

Rohm and Haas Denmark Finance A/S

Sorgenfrivej 15
DK-2800 Kgs. Lyngby
Business Registration No
24205762

Annual report 2017

The Annual General Meeting adopted the annual report on 30.05.2018

Chairman of the General Meeting



Name: Nils Kjellegaard Jensen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2017	8
Balance sheet at 31.12.2017	9
Statement of changes in equity for 2017	11
Notes	12
Accounting policies	16

Entity details

Entity

Rohm and Haas Denmark Finance A/S
Sorgenfrivej 15
DK-2800 Kgs. Lyngby

Central Business Registration No (CVR): 24205762
Registered in: Lyngby-Taarbæk
Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Gino Eduardus Angela van Poorten, Chairman
Thomas Wagner Just
Nils Kjellegaard Jensen
Ilona Jensen

Executive Board

Thomas Wagner Just

Lawyer

Advokatfirmaet Kjellegaard Jensen
Tuborg Boulevard 12
DK-2900 Hellerup

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Rohm and Haas Denmark Finance A/S for the financial year 01.01.2017 - 31.12.2017.

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

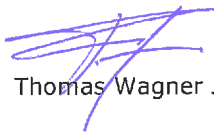
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Copenhagen, 30.05.2018

Executive Board



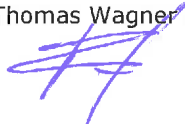
Thomas Wagner Just

Board of Directors



Gino Eduardus Angela van
Poorten
Chairman

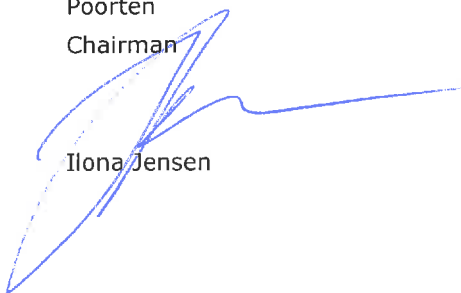
Thomas Wagner Just



Nils Kjellegaard Jensen



Ilona Jensen



Independent auditor's report

To the shareholder of Rohm and Haas Denmark Finance A/S

Opinion

We have audited the financial statements of Rohm and Haas Denmark Finance A/S for the financial year 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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 of 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.

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:

Independent auditor's report

- 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 under the Danish Financial Statements Act.

Independent auditor's report

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.


Violation of legislation on financial reporting and similar

Parts of the accounting records for the Company are kept on file outside of the Danish Borders. They are kept on file with affiliated companies and can be obtained at short notice. The procedures used are in contravention of Danish legislation on the filing of accounting material in general.


Copenhagen, 30.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556



Lars Andersen
State Authorised Public Accountant
Identification No (MNE) mne27762



Morten Jarlbo
State Authorised Public Accountant
Identification No (MNE) mne33247

Management commentary

	2017	2016	2015	2014	2013
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Financial highlights					
Key figures					
Revenue	0	3.441	255	127	5.659
Gross profit/loss	(1.710)	3.623	595	127	5.659
Operating profit/loss	(1.718)	(14.179)	116	(112)	5.488
Net financials	361.592	7.700	(6.822)	(7.648)	(7.136)
Profit/loss for the year	356.885	(1.843)	178.631	(4.069)	12.751
Total assets	1.321.524	1.606.043	1.607.280	1.745.545	1.743.685
Equity	637.218	831.450	811.411	839.571	843.639
Ratios					
Return on equity (%)	48,6	1,9	21,6	(0,5)	1,5
Equity ratio (%)	48,2	51,8	50,5	48,1	48,4

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The activity of the company is to sell and acquire, own, and hold shares and other ownership interests in other associated or affiliated entities etc. in Denmark and abroad, and to engage in financing activities.

Development in activities and finances

In 2017, the company received dividends from its investments in group enterprises of a total of EUR 588.043K of which EUR 217.902K is repayment of investment.

The subsidiaries Rohm and Haas China Holding ApS, RH DK ChemiHaas Holding ApS, RH DK Korea FPD Holdings ApS and RH Asia (Sanshui) Specialty Coatings Investment ApS were merged into RH Denmark Finance in 2017 using the pooling of interests method. RH Denmark Finance is the surviving entity.

As a result of these mergers the company added two additional subsidiaries to its portfolio of companies.

