



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 825 195 262
Organisasjonsform: Aksjeselskap
Foretaksnavn: DSBJ NORWAY AS
Forretningsadresse: c/o NRP Procurator AS
Haakon VIIs gate 1
0161 OSLO

Regnskapsår

Årsregnskapets periode: 04.06.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Joakim Holand
Dato for fastsettelse av årsregnskapet: 25.08.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 20.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Other operating expenses	3	270 404	
Sum kostnader		270 404	
Driftsresultat		-270 404	
Finansinntekter og finanskostnader			
Annen renteinntekt	2	10 022 724	
Other financial income	2		
Sum finansinntekter		10 022 724	
Annen rentekostnad	2		
Other financial expenses	2	10 544 024	
Sum finanskostnader		10 544 024	
Netto finans		-521 300	
Ordinært resultat før skattekostnad		-791 704	0
Tax on ordinary result	7		
Ordinært resultat etter skattekostnad		-791 704	0
Årsresultat		-791 704	0
Årsresultat etter minoritetsinteresser		-791 704	
Totalresultat		-791 704	
Overføringer og disponeringer			
Transferred from other equity		-791 704	
Sum overføringer og disponeringer	6	-791 704	



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7		
Finansielle anleggsmidler			
Lån til foretak i samme konsern	4	4 405 970 539	
Sum finansielle anleggsmidler		4 405 970 539	
Sum anleggsmidler		4 405 970 539	0
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	4		
Other short-term receivables	4		
Konsernfordringer		3 196 765	
Sum fordringer	4	3 196 765	
Bankinnskudd, kontanter og lignende			
Cash and bank deposits		307 217 000	
Sum bankinnskudd, kontanter og lignende		307 217 000	
Sum omløpsmidler		310 413 764	0
SUM EIENDELER		4 716 384 303	0
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	5	300 000	
Beholdning av egne aksjer	5		
Overkurs		4 405 107 668	



Balanse

Beløp i: NOK	Note	2020	2019
Sum innskutt egenkapital	6	4 405 407 668	
Opptjent egenkapital			
Other equity		-791 704	
Sum opptjent egenkapital	6	-791 704	
Sum egenkapital	6	4 404 615 964	0
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	4		
Langsiktig konserngjeld	4		
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld	4	265 500	
Tax payable	7		
Utbytte		311 498 002	
Other current debt	4	4 838	
Sum kortsiktig gjeld	4	311 768 340	
Sum gjeld		311 768 340	0
SUM EGENKAPITAL OG GJELD		4 716 384 303	0



To the General Meeting of DSBJ Norway AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DSBJ Norway AS, which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by laws and regulations, 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.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the

*PricewaterhouseCoopers AS, Bratterkaia 17B, Postboks 6365 Torgard, NO-7492 Trondheim
T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm*



Independent Auditor's Report - DSBJ Norway AS



Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Trondheim, 25 August 2021
PricewaterhouseCoopers AS

Kjetil Smørdal
State Authorised Public Accountant

(This document is signed electronically)

(2)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Smørdal, Kjetil	BANKID_MOBILE	2021-08-25 20:21

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.




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of the document.



Financial Statements 2020

Dsbj Norway AS

Org.no.: 825 195 262

Prepared by:
NRP Procurator 



Annual report 2020 for Dsbj Norway AS

The type and location of the business

Dsbj Norway AS is a company wholly-owned by HongKong Dongshan Precision Union Opoelectronic Co, Limited and is engaged in lending money solely to companies within the DSBJ group. The company has its headquarter in Oslo, while its activities are run from its branch in Malta. The branch is subject to audit obligations in Malta.

Going concern

In accordance with § 3-3a of the Accounting Act it is confirmed that the going concern assumption is satisfied and this assumption has been applied in the preparation of the accounts.

Future development

The Company's business consists of lending money to companies within the DSBJ group. These loans are in USD. As the Company is resident in Norway, keeps its accounts and tax return in NOK and has tax costs in NOK, a fluctuation in the USD/NOK exchange rate will result in a foreign exchange gain or loss on the Company's hand. In order to insure against such gain/loss, the Company has entered into an agreement on settlement of foreign currency options with its associated company Dii Group (BVI) Co. Limited. The effective date of the agreement is 11. December 2020.

