

# HTC Nordic ApS

Finsensvej 78, 2000 Frederiksberg

Company reg. no. 33 06 41 87

## Annual report

### 2015

The annual report have been submitted and approved by the general meeting on the 10 June 2016.

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**Graham Wheeler**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's report**

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The board of directors and the managing director have today presented the annual report of HTC Nordic ApS for the financial year 1 January to 31 December 2015.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

The annual report is recommended for approval by the general meeting.

Frederiksberg, 8 June 2016

### **Managing Director**

Graham Wheeler

### **Board of directors**

Graham Wheeler  
Chairman

Wen-Yuan Wang

## **The independent auditor's report on the annual accounts**

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### **To the shareholder of HTC Nordic ApS**

We have audited the annual accounts of HTC Nordic ApS for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

### **The management's responsibility for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

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

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.

## **The independent auditor's report on the annual accounts**

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### **Opinion**

In our opinion, the annual accounts 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 to 31 December 2015 in accordance with the Danish Financial Statements Act.

Aarhus, 8 June 2016

### **Redmark**

State Authorised Public Accountants  
Company reg. no. 29 44 27 89

### **Morten Ryberg**

State Authorised Public Accountant

## Company data

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<b>The company</b>	HTC Nordic ApS Finsensvej 78 2000 Frederiksberg
	Company reg. no. 33 06 41 87 Established: 1 July 2010 Domicile: Frederiksberg Financial year: 1 January - 31 December
<b>Board of directors</b>	Graham Wheeler, Chariman Wen-Yuan Wang
<b>Managing Director</b>	Graham Wheeler
<b>Auditors</b>	Redmark, Statsautoriseret Revisionspartnerselskab Sommervej 31C 8210 Aarhus V
<b>Parent company</b>	HTC Netherlands BV

## **Accounting policies used**

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The annual report for HTC Nordic ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

## **Accounting policies used**

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Exchange rate adjustments of current accounts with foreign group enterprises, which are considered an addition or a deduction in the equity of independent group enterprises, are recognised directly in the equity. Likewise, capital profits and losses on loans and derived financial instruments for hedging independent foreign group enterprises are recognised in the equity.

### **The profit and loss account**

#### **Gross profit**

The gross profit comprises the net turnover and external costs.

The net turnover represents amounts receivable for services net of VAT and trade discounts.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

#### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

#### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to tangible fixed assets respectively.

#### **Net financials**

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

#### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

### **The balance sheet**

#### **Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.



## Accounting policies used

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The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture	3-5 years
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Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

### Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### Available funds

Available funds comprise cash at bank.

### Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

## **Accounting policies used**

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Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

### **Liabilities**

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

## Profit and loss account 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>Gross profit</b>	<b>7.042.870</b>	<b>7.850.428</b>
2 Staff costs	-6.440.112	-7.339.920
Depreciation and writedown relating to tangible fixed assets	<u>67.196</u>	<u>-28.204</u>
<b>Operating profit</b>	<b>669.954</b>	<b>482.304</b>
Other financial income	11.002	11.046
3 Other financial costs	<u>-52.753</u>	<u>-30.082</u>
<b>Results before tax</b>	<b>628.203</b>	<b>463.268</b>
Tax on ordinary results	<u>-170.110</u>	<u>-125.005</u>
<b>Results for the year</b>	<b><u>458.093</u></b>	<b><u>338.263</u></b>
 <b>Proposed distribution of the results:</b>		
Extraordinary dividend adopted during the financial year	6.000.000	0
Allocated to results brought forward	0	338.263
Allocated from results brought forward	<u>-5.541.907</u>	<u>0</u>
<b>Distribution in total</b>	<b><u>458.093</u></b>	<b><u>338.263</u></b>

## Balance sheet 31 December

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All amounts in DKK.

<b>Assets</b>		<u>2015</u>	<u>2014</u>
<u>Note</u>			
<b>Fixed assets</b>			
4	Other plants, operating assets, and fixtures and furniture	4.021	5.325
	Tangible fixed assets in total	<u>4.021</u>	<u>5.325</u>
	Other debtors	313.530	313.278
	Financial fixed assets in total	<u>313.530</u>	<u>313.278</u>
	<b>Fixed assets in total</b>	<b><u>317.551</u></b>	<b><u>318.603</u></b>
<b>Current assets</b>			
	Trade debtors	1.506.513	1.071.851
	Deferred tax assets	9.162	27.295
	Receivable corporate tax	24.612	220.363
	Other debtors	67.439	203.586
	Accrued income and deferred expenses	0	170.677
	Debtors in total	<u>1.607.726</u>	<u>1.693.772</u>
	Available funds	<u>2.354.232</u>	<u>9.756.304</u>
	<b>Current assets in total</b>	<b><u>3.961.958</u></b>	<b><u>11.450.076</u></b>
	<b>Assets in total</b>	<b><u>4.279.509</u></b>	<b><u>11.768.679</u></b>