At year end, the company's short-term debt exceeds current assets. In the intervening period Rohm and Haas Equity Corporation has issued a letter of support.

Profit/loss for the year

The company's result for the year was EUR 356,885k which was higher than 2016 mainly due to the dividends received from subsidiaries

Uncertainty relating to recognition and measurement

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

Environmental performance

Sustainability is an important part of DowDuponts culture. Description of the Company's sustainability policy is to be found in the DowDupont 2017 Annual report. The Company also refers to the webpage for The Dow Chemical Company for further information. <http://www.dow.com/en-us/science-and-sustainability>

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.

Outlook 2017

In line with global efforts on entity reduction the company will continue to look at ways of reducing its investment holdings.

Income statement for 2017

	<u>Notes</u>	<u>2017</u> <u>EUR'000</u>	<u>2016</u> <u>EUR'000</u>
Revenue		0	3.441
Other operating income		0	333
Other external expenses		<u>(1.710)</u>	<u>(151)</u>
Gross profit/loss		(1.710)	3.623
Depreciation, amortisation and impairment losses		(8)	(289)
Other operating expenses		<u>0</u>	<u>(17.513)</u>
Operating profit/loss		(1.718)	(14.179)
Income from investments in group enterprises	1	367.831	13.998
Other financial income		173	32
Other financial expenses	2	<u>(6.412)</u>	<u>(6.330)</u>
Profit/loss before tax		359.874	(6.479)
Tax on profit/loss for the year	3	<u>(2.989)</u>	<u>4.636</u>
Profit/loss for the year	4	<u>356.885</u>	<u>(1.843)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>EUR'000</u>	<u>2016</u> <u>EUR'000</u>
Acquired patents		11	19
Intangible assets	5	<u>11</u>	<u>19</u>
Investments in group enterprises		1.315.496	1.592.935
Investments in associates		0	888
Fixed asset investments	6	<u>1.315.496</u>	<u>1.593.823</u>
Fixed assets		<u>1.315.507</u>	<u>1.593.842</u>
Receivables from group enterprises		4.259	7.481
Other receivables		4	2
Income tax receivable		1.754	4.718
Receivables		<u>6.017</u>	<u>12.201</u>
Current assets		<u>6.017</u>	<u>12.201</u>
Assets		<u>1.321.524</u>	<u>1.606.043</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>EUR'000</u>	<u>2016</u> <u>EUR'000</u>
Contributed capital		7.751	7.751
Retained earnings		629.467	823.699
Equity		637.218	831.450
Provisions for investments in group enterprises	7	0	5.100
Provisions		0	5.100
Payables to group enterprises		680.010	787.651
Other payables		4.296	92
Current liabilities other than provisions		684.306	787.743
Liabilities other than provisions		684.306	787.743
Equity and liabilities		1.321.524	1.624.293
Contingent liabilities	8		
Assets charged and collateral	9		
Related parties with controlling interest	10		
Transactions with related parties	11		
Group relations	12		

Statement of changes in equity for 2017

	Contributed capital	Retained earnings	Proposed extraordinary dividend	Total
	EUR'000	EUR'000	EUR'000	EUR'000
Equity beginning of year	7.751	805.449	0	813.200
Extraordinary dividend paid	0	0	(532.867)	(532.867)
Profit/loss for the year	0	(175.982)	532.867	356.885
Equity end of year	7.751	629.467	0	637.218

Notes

1. Income from investments in group enterprises

	2017	2016
	EUR'000	EUR'000
Dividends received from group enterprises	588.043	37.367
Repayment of investment	(217.902)	0
Impairment of investments in group enterprises	0	(18.269)
Provision for funding of negative equity	0	(5.100)
Loss from sale of group enterprises	(2.310)	0
	367.831	13.998

2. Other financial expenses

	2017	2016
	EUR'000	EUR'000
Financial expenses from group enterprises	5.907	6.055
Exchange rate adjustments	505	275
	6.412	6.330

3. Tax on profit/loss for the year

	2017	2016
	EUR'000	EUR'000
Current tax	2.989	(4.636)
	2.989	(4.636)

4. Proposed distribution of profit/loss

	2017	2016
	EUR'000	EUR'000
Extraordinary dividend distributed in the financial year	532.867	0
Retained earnings	(175.982)	(1.843)
	356.885	(1.843)