Report on the annual accounts

The board is not aware of any matters that are important for an assessment of the company's position and result that are not set out in the annual accounts. Similarly no matters have occurred after the end of the financial year that in the opinion of the board are material to an assessment of the accounts.

Financial risk

Dsbj Norway AS is exposed to different financial risks. The credit risk is linked to the lending business, but there are also exchange risk and financial market risk. The credit risk and the financial market risk are not significant and no special actions have therefore been introduced. The risks are described in note 8.

Working environment, equal opportunity and discrimination

The company has no employees in Norway. The branch has a Branch Manager, which is subject to legislation in Malta. The working environment is considered as good and therefore no special actions have been implemented. There was no personnel or material accidents reported during the year.

The company's board consists of 2 men. The company is aware of the social expectations of promoting gender equality. At this time there are no concrete actions to promote gender equality, but the board's goal is to fulfill these social expectations.

Dsbj Norway AS has a goal to be a workplace where there is full equality of opportunity between men and women, and has established a personnel policy that is considered to be gender neutral in all areas.

Environment reporting

The company does not carry on activity that pollutes the external environment.

Annual result and allocations

In 2020 the company had a result of after tax of NOK -791 704 which is proposed to be allocated as follows:

<u>Disposition</u>	<u>Amount</u>
Allocation to dividend	0
Allocation to group contribution	0
From other equity	791 704



Oslo, Norway, 25.08.2021
The board of Dsbj Norway AS

Derek Paul O'reilly
chairman of the board

Chao Liu
member of the board



Revenue statement

Dsbj Norway AS

Operating income and operating expenses	Note	15.6.2020 - 31.12.2020
Other operating expenses	3	270 404
Total operating expenses		270 404
Operating profit		-270 404
Other interest income	2	10 022 724
Other financial expenses	2	10 544 024
Net financial items		-521 300
Operating result before tax		-791 704
Ordinary result after tax		-791 704
Annual net profit		-791 704
Brought forward		
Transferred from other equity		791 704
Net brought forward	6	-791 704



Balance sheet
Dsbj Norway AS

Assets	Note	31.12.2020
Fixed assets		
Financial fixed assets		
Loan to group companies	4	4 405 970 539
Total financial fixed assets		4 405 970 539
Total fixed assets		4 405 970 539
Current assets		
Debtors		
Receivables from group companies		3 196 765
Total receivables	4	3 196 765
Cash and bank deposits		307 217 000
Total current assets		310 413 764
Total assets		4 716 384 303



Balance sheet
Dsby Norway AS

Equity and liabilities	Note	31.12.2020
Equity		
Paid-up equity		
Share capital	5	300 000
Share premium reserve		4 405 107 668
Total paid-up equity	6	4 405 407 668
Retained earnings		
Other equity		-791 704
Total retained earnings	6	-791 704
Total equity	6	4 404 615 964
Liabilities		
Current debt		
Trade creditors	4	265 500
Dividend		311 498 002
Other current debt	4	4 838
Total current debt	4	311 768 340
Total liabilities		311 768 340
Total equity and liabilities		4 716 384 303

Oslo, Norway, 25.08.2021
The board of Dsby Norway AS

Derek Paul O'reilly
chairman of the board

Chao Liu
member of the board



Indirect cash flow

Dsbj Norway AS

	Note	2020	2019
Cash flows from operating activities			
Profit/loss before tax		-791 704	0
Change in accounts payable		265 500	0
Effect of exchange rate fluctuations		7 449 720	0
Change in other accrual items		-3 161 927	0
Net cash flows from operating activities		3 761 589	0
Cash flows from investment activities			
Proceeds from down payment of IC receivables		310 905 130	0
Net cash flows from investment activities		310 905 130	0
Cash flows from financing activities			
Effect of exchange rate fluctuations on cash and cash e		-7 449 719	0
Net change in cash and cash equivalents		307 217 000	0
Cash and cash equivalents at the end of the period		307 217 000	0



Note 1 Accounting principles

The annual accounts have been prepared in conformity with the provisions of the Accounting Act and good accounting practice.

