

HTC Nordic ApS

c/o Redmark, Sommervej 31 C, 8210 Aarhus V

Company reg. no. 33 06 41 87

Annual report

2019

The annual report was submitted and approved by the general meeting on the 28 August 2020.

Graham Wheeler
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

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 2019.

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 at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

The board of directors and the managing director considers the requirements of omission of audit of the annual accounts for 2019 as met.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Aarhus V, 13 August 2020

Managing Director

Graham Wheeler

Board of directors

Graham Wheeler

Chia-Te Lu

Auditor's report on compilation of the annual accounts

To the shareholder of HTC Nordic ApS

We have compiled the financial statements of HTC Nordic ApS for the financial year 1 January - 31 December 2019 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position, statement of changes in equity and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Aarhus, 13 August 2020

Redmark

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

Jakob Westerdahl

State Authorised Public Accountant
mne31449

Company information

The company	HTC Nordic ApS c/o Redmark Sommervej 31 C 8210 Aarhus V
	Company reg. no. 33 06 41 87 Established: 1 July 2010 Domicile: Aarhus Financial year: 1 January - 31 December 10th financial year
Board of directors	Graham Wheeler Chia-Te Lu
Managing Director	Graham Wheeler
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Sommervej 31C 8210 Aarhus V
Parent company	HTC Netherlands BV

Management commentary

The principal activities of the company

Like previous years, the principal activities are sale and marketing support regarding HTC products.

Development in activities and financial matters

The results from ordinary activities after tax are DKK 57.551 against DKK 88.563 last year. The management consider the results satisfactory.

Events subsequent to the financial year

There has been no events subsequent to the financial year.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross profit	1.122.335	1.024.311
1 Staff costs	-1.045.034	-908.453
Operating profit	77.301	115.858
Other financial income	1.896	2.313
Other financial costs	-4.046	-1.976
Pre-tax net profit or loss	75.151	116.195
Tax on ordinary results	-17.600	-27.632
Net profit or loss for the year	57.551	88.563
Proposed appropriation of net profit:		
Transferred to retained earnings	57.551	88.563
Total allocations and transfers	57.551	88.563

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Current assets		
Amounts owed by group enterprises	770.268	249.754
Receivable corporate tax	12.400	18.368
Other debtors	13.835	5.348
Total receivables	<u>796.503</u>	<u>273.470</u>
Available funds	<u>1.882.085</u>	<u>2.289.516</u>
Total current assets	<u>2.678.588</u>	<u>2.562.986</u>
Total assets	<u>2.678.588</u>	<u>2.562.986</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity		
Contributed capital	80.000	80.000
Share premium	856.622	856.622
Retained earnings	<u>1.404.464</u>	<u>1.346.913</u>
Total equity	<u>2.341.086</u>	<u>2.283.535</u>
Liabilities other than provisions		
Trade payables	47.900	49.621
Payables to group enterprises	17.645	20.570
Other payables	<u>271.957</u>	<u>209.260</u>
Total short term liabilities other than provisions	<u>337.502</u>	<u>279.451</u>
Total liabilities other than provisions	<u>337.502</u>	<u>279.451</u>
Total equity and liabilities	<u>2.678.588</u>	<u>2.562.986</u>

2 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2018	80.000	856.622	1.258.350	2.194.972
Profit or loss for the year brought forward	0	0	88.563	88.563
Equity 1 January 2019	80.000	856.622	1.346.913	2.283.535
Profit or loss for the year brought forward	0	0	57.551	57.551
	80.000	856.622	1.404.464	2.341.086

Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
1. Staff costs		
Salaries and wages	1.042.762	906.181
Other costs for social security	<u>2.272</u>	<u>2.272</u>
	<u>1.045.034</u>	<u>908.453</u>
Average number of employees	<u>1</u>	<u>1</u>

2. Related parties

Controlling interest

HTC Netherlands B.V.

Parent company

Secoya Building

Papendorpseweg 99

8528 BJ, Utrecht

Netherlands

Other related parties

HTC Corporation

Ultimate parent company

23 xinghua Rd. Taoyuan City 330

Taiwan, R.O.C

Consolidated annual accounts

HTC Nordic ApS is part of the consolidated financial statements of HTC Corporation which is the smallest group in which the Company is consolidated. The consolidated financial statements can be requisitioned at the company's adress.

Accounting policies

The annual report for HTC Nordic ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in 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.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

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 are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies

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.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs for sales, administration, etc.

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.

Accounting policies

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns 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

Receivables

Available funds

Available funds comprise cash at bank and in hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium. The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

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.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

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.

Accounting policies

Liabilities

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