
Quaker Denmark ApS

c/o Harbour House, Sundkrogsgade 21, DK-2100
København Ø

Annual Report for 1 January - 31 December 2015

CVR No 21 60 75 84

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 2016

Kitt Æbelø Laurenz
Chairman



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Quaker Denmark ApS for the financial year 1 January - 31 December 2015.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

København, 31 May 2016

Direktion

D Jeffrey Benoliel
Executive Officer

Independent Auditor's Report on the Financial Statements

To the Shareholder of Quaker Denmark ApS

Report on the Financial Statements

We have audited the Financial Statements of Quaker Denmark ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 31 May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen

statsautoriseret revisor

Company Information

The Company

Quaker Denmark ApS
c/o Harbour House
Sundkrogsgade 21
DK-2100 København Ø

CVR No: 21 60 75 84
Financial period: 1 January - 31 December
Financial year: 17th financial year
Municipality of reg. office: København Ø

Executive Board

D Jeffry Benoliel

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Main activity

The Company's core activity is to carry on trade and industrial and financing activities indirectly through investments in other companies, and to carry on any other business, which is related to the se areas according to the Executive Board's estimate.

Development in the year

The income statement of the Company for 2015 shows a profit of DKK 692,064, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 216,396,313.

The result for the year is considered satisfactory.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Other external expenses		-239,073	-228,579
Gross profit/loss		-239,073	-228,579
Financial income	1	1,140,323	1,395,723
Financial expenses		3,209	-7,091
Profit/loss before tax		904,459	1,160,053
Tax on profit/loss for the year	2	-212,395	-287,116
Net profit/loss for the year		692,064	872,937

Distribution of profit

Proposed distribution of profit

Retained earnings	692,064	872,937
	692,064	872,937

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Investments in subsidiaries	3	66,600,536	66,600,536
Fixed asset investments		66,600,536	66,600,536
Fixed assets		66,600,536	66,600,536
Receivables from group enterprises		150,176,788	149,414,220
Other receivables		0	164
Receivables		150,176,788	149,414,384
Cash at bank and in hand		27,261	17,437
Currents assets		150,204,049	149,431,821
Assets		216,804,585	216,032,357

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		125,100	125,100
Retained earnings		216,271,213	215,579,149
Equity	4	216,396,313	215,704,249
Trade payables		98,407	92,637
Corporation tax		309,865	235,471
Short-term debt		408,272	328,108
Debt		408,272	328,108
Liabilities and equity		216,804,585	216,032,357
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	125,100	215,579,149	215,704,249
Net profit/loss for the year	0	692,064	692,064
Equity at 31 December	125,100	216,271,213	216,396,313

Notes to the Financial Statements

	2015 DKK	2014 DKK
1 Financial income		
Interest received from group enterprises	1,140,323	1,395,723
	1,140,323	1,395,723
2 Tax on profit/loss for the year		
Current tax for the year	212,395	287,116
	212,395	287,116
3 Investments in subsidiaries		
Cost at 1 January	66,600,536	66,600,536
Carrying amount at 31 December	66,600,536	66,600,536

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Quaker Chemical (China) Company Limited	Kina / China	88,420,925	100%	730,933,626	137,874,001
Quaker Shanghai Trading Co. Ltd	Kina / China	1,663,866	100%	2,124,369	-1,431,336

4 Equity

The share capital consists of 1,251 shares of a nominal value of DKK 100. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes to the Financial Statements

5 Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2015.

6 Group relations

Consolidated Financial Statements

The Company is included in the group financial statements for Quaker Chemical Corporation, Wilmington, Delaware, USA.

The Group Annual Report of may be obtained at the following address:

Quaker Chemical Corporation
One Quaker Park
901 Hector Street
Conshohocken
PA 19428
USA

Accounting Policies

Basis of Preparation

The Annual Report of Quaker Denmark ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 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 Quaker Chemical Corporation, Wilmington, Delaware, USA, 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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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

Accounting Policies

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.

Other external expenses

Other external expenses comprise costs for lawyer, accountant, etc.

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.

Balance Sheet

Impairment of fixed assets

The carrying amounts of financial assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

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.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Accounting Policies

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.