Meneta Danmark ApS made up a revenue of 159 Mio. DKK and the result of the year ended at a profit of 11 Mio. DKK

Meneta Advanced Shims Technology A/S made up a revenue of 262 Mio. DKK and the result of the year ended at a profit of 18 Mio. DKK.

Meneta Automotive Components Private Limited made up a revenue of 257 Mio. DKK and the result of the year ended at a profit of 9 Mio. DKK.

Meneta (Shanghai) Co. Ltd. made up a revenue of 44 Mio. DKK and the result of the year ended at a profit of 7.2 Mio. DKK.

The other Chinese company Meneta (Dalian) Co. Ltd. made up a revenue of 2.5 Mio. DKK and the result of the year was a loss of 0.8 Mio. DKK.

Result of the year
The total profit of Meneta A/S made up 49 Mio. DKK.

During the year, the company invested 10 Mio. DKK in Machinery and equipment.

Future expectations
For the year 2016, we expect an increase of revenue and a continued, satisfactory result being 10% above this year's result.

Events after the end of the financial year
Meneta (Dalian) Co. Ltd. has as per 1st January 2016 bought the activities of a company which produces accessories (kit sets). Expected annual turnover is approximately 50 Mio. DKK meaning that Meneta (Dalian) will obtain a positive and good result as from year 2016.

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

ACCOUNTING POLICIES

The annual report of Meneta A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

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

General about recognition and measurement
Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and writedown, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will flow from the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of tangible fixed assets is reviewed annually to determine if there is any indication of impairment in excess of the amount reflected by normal depreciation. If this is the case, write-down should be made to the lower recoverable amount.

Consolidated financial statements
Consolidated financial statements and cash flow statement have not been prepared because the company fulfils the exemption provisions of section 86 and 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Meneta Holding ApS, Kirkegyden 52, 5270 Odense N, CVR number 27076998.

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.

Other external costs
Other external costs include costs relating to distribution, sale, advertising, administration, premises, loss on bad debts, operating lease expenses and similar expenses.

Other operating income and expenses
Other operating income and expenses include items of a secondary nature in relation to the enterprises' principal activities.

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 included in staff costs.

ACCOUNTING POLICIES

Investments in subsidiaries
The proportional share of results of subsidiaries after full elimination of intercompany profits/losses and deduction of amortised goodwill is recognised in the company's income statement.

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 can be attributed to the profit for the year, and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity.

The company is jointly taxed with wholly owned Danish and foreign subsidiary enterprises. The current Danish corporation tax is distributed between the jointly taxed Danish companies in proportion to their taxable income and with full distribution with refund regarding taxable losses. The jointly taxed companies are included in the tax-on-account scheme.

BALANCE SHEET

Tangible fixed assets
Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-downs. No depreciation is provided on land.

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 as follows:

	Useful life	Residual value
Buildings.....	5-30 years	0%
Other plants, fixtures and equipment.....	3-7 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.

ACCOUNTING POLICIES

BALANCE SHEET

Fixed asset investments
Investments in subsidiary enterprises are measured in the parent company balance sheet under the equity method.

Investments in subsidiary enterprises 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 calculated in accordance with the acquisition method.

Net revaluation of investments in subsidiary enterprises 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.

Subsidiary enterprises with a negative carrying equity value are measured to DKK 0, and any amounts due from these enterprises are written down by the parent 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 parent company has a legal or actual liability to cover the subsidiary's negative balance.

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

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

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.

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. A change in the deferred tax, which is a result of changes to tax rates, is recognised in the income statement with the exception of items that are taken directly to 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.

Other liabilities are measured at amortised cost equal 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 receivable or payable 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.

KEY FIGURES

The key figures are prepared in accordance with the guidance of Den Danske Finansanalytikerforening on "Recommendation & Key Figures". Reference is made to survey of principal figures and key figures concerning the formula for calculation of individual key figures.

Gross margin:

$$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$$

Rate of return:

$$\frac{\text{Profit before tax} \times 100}{\text{Avg. assets}}$$

Solvency ratio:

$$\frac{\text{Equity, end of period} \times 100}{\text{Total liabilities, end of period}}$$

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2015	2014
		DKK '000	DKK '000
NET REVENUE		**26.719**	**9.130**
Other operating income		5.336	5.634
Other external expenses		-3.660	-1.603
GROSS PROFIT		**28.393**	**13.161**
Staff costs	1	-5.186	-1.144
Depreciation, amortisation and impairment		-3.449	-2.610
OPERATING PROFIT		**19.758**	**9.407**
Result of equity investments in group and associates		35.571	37.596
Other financial income	2	245	417
Other financial expenses	3	-1.983	-2.430
PROFIT BEFORE TAX		**53.591**	**44.990**
Tax on profit/loss for the year	4	-4.820	-1.803
PROFIT FOR THE YEAR		**48.771**	**43.187**