Use of estimates

The preparation of financial accounts in accordance with the Accounting Act requires the use of estimates. Furthermore, application of the company's accounting principles requires management to exercise judgment. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

Revenue recognition

Loan interest income is accounted for in the period when receivable. Operating expenses are recognised in the income statement upon utilisation of the service or at the date of their origin.

Balance sheet classification

Assets meant for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Accounts receivables which fall due for payment within one year are classified as current assets. The classification of current and long term liabilities is based on the corresponding criteria. Current assets are valued at the lower of cost and net realisable value. Current liabilities are carried at nominal value. Specific items are valued in accordance with other principles which are described below.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Changes to exchange rates are recognised at the income statement as Other Financial income/expenses as they occur during the accounting period. Transactions in USD are translated into NOK using the central bank of Norway's exchange rates. Exchange rate at 31st of December 2020 was 1 USD : NOK 8,5326

In 2020 the Company's business consists of lending money to companies within the DSBJ group. All loans were in USD.

The company uses forward contracts for foreign currencies to secure a future exchange rate on existing (balance sheet) assets/liabilities. Assets/liabilities secured through forward contracts are reflected in the balance sheet at forward exchange rate.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Tax is calculated using Malta tax rules and Malta tax rate at 35%. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions. Deferred income tax liabilities and assets are disclosed net in the balance sheet.

The branch operation's income is taxable to Malta and onwards also taxable to Norway. The Malta tax paid is credited against the Norwegian tax charge. Since the Company made a net loss in 2020, no Norwegian tax is payable for 2020.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash,



bank deposits and other short term, highly liquid investments with maturities of three months or less.

Note 2 Items that are aggregated in the accounts

Financial income	2020
Interest income from companies in the same group	4 834 843
Other interest income	2 021 117
Other financial income (effect of hedging)	3 166 765
Total financial income	10 022 724
Financial costs	
Other financial costs (disagio)	10 544 024
Total financial costs	10 544 024

	Principal amount USD	Interest rate	Total accrued interest USD	Total accrued interest NOK
Dragon Electronix Holding Inc.	100 699 979	2 %	111 889	969 259
Dragon Electronix Holding Inc.	401 610 196	2 %	446 234	3 865 584
Total interest income			558 122	4 834 843

The loan was effective from 11 December 2020 giving 20 days of Interest accrual.

Other interest income NOK 2 021 117 is interest accrued on the loans prior to acquisition, less acquisition cost / transfer price paid for this accrued interest. Transfer price assessed by third party expert.

Other financial income in 2020 was NOK 3 166 765, this is the result of currency hedging contracts in the period. The Company's hedge agreements are described in Note 8.

Note 3 Administrative expenses

	2020
Audit fees	215 500
Branch Manager fee	4 838
Other fees	50 000
Other administrative expenses	66
Total	270 404



Note 4 Inter-company items between companies in the same group

	2020
Receivables	
Loans to companies in the same group	4 405 970 539
Customer receivables within the group	0
Other short-term receivables within the group	3 196 765
Total	4 409 167 304
Liabilities	
Loans from companies in the same group	0
Debt to suppliers within the group	0
Other short-term liabilities within the group	311 498 002
Total	311 498 002

DSBJ Norway AS have 2 loans against Dragon Electronics Holdings Inc.

Loan 1 (Maturity 25/7/2023) Rate 2,00 %	USD	NOK
Principal amount	100 031 922	883 281 871
Total	100 031 922	883 281 871

Loan 2 (Maturity 31/8/2024) Rate 2,00 %	USD	NOK
Principal amount	398 945 489	3 522 688 668
Total	398 945 489	3 522 688 668

Note 5 Share capital and Shareholders

The share capital in Dsbj Norway AS as of 31/12/2020 consists of:

	No. of shares	Face value	Book value
Ordinary shares	30 000	10,00	300 000
Total shares outstanding		10	300 000

