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Haamann
statsautoriserede revisorer

Addasound Denmark A/S

**Skalhuse 5, Gelstrup
9240 Nibe**

CVR no. 34 58 42 14

Annual Report 2020

The Annual Report was presented and adopted at the company's annual general meeting on:

25 March 2021



**Ping Di
Chairman**

ANNUAL REPORT 2020

(8. financial year)

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COMPANY INFORMATION

Company

Addasound Denmark A/S
Skalhuse 5, Gelstrup
9240 Nibe

CVR no.

34 58 42 14

Financial year

1 January - 31 December

Principal activities

The objective of the Company is to directly or through investments in other companies to carry on trade, research and development of loudspeakers, audio systems, etc. as well as other activities which in the opinion of the Board of Directors relate to its core business.

The company's board of directors

Min Di
Ping Di
Min Zhang

CEO

Ping Di

The company's auditor

Haamann A/S, State Authorized Public Accountant Firm
Filmbyen 20
2650 Hvidovre
CVR no. (business reg. no.) 24 25 69 95

MANAGEMENT'S STATEMENTS

The board of directors and the CEO have today presented the annual report for the financial year 1 January - 31 December 2020 for Addasound Denmark A/S.

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

We consider the accounting policies appropriate for the annual report to provide a true and fair view of the company's assets and liabilities, financial position and performance.

Moreover, in our opinion, the management's review includes a fair review of the matters described.

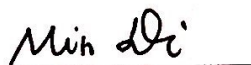
Nibe, 25 March 2021

Executive Board:



Ping Di

Board of Directors:



Min Di



Ping Di



Min Zhang

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Addasound Denmark A/S

Opinion

We have audited the Financial Statements of Addasound Denmark A/S for the financial year 1 January - 31 December 2020, which comprise an income statement, balance sheet, statement of changes in equity and notes. The Financial Statements are prepared 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis of 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 Financial Statements" section of our report. We are independent of the Company 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 of accounting information taken on the basis of these 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:

- Identify and assess the risks of material misstatement of the 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 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 Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the 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.

Based on the work we have performed, we conclude that Management's Review is in accordance with the 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.

Hvidovre, 25 March 2021

Haamann A/S
State Authorized Public Accountant Firm
CVR.nr. 24 25 69 95

Jan Østergaard
State Authorized Public Accountant
mne30203

MANAGEMENT'S REVIEW

The Company's principal activities

As in previous years, the company's principal activity has consisted of directly or through investments in other companies to carry on trade, research and development of loudspeakers, audio systems, etc. as well as other activities which in the opinion of the Board of Directors relate to its core business.

Uncertainty as to recognition and measurement

No material uncertainties have affected the annual report.

Exceptional circumstances

No exceptional circumstances have occurred in the financial year.

Development in activities and financial affairs

The company had a profit of DKK 985.601, for the financial year, which the company's management considers satisfactory.

In the coming year the company expects a satisfactory result.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that would materially affect the company's financial position.

INCOME STATEMENT
1 January - 31 December 2020

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> TDKK
Gross result		1.431.720	111
Staff costs	1	<u>-250.879</u>	<u>-245</u>
Operating profit and loss		1.180.841	-134
Financial income		84.893	0
Financial expenses		<u>-2.119</u>	<u>-22</u>
Profit or loss before tax		1.263.615	-156
Tax on profit or loss for the year		<u>-278.014</u>	<u>34</u>
Net profit or loss for the year		<u>985.601</u>	<u>-122</u>
Proposed distribution of results			
Retained earnings		<u>985.601</u>	<u>-122</u>
		<u>985.601</u>	<u>-122</u>

BALANCE 31 December 2020

ASSETS

	<u>Note</u>	<u>2020 DKK</u>	<u>2019 TDKK</u>
<u>Fixed assets</u>			
Fixed assets			
Deposits		77.875	78
Fixed assets, total		<u>77.875</u>	<u>78</u>
<u>Current assets</u>			
Receivables			
Short-term trade receivables		671.678	592
Other short-term receivables		10.710	6
Deferred tax assets		0	187
		<u>682.388</u>	<u>785</u>
Cash and cash equivalents		<u>676.403</u>	<u>80</u>
Current assets		<u>1.358.791</u>	<u>865</u>
Assets, total		<u>1.436.666</u>	<u>944</u>

BALANCE 31 December 2020

LIABILITIES AND EQUITY

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> TDKK
<u>Equity</u>			
Share capital		550.000	550
Retained earnings		<u>736.809</u>	<u>-249</u>
Equity, total		<u>1.286.809</u>	<u>301</u>
<u>Liabilities</u>			
Short-term liabilities other than provisions			
Trade payables		40.000	96
Payables to group enterprises		0	536
Corporation tax		83.014	0
Other payables		<u>26.843</u>	<u>10</u>
		<u>149.857</u>	<u>642</u>
Total liabilities		<u>149.857</u>	<u>642</u>
Total liabilities and equity		<u>1.436.666</u>	<u>944</u>
Events occurring after the end of the financial year	2		

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
Equity at 1 January 2020	550.000	-248.792	301.208
Profit (loss)		<u>985.601</u>	<u>985.601</u>
Equity at 31 December 2020	<u>550.000</u>	<u>736.809</u>	<u>1.286.809</u>

NOTES

	2020 DKK	2019 TDKK
1. <u>Staff costs</u>		
Wages and salaries	207.560	201
Social security costs	43.319	43
	<u>250.879</u>	<u>245</u>
 Average number of employees	 <u>1</u>	 <u>1</u>

2. Events occurring after the end of the financial year

No events have occurred after the end of the financial year that would materially affect the company's financial position.

ACCOUNTING POLICIES

The Annual Report of Addasound Denmark A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with application of some provisions for a higher reporting class C.

The accounting policies applied remain unchanged from last year.

General principles for recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities. Moreover, all expenses are incurred, including depreciation and amortisation.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future financial benefits will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which existed at the balance sheet date.

Income Statement

Revenue

Gross profit is made up of net sales less the direct sales costs attributable to net sales and less other external costs. Other operating income and expenses comprise items of a secondary nature to the principal activity of the company.

Income from the sale of goods is recognised in the income statement from the date of delivery and when the risk has passed to the buyer and services are possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

ACCOUNTING POLICIES

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax. Current and deferred tax regarding changes in equity is recognised directly in equity.

BALANCE SHEET

Other non-current assets

Leasehold deposits are recognised in the balance sheet at cost.

Receivables

Receivables are measured at amortised cost, usually corresponding to nominal value. The value is reduced by impairment losses for bad and doubtful debts.

Tax payable and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured under the balance-sheet liability method for temporary differences between the carrying amount and the tax base of assets and liabilities.

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

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the reporting date, will be applicable at the time when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement. For the current year, a tax rate of 22 per cent has been applied.

Payables

Other debt is measured at amortised cost, usually corresponding to nominal value.

ACCOUNTING POLICIES

Foreign currency translation

Foreign currency transactions are translated the exchange rate prevailing at the date of the transaction. Exchange differences arising between the exchange rate prevailing at the transaction date and the exchange rate at the payment date are recognised in the income statement as a net financial income or expense. If currency positions are regarded as a hedge of future cash flows, value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled on the reporting date are measured at the closing exchange rate. The difference between the closing rate and the rate at the time of the establishment of the receivable or payable is recognised in the income statement under financial income and expenses.

Non-current assets purchased in foreign currencies are measured at the exchange rate at the transaction date.

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Jan Østergaard

Statsautoriseret revisor

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