PROPOSED DISTRIBUTION OF PROFIT

Allocation to reserve for net revaluation according to equity value	42.391	47.021
Used of profit in previous years	6.380	-3.834
TOTAL	**48.771**	**43.187**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2015 DKK '000	2014 DKK '000
Land and buildings		23.490	25.544
Production plants and machinery		5.009	0
Other plants, machinery, tools and equipment		718	958
Tangible fixed assets in progress and prepayment		3.359	0
Tangible fixed assets	5	**32.576**	**26.502**
Equity investments in group enterprises		218.555	176.163
Receivables from group enterprises		0	11.942
Fixed asset investments	6	**218.555**	**188.105**
FIXED ASSETS		**251.131**	**214.607**
Trade receivables		1.307	0
Receivables from group enterprises		11.310	9.130
Deferred tax assets	7	902	669
Other receivables		908	493
Receivables corporation tax		425	238
Prepayments		287	179
Accounts receivable		**15.139**	**10.709**
Cash and cash equivalents		**1**	**0**
CURRENT ASSETS		**15.140**	**10.709**
ASSETS		**266.271**	**225.316**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2015 DKK '000	2014 DKK '000
Share capital		40.600	40.600
Reserve for net revaluation according to equity value		104.313	61.921
Retained profit		51.142	37.526
EQUITY	8	**196.055**	**140.047**
Bank loan		31.339	36.073
Other liabilities		58	58
Long-term liabilities	9	**31.397**	**36.131**
Short-term portion of long-term liabilities	9	4.670	4.660
Bank debt		1.893	2.447
Trade payables		991	706
Payables to group enterprises		22.212	34.359
Corporation tax		730	1.776
Other liabilities		8.323	5.190
Current liabilities		**38.819**	**49.138**
LIABILITIES		**70.216**	**85.269**
EQUITY AND LIABILITIES		**266.271**	**225.316**

Contingencies etc.	10
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	2015 DKK '000	2014 DKK '000	Note
Staff costs			1
Wages and salaries	4.325	1.144	
Pensions	781	0	
Social security costs	80	0	
	5.186	**1.144**	
Other financial income			2
Group enterprises	167	399	
Other financial income	78	18	
	245	**417**	
Other financial expenses			3
Group enterprises	536	714	
Other financial expenses	1.447	1.716	
	1.983	**2.430**	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year	4.644	1.603	
Adjustment of tax for previous years	360	0	
Adjustment of deferred tax	-184	200	
	4.820	**1.803**	

Tangible fixed assets 5

	Land and buildings	Production plants and machinery
Cost at 1 January 2015	42.415	0
Addition	0	6.089
Cost at 31 December 2015	**42.415**	**6.089**
Depreciation 1 January 2014	16.871	0
Depreciation	2.054	1.080
Depreciation and write-down at 31 December 2015	**18.925**	**1.080**
Carrying amount at 31 December 2015	**23.490**	**5.009**

NOTES

	Note
Tangible fixed assets (continued)	**5**

	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2015	1.226	0
Addition	74	3.359
Cost at 31 December 2015	**1.300**	**3.359**
Depreciation 1 January 2014	268	
Depreciation	314	
Depreciation and write-down at 31 December 2015	**582**	
Carrying amount at 31 December 2015	**718**	**3.359**

Fixed asset investments	**6**

	Equity investments in group enterprises
Cost at 1 January 2015	114.242
Disposal	0
Cost at 31 December 2015	**114.242**
Revaluation at 1 January 2015	61.922
Exchange adjustment at closing rate	6.670
Revaluation and write-down for the year	35.571
Other adjustments	150
Revaluation at 31 December 2015	**104.313**
Carrying amount at 31 December 2015	**218.555**

Investments in subsidiaries DKK ('000)

Company	Equity	Profit for the year	Ownership
Meneta Advanced Shims Technology A/S, Odense	80.474	17.655	52 %
Meneta Shanghai Co. Ltd., China	23.724	7.241	100 %
Meneta Automotive Components Pvt. Ltd., India	82.771	8.785	100 %
Meneta Dalian Co. Ltd., China	12.026	-811	100 %
Meneta Danmark ApS, Odense	58.694	11.174	100 %

NOTES

Note

Deferred tax assets 7

Provision for deferred tax relates to differences between the carrying amount and the tax value of securities and tangible fixed assets.

The amount breaks down as follows:

	Carrying Value	Tax Value	Tax depre. or amort. above carrying value
Tangible fixed assets	32.576	25.492	7.084
Borrowing cost	0	-165	165
Debt	0	3.148	-3.148
	32.576	**28.475**	**4.101**
Deferred tax asset			**902**

Equity 8

	Share capital	Reserve for net revaluation according to equity va	Retained profit	Total
Equity at 1 January 2015	40.600	61.922	37.525	140.047
Value adjustments of equity			7.237	7.237
Proposed distribution of profit		42.391	6.380	48.771
Equity at 31 December 2015	**40.600**	**104.313**	**51.142**	**196.055**

The share capital has not been changed in the past 5 years.

Share capital
Share capital:

	0	**0**

Long-term liabilities 9

	1/1 2015 total liabilities	31/12 2015 total liabilities	Repayment next year	Debt outstanding after 5 years
Bank loan	40.733	36.009	4.670	18.605
Other liabilities	58	58	0	0
	40.791	**36.067**	**4.670**	**18.605**

NOTES

Note

Contingencies etc. 10

Operating lease

The company has entered into operating rent and lease agreements with an average annual lease payment of DKK ('000) 520.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the jointly taxed group for tax on the group's jointly taxed income.

Charges and securities 11

Mortgage deeds, DKK ('000) 19,000, registred to land and buildings as well as production plants, for which the carrying amount at 31 December 2015 was DKK ('000) 23,490, have been provided as security for debt to banks of DKK ('000) 36,009.

As security for bank debt of DKK ('000) 36,009, the company has issued a business charge of the shares in Meneta Danmark ApS and Meneta Automotive Components Pvt. Ltd. at a total carrying amount of DKK ('000) 70,398 at 31 December 2015.

Related parties 12

Meneta ApS's related parties include:

Meneta Holding ApS
Meneta Danmark ApS
Meneta Advanced Shims Technology A/S
Meneta Automotive Components Pvt. Ltd.
Meneta (Shanghai) Co. Ltd.
Meneta Dalian Co. Ltd.

Transactions with related parties

During the year the company had transactions with related parties. The transactions were performed on an arm's length basis.

Ownership 13

The following shareholder is recorded in the company's register of shareholders as sole proprietor of the share capital:
Meneta Holding ApS
Kirkegyden 52, 5270 Odense N