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# ***Svend Hoyer Holding A/S***

Over Hadstenvej 42, DK-8370 Hadsten

## **Annual Report for 1 May - 31 December 2016**

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CVR No 13 23 76 97

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
17/5 2017

Henrik Petersen  
Chairman



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## **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Svend Hoyer Holding A/S for the financial year 1 May - 31 December 2016.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for the period 1 May - 31 December 2016.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hadsten, 17 May 2017

### **Executive Board**

Thomas Skipper Klausen

### **Board of Directors**

Johan Olof Cervin  
Chairman

Michael Pontoppidan Frost

Denis Jean Jørgen Viet-  
Jacobsen

# Independent Auditor's Report

To the Shareholder of Svend Hoyer Holding A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company operations for the financial year 1 May - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Svend Hoyer Holding A/S for the financial year 1 May - 31 December 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

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

## 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

## 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 misstate-

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ment, 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 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

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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.

Aarhus, 17 May 2017

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Henrik Kragh  
State Authorised Public Accountant

Claus Lyngsø Sørensen  
State Authorised Public Accountant

## **Company Information**

### **The Company**

Svend Hoyer Holding A/S  
Over Hadstenvej 42  
DK-8370 Hadsten

CVR No: 13 23 76 97  
Financial period: 1 May - 31 December  
Municipality of reg. office: Favrskov

### **Board of Directors**

Johan Olof Cervin, Chairman  
Michael Pontoppidan Frost  
Denis Jean Jørgen Viet-Jacobsen

### **Executive Board**

Thomas Skipper Klausen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

# **Management's Review**

## **Main activity**

The company's activities have been concentrated on the holding of shares in affiliated companies.

## **Development in activities and financial position**

2016 is considered a non-satisfactory year, even considering the increased competition. The profit for the year amounted to DKK 8.173.006.

## **Subsequent events**

No events have taken place after the balance sheet date which have a material impact on the assessment of the annual report.



## Income Statement 1 May - 31 December

	Note	01.05.2016- 31.12.2016 DKK	01.05.2015- 30.04.2016 DKK
Other external expenses		-21.811	-333.960
<b>Gross profit/loss</b>		<b>-21.811</b>	<b>-333.960</b>
Income from investments in subsidiaries		8.239.366	40.834.874
Financial income	1	665.639	2.938.819
Financial expenses	2	-728.905	-3.133.453
<b>Profit/loss before tax</b>		<b>8.154.289</b>	<b>40.306.280</b>
Tax on profit/loss for the year	3	18.717	116.291
<b>Net profit/loss for the year</b>		<b>8.173.006</b>	<b>40.422.571</b>

## Distribution of profit

### Proposed distribution of profit

Extraordinary dividend paid	85.000.000	0
Reserve for net revaluation under the equity method	8.239.366	40.834.874
Retained earnings	-85.066.360	-412.303
	<b>8.173.006</b>	<b>40.422.571</b>

## Balance Sheet 31 December

### Assets

	Note	31/12-2016 DKK	30/4-2016 DKK
Investments in subsidiaries	4	107.439.008	164.739.856
<b>Fixed asset investments</b>		<b>107.439.008</b>	<b>164.739.856</b>
<b>Fixed assets</b>		<b>107.439.008</b>	<b>164.739.856</b>
Receivables from group enterprises		878.139	14.537.467
Corporation tax		18.717	116.291
<b>Receivables</b>		<b>896.856</b>	<b>14.653.758</b>
<b>Currents assets</b>		<b>896.856</b>	<b>14.653.758</b>
<b>Assets</b>		<b>108.335.864</b>	<b>179.393.614</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	31/12-2016 DKK	30/4-2016 DKK
Share capital		1.030.000	1.030.000
Reserve for net revaluation under the equity method		97.250.386	154.551.234
Retained earnings		-422.478	18.943.882
<b>Equity</b>	<b>5</b>	<b>97.857.908</b>	<b>174.525.116</b>
Payables to group enterprises		10.477.956	4.863.498
Other payables		0	5.000
<b>Short-term debt</b>		<b>10.477.956</b>	<b>4.868.498</b>
<b>Debt</b>		<b>10.477.956</b>	<b>4.868.498</b>
<b>Liabilities and equity</b>		<b>108.335.864</b>	<b>179.393.614</b>
Contingent assets, liabilities and other financial obligations	6		
Related parties	7		