Ownership structure

	Ordinary shares	Total shares	Ownership	Voting rights
Hong Kong Dongshan Precision Union Opoelectronic CO Ltd	30 000	30 000	100,00	100,00
Total number of shares	30 000	30 000	100,00	100,00



Note 6 Equity capital

	Share capital	Share premium	Other equity	Total equity
Equity as of 15.6.2020	30 000	0	0	30 000
Capital increase	270 000	4 716 605 669	0	4 716 875 669
Dividend		-311 498 002		-311 498 002
Result for the period	0	0	-791 704	-791 704
Equity as of 31.12.2020	300 000	4 405 107 668	-791 704	4 404 615 964

Note 7 Tax

This year's tax expense	2020	
Entered tax on ordinary profit/loss:		
Payable tax		0
Changes in deferred tax assets		0
Tax expense on ordinary profit/loss		0
Taxable income:		
Ordinary result before tax	-791 704	0
Permanent differences	0	0
Taxable income	-791 704	0
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2020	2019	Difference
Accumulated loss to be brought forward	-791 704	0	791 704
Not included in the deferred tax calculation	791 704	0	-791 704
Deferred tax assets (22 %)	0	0	0

Deferred tax not included in the balance sheet.

Note 8 Hedging of foreign exchange rates

The Company had insured against currency gain/loss on its USD-denominated loans by having entered into an agreement on settlement of foreign currency options with its associated company Dii Group (BVI) Co. Limited. This agreement utilized currency option contracts to effectively shift all future USD appreciation or depreciation (against NOK) occurring after December 11, 2020 from the Company to Dii Group (BVI) Co. Limited. The shift was achieved by options that implement a neutral collar or synthetic forward contract for each loan and accumulated interest, covering the full loan period. The agreement implies therefore that the NOK-value of all payments of interest and loan principals under the loans are secured at a specifically estimated forward exchange rate (FER), assessed by expert third party. However, since the secured FER-rate doesn't deviate substantially from cost, the Company has decided to book all loans at cost, i.e. NOK-value per December 11, 2020



Note 9 Financial credit risk, liquidity risk and market risk

DSBJ Norway AS is exposed to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Credit risk:

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Classes of financial assets - carrying amounts	2020
Short term loan	30 000
Other financial instruments	4 405 970 539
Short term receivables	3 166 765
Cash and cash equivalents	307 217 000
Net exposure	4 716 384 303

Credit risk with respect to the loans and receivables is considered limited as there were no indications that these counterparties will be unable to settle their obligations as when they fall due. Management does not consider the amounts to be at risk.

The company's cash is placed with quality financial institutions, such that the management does not expect these institutions to become unable to make repayments of amounts held in the name of the company.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities, which comprise principally of trade and other payables. Prudent liquidity risk management implies maintaining sufficient availability of funding to meet DSBJ Norway AS's obligations.

The company's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments. All of the company's financial liabilities are classified as current as these are all expected to be settled within a twelve-month period.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income.

DSBJ Norway AS is exposed to currency risk on bank balances that are denominated in a currency other than the respective functional currency of the company. The company has a large cash amount in USD.



Skatteetaten

Vår dato 10.03.2021	Din/Deres dato 26.02.2021	Saksbehandler Lars Waalorp
800 80 000 Skatteetaten.no	Din/Deres referanse 63813-001	Telefon 90833418
Org.nr 974761076	Vår referanse 2021/5250144	Postadresse Postboks 9200 Grønland 0134 OSLO

ADVOKATFIRMAET HAAVIND AS
Postboks 359 Sentrum
0101 OSLO

Att. Celine Charlotte Salvesen

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for DSBJ Norway AS, org.nr. 825 195 262

Vi viser til deres brev av 26. februar 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for DSBJ Norway AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering DSBJ Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

DSBJ Norway AS er eid av et utenlandsk selskap som er en del av et internasjonalt konsern. Selskapet har som formål "Utlån av kapital og tilhørende finansforvaltning og annen finansiell virksomhet til selskap i samme konsern". Styrelederen i selskapet er utenlandsk.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."



Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informativ regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er direkte eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten


Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Financial Statements 2020

Dsbj Norway AS

Org.no.: 825 195 262

Prepared by:
NRP Procurator 



Annual report 2020 for Dsbj Norway AS

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In accordance with § 3-3a of the Accounting Act it is confirmed that the going concern assumption is satisfied and this assumption has been applied in the preparation of the accounts.

Future development

The Company's business consists of lending money to companies within the DSBJ group. These loans are in USD. As the Company is resident in Norway, keeps its accounts and tax return in NOK and has tax costs in NOK, a fluctuation in the USD/NOK exchange rate will result in a foreign exchange gain or loss on the Company's hand. In order to insure against such gain/loss, the Company has entered into an agreement on settlement of foreign currency options with its associated company Dii Group (BVI) Co. Limited. The effective date of the agreement is 11. December 2020.

Report on the annual accounts

The board is not aware of any matters that are important for an assessment of the company's position and result that are not set out in the annual accounts. Similarly no matters have occurred after the end of the financial year that in the opinion of the board are material to an assessment of the accounts.

Financial risk

Dsbj Norway AS is exposed to different financial risks. The credit risk is linked to the lending business, but there are also exchange risk and financial market risk. The credit risk and the financial market risk are not significant and no special actions have therefore been introduced. The risks are described in note 8.

Working environment, equal opportunity and discrimination

The company has no employees in Norway. The branch has a Branch Manager, which is subject to legislation in Malta. The working environment is considered as good and therefore no special actions have been implemented. There was no personnel or material accidents reported during the year.

The company's board consists of 2 men. The company is aware of the social expectations of promoting gender equality. At this time there are no concrete actions to promote gender equality, but the board's goal is to fulfill these social expectations.

Dsbj Norway AS has a goal to be a workplace where there is full equality of opportunity between men and women, and has established a personnel policy that is considered to be gender neutral in all areas.

Environment reporting

The company does not carry on activity that pollutes the external environment.

Annual result and allocations

In 2020 the company had a result of after tax of NOK -791 704 which is proposed to be allocated as follows:


<u>Disposition</u>	<u>Amount</u>
Allocation to dividend	0
Allocation to group contribution	0
From other equity	791 704



Oslo, Norway, 25.08.2021
The board of Dsbj Norway AS



Derek Paul O'reilly
chairman of the board



Chao Liu
member of the board



Revenue statement

Dsbj Norway AS

Operating income and operating expenses	Note	15.6.2020 - 31.12.2020
Other operating expenses	3	270 404
Total operating expenses		270 404
Operating profit		-270 404
Other interest income	2	10 022 724
Other financial expenses	2	10 544 024
Net financial items		-521 300
Operating result before tax		-791 704
Ordinary result after tax		-791 704
Annual net profit		-791 704
Brought forward		
Transferred from other equity		791 704
Net brought forward	6	-791 704



Balance sheet
Dsbj Norway AS

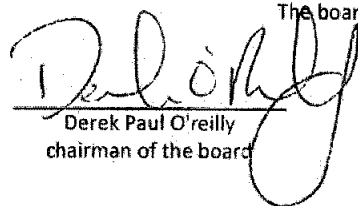
Assets	Note	31.12.2020
Fixed assets		
Financial fixed assets		
Loan to group companies	4	4 405 970 539
Total financial fixed assets		4 405 970 539
Total fixed assets		4 405 970 539
Current assets		
Debtors		
Receivables from group companies		3 196 765
Total receivables	4	3 196 765
Cash and bank deposits		307 217 000
Total current assets		310 413 764
Total assets		4 716 384 303

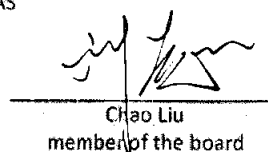


Balance sheet
Dsbj Norway AS

Equity and liabilities	Note	31.12.2020
Equity		
Paid-up equity		
Share capital	5	300 000
Share premium reserve		4 405 107 668
Total paid-up equity	6	4 405 407 668
Retained earnings		
Other equity		-791 704
Total retained earnings	6	-791 704
Total equity	6	4 404 615 964
Liabilities		
Current debt		
Trade creditors	4	265 500
Dividend		311 498 002
Other current debt	4	4 838
Total current debt	4	311 768 340
Total liabilities		311 768 340
Total equity and liabilities		4 716 384 303

