

## Goerdyna Holding A/S

Sverigesvej 15  
8660 Skanderborg  
CVR No. 27215548

### Annual report 2023

The Annual General Meeting adopted the annual report on 01.07.2024



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**Chunqiang Qu**

Chairman of the General Meeting

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# Entity details

## Entity

Goerdyna Holding A/S

Sverigesvej 15

8660 Skanderborg

Business Registration No.: 27215548

Registered office: Skanderborg

Financial year: 01.01.2023 - 31.12.2023

## Board of Directors

Shengbo Zhu

Zhenglei Hou

Xun Jiang

## Executive Board

Chunqiang Qu

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Goerdyna Holding A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Skanderborg, 01.07.2024

## Executive Board

**Chunqiang Qu**

## Board of Directors

**Shengbo Zhu**

**Zhenglei Hou**

**Xun Jiang**

# Independent auditor's report

## To the shareholders of Goerdyna Holding A/S

### Opinion

We have audited the financial statements of Goerdyna Holding A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary**

Management is responsible for the management commentary.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Aarhus, 01.07.2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Henrik Vedel**

State Authorised Public Accountant  
Identification No (MNE) mne10052

**Mikael Møller**

State Authorised Public Accountant  
Identification No (MNE) mne47835

# Management commentary

## Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	27,928	25,334	9,121	9,690	1,189
Operating profit/loss	23,771	23,366	7,355	8,475	497
Net financials	1,653	(988)	(1,649)	(5,272)	(2,244)
Profit/loss for the year	(46,185)	(81,832)	27,505	4,416	(230,708)
Total assets	318,274	334,364	352,408	303,789	13,299
Equity	210,165	250,059	240,418	188,651	(189,610)
<b>Ratios</b>					
Equity ratio (%)	66.03	74.79	68.22	62.10	(1,425.75)

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets



### Primary activities

The Group's activities are to develop, produce and sell loudspeaker systems and loudspeaker drivers relying on advanced technology and high quality.

In order to provide premium loudspeaker products to our customers, Dynaudio's business model and business value chain include product definition, research and development of new technologies, new drivers and new loudspeakers, supply chain management, production, quality control, sales & marketing, customer care service, etc.

The core competencies are based on sound systems, and the corporate vision is to enrich life through authentic sound. This has been the ambition ever since the formation of Dynaudio. Regardless of the segment in which Dynaudio operates, the ultimate demand is placed on the quality of the sound systems which promote sound reproduction which is as authentic as possible.

Dynaudio's business foundation comprises the following five business areas:

- Home Audio – Premium Sound Systems and loudspeakers for consumer electronics audio industry including HIFI and Custom Install.
- Automotive Audio – Premium Sound Systems and drivers for the automotive industry and car aftermarket.
- PRO Audio– Systems for studios and other professional applications.
- Lifestyle Audio – Stylish Sound Systems and loudspeakers for consumer electronics audio industry.
- Co-Brand – co-develop or co-create with other brands to research and develop new audio products with premium sound quality.

Goerdyna Holding has sales and distribution companies in China, USA and Germany, which together with Dynaudio A/S in Denmark ensure the worldwide distribution of products. Our subsidiary in the Netherlands acts as local sales office for the Benelux area. Dynaudio also has a branch in Sweden. The majority of the employees in Dynaudio Group is located in Dynaudio A/S, Denmark.

### Development in activities and finances

The investments in Dynaudio Group have been massive since the parent company acquired the company and the owners continue to show a strong commitment and support to secure the further development of Dynaudio. This will put Dynaudio Group into a strong competitive position in the future.

### Profit/loss for the year in relation to expected developments

The investments in the Dynaudio Group have been considerable since the parent company acquired the company and the owners continue to show a strong commitment and support to secure the further development of Dynaudio.

The income statement of the Company in 2023 shows a loss of DKK 45,921k (2022: loss of DKK 81,832k), and at 31 December 2023 the balance sheet of the Company shows equity of DKK 210,429k (2022: DKK 250,059k). In 2023, management updated expectations of the net result to a loss of DKK 33m. Targets were not met, due to the development in the general financial situation, leading to a lower demand for high-end products as produced by Dynaudio.

The Management is not satisfied with the financial performance of the Company.

## Outlook

Dynaudio will continue to innovate within sound technologies and develop the best-in-class products in Home Audio, Automotive Audio, Pro Audio and Lifestyle Audio. For 2024, Management is targeting a net profit of DKK 9,870k. The target will be reached through focus on selling current products in existing as well as new channels, royalty from the automotive business and co-branding activities, introduction of new products to the market, and a strict attention to cost control. Management sees the target as challenging, as the initiatives and revenue streams are countered by the general uncertainty in main markets.

## Knowledge resources

The development of new products is vital for the Company, and particularly within acoustics and electronics. Therefore, access to competent resources needs to be secured. This is done through Dynaudio's talented R&D resources, through partnerships with the universities in Aarhus and Aalborg, and through close cooperation with partners within the electronics sector.

Dynaudio puts great focus on the development of young talent ensuring the improvement of their competences through participation in our innovative technology research and product development.