## Balance sheet 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2015</u>	<u>2014</u>
<b>Equity</b>			
5	Contributed capital	80.145	80.145
6	Share premium account	856.622	856.622
7	Results brought forward	1.076.936	6.618.844
	<b>Equity in total</b>	<b><u>2.013.703</u></b>	<b><u>7.555.611</u></b>
<b>Liabilities</b>			
	Trade creditors	838	404.213
	Debt to group enterprises	114.300	327.327
	Other debts	2.150.668	3.481.528
	Short-term liabilities in total	<u>2.265.806</u>	<u>4.213.068</u>
	<b>Liabilities in total</b>	<b><u>2.265.806</u></b>	<b><u>4.213.068</u></b>
	<b>Equity and liabilities in total</b>	<b><u>4.279.509</u></b>	<b><u>11.768.679</u></b>
9	<b>Mortgage and securities</b>		
10	<b>Related parties</b>		

## Notes

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All amounts in DKK.

### 1. The significant activities of the enterprise

The company's main activity is to render sales and marketing support services.

	<u>2015</u>	<u>2014</u>
<b>2. Staff costs</b>		
Salaries and wages	6.076.486	6.832.594
Pension costs	326.371	417.341
Other costs for social security	-45.126	15.900
Other staff costs	82.381	74.085
	<u><b>6.440.112</b></u>	<u><b>7.339.920</b></u>
 Average number of employees	 <u>7</u>	 <u>7</u>
 <b>3. Other financial costs</b>		
Other financial costs	<u>52.753</u>	<u>30.082</u>
	<u><b>52.753</b></u>	<u><b>30.082</b></u>
	 <u>31/12 2015</u>	 <u>31/12 2014</u>
 <b>4. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2015	552.220	545.700
Additions during the year	0	6.520
Disposals during the year	-545.700	0
<b>Cost 31 December 2015</b>	<u><b>6.520</b></u>	<u><b>552.220</b></u>
 Depreciation and writedown 1 January 2015	 -546.895	 -518.692
Depreciation for the year	-1.304	-28.203
Depreciation and writedown, assets disposed of	545.700	0
<b>Depreciation and writedown 31 December 2015</b>	<u><b>-2.499</b></u>	<u><b>-546.895</b></u>
 <b>Book value 31 December 2015</b>	 <u><b>4.021</b></u>	 <u><b>5.325</b></u>
 <b>5. Contributed capital</b>		
Contributed capital 1 January 2015	<u>80.145</u>	<u>80.145</u>
	<u><b>80.145</b></u>	<u><b>80.145</b></u>

## Notes

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All amounts in DKK.

	<u>31/12 2015</u>	<u>31/12 2014</u>
<b>6. Share premium account</b>		
Share premium account 1 January 2015	<u>856.622</u>	<u>856.622</u>
	<b><u>856.622</u></b>	<b><u>856.622</u></b>
<b>7. Results brought forward</b>		
Results brought forward 1 January 2015	6.618.843	6.280.581
Profit or loss for the year brought forward	<u>-5.541.907</u>	<u>338.263</u>
	<b><u>1.076.936</u></b>	<b><u>6.618.844</u></b>
<b>8. Proposed dividend for the financial year</b>		
Extraordinary dividend adopted during the financial year	6.000.000	0
Distributed extraordinary dividend adopted during the financial year.	<u>-6.000.000</u>	<u>0</u>
	<b><u>0</u></b>	<b><u>0</u></b>
<b>9. Mortgage and securities</b>		
The company has no mortgage or securities.		
<b>10. Related parties</b>		
<b>Controlling interest</b>		
HTC Netherlands B.V., Secoya Building Papendorpseweg 99 3528 BJ, Utrecht Netherlands		Parent company
<b>Other related parties</b>		
HTC Corporation 23 Xinghua Rd. Taoyuan city 330 Taiwan, R.O.C		Ultimate parent company

## Notes

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All amounts in DKK.

### **Ownership**

According to the company's list of shareholders, the following shareholders own a minimum of 5 % of the voting rights or a minimum of 5 % of the share capital:

HTC Netherlands BV, Secoya Building

Papendorpseweg 99109

3528 BJ, Utrecht

Netherlands