Oslo, Norway, 25.08.2021
The board of Dsbj Norway AS


Derek Paul O'reilly
chairman of the board


Chao Liu
member of the board



Indirect cash flow

Dsbj Norway AS

	Note	2020	2019
Cash flows from operating activities			
Profit/loss before tax		-791 704	0
Change in accounts payable		265 500	0
Effect of exchange rate fluctuations		7 449 720	0
Change in other accrual items		-3 161 927	0
Net cash flows from operating activities		3 761 589	0
Cash flows from investment activities			
Proceeds from down payment of IC receivables		310 905 130	0
Net cash flows from investment activities		310 905 130	0
Cash flows from financing activities			
Effect of exchange rate fluctuations on cash and cash e		-7 449 719	0
Net change in cash and cash equivalents		307 217 000	0
Cash and cash equivalents at the end of the period		307 217 000	0



Note 1 Accounting principles

The annual accounts have been prepared in conformity with the provisions of the Accounting Act and good accounting practice.

Use of estimates

The preparation of financial accounts in accordance with the Accounting Act requires the use of estimates. Furthermore, application of the company's accounting principles requires management to exercise judgment. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

Revenue recognition

Loan interest income is accounted for in the period when receivable. Operating expenses are recognised in the income statement upon utilisation of the service or at the date of their origin.

Balance sheet classification

Assets meant for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Accounts receivables which fall due for payment within one year are classified as current assets. The classification of current and long term liabilities is based on the corresponding criteria. Current assets are valued at the lower of cost and net realisable value. Current liabilities are carried at nominal value. Specific items are valued in accordance with other principles which are described below.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Changes to exchange rates are recognised at the income statement as Other Financial income/expenses as they occur during the accounting period. Transactions in USD are translated into NOK using the central bank of Norway's exchange rates. Exchange rate at 31st of December 2020 was 1 USD : NOK 8,5326

In 2020 the Company's business consists of lending money to companies within the DSBJ group. All loans were in USD.

The company uses forward contracts for foreign currencies to secure a future exchange rate on existing (balance sheet) assets/liabilities. Assets/liabilities secured through forward contracts are reflected in the balance sheet at forward exchange rate.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Tax is calculated using Malta tax rules and Malta tax rate at 35%. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions. Deferred income tax liabilities and assets are disclosed net in the balance sheet.

The branch operation's income is taxable to Malta and onwards also taxable to Norway. The Malta tax paid is credited against the Norwegian tax charge. Since the Company made a net loss in 2020, no Norwegian tax is payable for 2020.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash,



bank deposits and other short term, highly liquid investments with maturities of three months or less.

Note 2 Items that are aggregated in the accounts

Financial income	2020
Interest income from companies in the same group	4 834 843
Other interest income	2 021 117
Other financial income (effect of hedging)	3 166 765
Total financial income	10 022 724

Financial costs	2020
Other financial costs (disagio)	10 544 024
Total financial costs	10 544 024

	Principal amount USD	Interest rate	Total accrued interest USD	Total accrued interest NOK
Dragon Electronix Holding Inc.	100 699 979	2 %	111 889	969 259
Dragon Electronix Holding Inc.	401 610 196	2 %	446 234	3 865 584
Total interest income			558 122	4 834 843

The loan was effective from 11 December 2020 giving 20 days of interest accrual.

Other interest income NOK 2 021 117 is interest accrued on the loans prior to acquisition, less acquisition cost / transfer price paid for this accrued interest. Transfer price assessed by third party expert.

Other financial income in 2020 was NOK 3 166 765, this is the result of currency hedging contracts in the period. The Company's hedge agreements are described in Note 8.

Note 3 Administrative expenses

	2020
Audit fees	215 500
Branch Manager fee	4 838
Other fees	50 000
Other administrative expenses	66
Total	270 404



Note 4 Inter-company items between companies in the same group

	2020
Receivables	
Loans to companies in the same group	4 405 970 539
Customer receivables within the group	0
Other short-term receivables within the group	3 196 765
Total	4 409 167 304
Liabilities	
Loans from companies in the same group	0
Debt to suppliers within the group	0
Other short-term liabilities within the group	311 498 002
Total	311 498 002

DSBJ Norway AS have 2 loans against Dragon Electronics Holdings Inc.