## Notes to the Financial Statements

	01.05.2016- 31.12.2016 DKK	01.05.2015- 30.04.2016 DKK
<b>1 Financial income</b>		
Interest received from group enterprises	665.639	2.938.819
	<b>665.639</b>	<b>2.938.819</b>
<b>2 Financial expenses</b>		
Interest paid to group enterprises	629.522	3.071.898
Other financial expenses	99.383	61.555
	<b>728.905</b>	<b>3.133.453</b>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	-18.717	-116.291
	<b>-18.717</b>	<b>-116.291</b>

## Notes to the Financial Statements

	31/12-2016	30/4-2016
	DKK	DKK
<b>4 Investments in subsidiaries</b>		
Cost at 1 May	10.188.622	10.188.622
Cost at 31 December	10.188.622	10.188.622
Value adjustments at 1 May	154.551.234	125.368.166
Exchange adjustment	-34.173	-2.219.806
Net profit/loss for the year	8.239.366	40.834.874
Dividend to the Parent Company	-65.700.000	-9.432.000
Other equity movements, net	193.959	0
Value adjustments at 31 December	97.250.386	154.551.234
<b>Carrying amount at 31 December</b>	<b>107.439.008</b>	<b>164.739.856</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Svend Hoyer A/S	Favrskov, Denmark	100%
Svend Hoyer Power Transmission (Ningbo) Co., Ltd.	Ningbo, China	100%
Ningbo Beilun Hoyer Electrical Machinery Co., Ltd.	Ningbo, China	100%
LAAMA Ejendomme A/S	Favrskov, Denmark	100%
Svend Hoyer AS	Larvik, Norway	100%
Svend Hoyer AB	Värnamo, Sweden	100%
Svend Hoyer GmbH	Munich, Germany	100%
Hoyer B.V.	Rotterdam, Holland	100%

## Notes to the Financial Statements

### 5 Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 May	1.030.000	154.551.234	18.943.882	174.525.116
Exchange adjustments	0	-34.173	0	-34.173
Extraordinary dividend paid	0	0	-85.000.000	-85.000.000
Dividend from group enterprises	0	-65.700.000	65.700.000	0
Other equity movements	0	193.959	0	193.959
Net profit/loss for the year	0	8.239.366	-66.360	8.173.006
<b>Equity at 31 December</b>	<b>1.030.000</b>	<b>97.250.386</b>	<b>-422.478</b>	<b>97.857.908</b>

### 6 Contingent assets, liabilities and other financial obligations

#### Other contingent liabilities

The Company has provided guarantee for Sydbank's credit facilities with Svend Hoyer A/S and Svend Hoyer GmbH. The credit facilities is maximized to DKK 139 million of which DKK 106,7 million is drawn at 31 December 2016.

Sydbank has pledged security in the shares of Svend Hoyer A/S for loans and credit facilities with Hoyer Group A/S, Svend Hoyer A/S and Svend Hoyer GmbH. A loan of DKK 50 million is booked in Hoyer Group A/S at 31 December 2016. Further, the credit facilities is maximized to DKK 139 million of which DKK 106,7 million is drawn at 31 December 2016.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Hoyer Group A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 7 Related parties

### Consolidated Financial Statements

The company is included in the Group Annual Report of

<u>Name</u>	<u>Place of registered office</u>
Hoyer Group A/S	Copenhagen

## **Notes, Accounting Policies**

### **Basis of Preparation**

The Annual Report of Svend Hoyer Holding A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 are presented in DKK.

### **Consolidated financial statements**

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Hoyer Group A/S, the Company has not prepared consolidated financial statements.

### **Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.



## **Notes, Accounting Policies**

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### **Income Statement**

#### **Other external expenses**

Other external expenses comprise expenses for premises and office expenses, etc.

#### **Income from investments in subsidiaries**

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

#### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

#### **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

### **Balance Sheet**

#### **Investments in subsidiaries**

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

## **Notes, Accounting Policies**

### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### **Financial debts**

Debts are measured at amortised cost, substantially corresponding to nominal value.