## Research and development activities

Dynaudio puts great focus on research and development, and each year the company invest a part of the net revenue in research and product development. To achieve best-in-class sound, Dynaudio has invested in a sound test lab, which is a 13 x 13 x 13m large chamber that guarantees the purest possible sound performance.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

# Income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
<b>Gross profit/loss</b>		<b>27,928</b>	<b>25,334</b>
Administrative expenses		(4,157)	(1,968)
<b>Operating profit/loss</b>		<b>23,771</b>	<b>23,366</b>
Income from investments in group enterprises		(70,190)	(103,025)
Other financial income	2	3,166	1,133
Other financial expenses	3	(1,513)	(2,121)
<b>Profit/loss before tax</b>		<b>(44,766)</b>	<b>(80,647)</b>
Tax on profit/loss for the year	4	(1,419)	(1,185)
<b>Profit/loss for the year</b>	5	<b>(46,185)</b>	<b>(81,832)</b>

# Balance sheet at 31.12.2023

## Assets

	Notes	2023 DKK'000	2022 DKK'000
Acquired licences		0	0
<b>Intangible assets</b>	6	<b>0</b>	<b>0</b>
Investments in group enterprises		209,978	255,944
<b>Financial assets</b>	7	<b>209,978</b>	<b>255,944</b>
<b>Fixed assets</b>		<b>209,978</b>	<b>255,944</b>
Trade receivables		1,648	0
Receivables from group enterprises		104,055	62,294
Other receivables		662	6,899
<b>Receivables</b>		<b>106,365</b>	<b>69,193</b>
<b>Cash</b>		<b>1,931</b>	<b>9,227</b>
<b>Current assets</b>		<b>108,296</b>	<b>78,420</b>
<b>Assets</b>		<b>318,274</b>	<b>334,364</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2023</b> <b>DKK'000</b>	<b>2022</b> <b>DKK'000</b>
Contributed capital		12,014	11,014
Reserve for fair value adjustments of hedging instruments		2,131	2,310
Retained earnings		196,020	236,735
<b>Equity</b>		<b>210,165</b>	<b>250,059</b>
Provisions for investments in group enterprises	8	95,420	72,665
<b>Provisions</b>		<b>95,420</b>	<b>72,665</b>
Trade payables		6	200
Payables to group enterprises		9,578	9,779
Tax payable		2,950	1,531
Other payables		155	130
<b>Current liabilities other than provisions</b>		<b>12,689</b>	<b>11,640</b>
<b>Liabilities other than provisions</b>		<b>12,689</b>	<b>11,640</b>
<b>Equity and liabilities</b>		<b>318,274</b>	<b>334,364</b>
Events after the balance sheet date	1		
Employees	9		
Contingent liabilities	10		
Non-arm's length related party transactions	11		
Group relations	12		

# Statement of changes in equity for 2023

	Contributed capital DKK'000	Reserve for fair value adjustments of hedging instruments DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	11,014	2,310	236,735	250,059
Increase of capital	1,000	0	6,057	7,057
Exchange rate adjustments	0	0	(587)	(587)
Transfer to reserves	0	(179)	0	(179)
Profit/loss for the year	0	0	(46,185)	(46,185)
<b>Equity end of year</b>	<b>12,014</b>	<b>2,131</b>	<b>196,020</b>	<b>210,165</b>

# Notes

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## 2 Other financial income

	2023 DKK'000	2022 DKK'000
Financial income from group enterprises	3,144	1,133
Other financial income	22	0
	<b>3,166</b>	<b>1,133</b>

## 3 Other financial expenses

	2023 DKK'000	2022 DKK'000
Other interest expenses	0	19
Exchange rate adjustments	1,513	2,102
	<b>1,513</b>	<b>2,121</b>

## 4 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Current tax	1,419	1,185
	<b>1,419</b>	<b>1,185</b>

## 5 Proposed distribution of profit and loss

	2023 DKK'000	2022 DKK'000
Retained earnings	(46,185)	(81,832)
	<b>(46,185)</b>	<b>(81,832)</b>

## 6 Intangible assets

	Acquired licences DKK'000
Cost beginning of year	7,551
<b>Cost end of year</b>	<b>7,551</b>
Amortisation and impairment losses beginning of year	(7,551)
<b>Amortisation and impairment losses end of year</b>	<b>(7,551)</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 7 Financial assets

	<b>Investments in group enterprises DKK'000</b>
Cost beginning of year	400,524
Additions	2,234
<b>Cost end of year</b>	<b>402,758</b>
Impairment losses beginning of year	(144,580)
Exchange rate adjustments	(587)
Share of profit/loss for the year	(111,041)
Adjustment of intra-group profits	40,850
Investments with negative equity value transferred to provisions	22,755
Fair value adjustments	(179)
<b>Impairment losses end of year</b>	<b>(192,782)</b>
<b>Carrying amount end of year</b>	<b>209,976</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Equity interest %</b>
Dynaudio A/S	Denmark	100.00
Dynaudio Germany GmbH	Germany	100.00
Dynaudio (Shanghai) Co. Ltd	China	100.00
Dynaudio North America Inc.	USA	100.00
Dynaudio Benelux B.V	Netherlands	100.00

## 8 Provisions for investments in group enterprises

Provisions relates to provisions for negative equity values in investments in subsidiaries.

## 9 Employees

The Entity has no employees.

## 10 Contingent liabilities

The Entity serves as the administration company in a Danish jointtaxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entities therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

## 11 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

## 12 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Goerdyna Group Co. Ltd, China



Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Goerdyna Group Co., Ltd, China

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

## **Income statement**

### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

### **Administrative expenses**

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity

### **Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Balance sheet

### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

**Cash**

Cash comprises cash in hand and bank deposits.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Other financial liabilities**

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

**Tax receivable or payable**

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Goertek Group Ltd. Co., China.