	USD	NOK
Loan 1 (Maturity 25/7/2023) Rate 2,00 %		
Principal amount	100 031 922	883 281 871
Total	100 031 922	883 281 871

	USD	NOK
Loan 2 (Maturity 31/8/2024) Rate 2,00 %		
Principal amount	398 945 489	3 522 688 668
Total	398 945 489	3 522 688 668

Note 5 Share capital and Shareholders

The share capital in Dsbj Norway AS as of 31/12/2020 consists of:

	No. of shares	Face value	Book value
Ordinary shares	30 000	10,00	300 000
Total shares outstanding		10	300 000

Ownership structure

	Ordinary shares	Total shares	Ownership	Voting rights
Hong Kong Dongshan Precision Union Opoelectronic CO Ltd	30 000	30 000	100,00	100,00
Total number of shares	30 000	30 000	100,00	100,00



Note 6 Equity capital

	Share capital	Share premium	Other equity	Total equity
Equity as of 15.6.2020	30 000	0	0	30 000
Capital increase	270 000	4 716 605 669	0	4 716 875 669
Dividend		-311 498 002		-311 498 002
Result for the period	0	0	-791 704	-791 704
Equity as of 31.12.2020	300 000	4 405 107 668	-791 704	4 404 615 964

Note 7 Tax

This year's tax expense	2020
Entered tax on ordinary profit/loss:	
Payable tax	0
Changes in deferred tax assets	0
Tax expense on ordinary profit/loss	0
Taxable income:	
Ordinary result before tax	-791 704
Permanent differences	0
Taxable income	-791 704
Payable tax in the balance:	
Payable tax on this year's result	0
Total payable tax in the balance	0

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2020	2019	Difference
Accumulated loss to be brought forward	-791 704	0	791 704
Not included in the deferred tax calculation	791 704	0	-791 704
Deferred tax assets (22 %)	0	0	0
Deferred tax not included in the balance sheet.			

Note 8 Hedging of foreign exchange rates

The Company had insured against currency gain/loss on its USD-denominated loans by having entered into an agreement on settlement of foreign currency options with its associated company Dii Group (BVI) Co. Limited. This agreement utilized currency option contracts to effectively shift all future USD appreciation or depreciation (against NOK) occurring after December 11, 2020 from the Company to Dii Group (BVI) Co. Limited. The shift was achieved by options that implement a neutral collar or synthetic forward contract for each loan and accumulated interest, covering the full loan period. The agreement implies therefore that the NOK-value of all payments of interest and loan principals under the loans are secured at a specifically estimated forward exchange rate (FER), assessed by expert third party. However, since the secured FER-rate doesn't deviate substantially from cost, the Company has decided to book all loans at cost, i.e. NOK-value per December 11, 2020



Note 9 Financial credit risk, liquidity risk and market risk

DSBJ Norway AS is exposed to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Credit risk:

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

<u>Classes of financial assets - carrying amounts</u>	<u>2020</u>
Short term loan	30 000
Other financial instruments	4 405 970 539
Short term receivables	3 166 765
Cash and cash equivalents	307 217 000
Net exposure	4 716 384 303

Credit risk with respect to the loans and receivables is considered limited as there were no indications that these counterparties will be unable to settle their obligations as when they fall due. Management does not consider the amounts to be at risk.

The company's cash is placed with quality financial institutions, such that the management does not expect these institutions to become unable to make repayments of amounts held in the name of the company.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities, which comprise principally of trade and other payables. Prudent liquidity risk management implies maintaining sufficient availability of funding to meet DSBj Norway AS's obligations.

The company's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments. All of the company's financial liabilities are classified as current as these are all expected to be settled within a twelve-month period.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income.

DSBJ Norway AS is exposed to currency risk on bank balances that are denominated in a currency other than the respective functional currency of the company. The company has a large cash amount in USD.