Notes

	Acquired patents EUR'000	
5. Intangible assets		
Cost beginning of year		6.402
Cost end of year		6.402
Amortisation and impairment losses beginning of year		(6.383)
Amortisation for the year		(8)
Amortisation and impairment losses end of year		(6.391)
Carrying amount end of year		11
	Invest- ments in group enterprises EUR'000	Investments in associates EUR'000
6. Fixed asset investments		
Cost beginning of year	2.413.704	959
Additions	7.732	0
Disposals	(369.759)	(959)
Cost end of year	2.051.677	0
Impairment losses beginning of year	(820.769)	(71)
Reversal regarding disposals	84.588	71
Impairment losses end of year	(736.181)	0
Carrying amount end of year	1.315.496	0

Notes

6. Fixed asset investments (continued)

Subsidiaries:

	Cur- rency	Registe- red in	Equity interest	Equity (local curr.)	Profit/(loss) (local curr.)
PT Rohm and Haas Indonesia	USD	Indonesia	98,99%	7.418.810	705.513
RH DK Mexico Holding ApS	EUR	Denmark	100,00%	10.913.746	(25.443)
RH Denmark China Investment ApS	EUR	Denmark	100,00%	1.225.391.000	40.967.000
RH Denmark Bermuda Holding Com- pany ApS	EUR	Denmark	85,00%	313.204.717	(761.665)
RH Argentina S.R.L.	ARS	Argentina	89,99%	(135.976.683)	(109.559.194)
RH Chemicals Singapore Pte. Ltd.	USD	Singapore	100,00%	41.402.000	3.307.000
RH DK Korea OLED Holdings ApS	EUR	Denmark	100,00%	60.330.157	15.359.033
RH DK Vietnam Holdings ApS	EUR	Denmark	100,00%	1.088.096	(27.179)
Latinoamerica S. de R.L de CV.	MXN	Mexico	99,97%	90.412.994	2.865.922
RH HK Dongguan Ltd.	HKD	Hong Kong	100,00%	2.904.054.588	265.557.101
Dow Chemical International Private Ltd.	INR	India	28,01%	7.819.825.712	973.858.932
Specialty Electronic Materials Neth- erlands Holding 5 B.V	USD	The Neth- erlands	100,00%	*	*
RH China Holding Co. Ltd.	CNY	China	100,00%	276.670.957	7.065.803
RH Foshan Specialty Materials Co. Ltd.	CNY	China	100,00%	76.873.192	(9.051.998)

* The Companies do not publish officially available financial statements.

7. Provisions for investments in group enterprises

Provision for investments in group enterprises relates to an obligation to reestablish the negative equity in a subsidiary.

8. Contingent liabilities

The Company participates in a Danish joint taxation arrangement after 1st September 2017 where DuPont Denmark Holding ApS serves as the administration company.

The Company participated in a Danish joint taxation arrangement before 1st September 2017 where Dow AgroSciences Danmark A/S served as the administration company.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes, etc. for the jointly taxed companies and from 1st July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly

Notes

taxed companies. The jointly taxed companies' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Company has issued a letter of support to a number of subsidiaries, where the company in the period of 01.01.2018-31.12.2018 commites to supply liquidity on demand so that the subsidiaries can fulfill their obligations. The assurance is irrevocable.

9. Assets charged and collateral

At 31 December 2016, the Company has no assets charged, and no contingent liabilities are incumbent on the Company.

10. Related parties with controlling interest

The Company is a wholly owned subsidiary of Rohm and Haas Equity Corporation, the ultimate parent is DowDuPont Inc.

	Subsidiaries	Other related parties.
	EUR'000	EUR'000
11. Transactions with related parties		
Dividend Received	588.043	0
Services Received	0	96
Interest Received	0	35
Interest Paid	0	5.835
Investments in group enterprises	1.315.496	0
Receivables	0	4.259
Liabilities other than provisions	0	680.010

Notes

12. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
The Dow Chemical Company, Michigan, USA

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
The DowDuPont Inc., Delaware, USA

DowDuPont Inc.
Corporate Trust Center
1209 Orange Street
Wilmington
New Castle 19801
Delaware
USA

Accounting policies

Reporting class

This annual report has been presented 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.

In 2017, Rohm and Haas Denmark Finance A/S merged with RH DK ChemiHaas Holding ApS, RH China Holding ApS, RH Asia Sanshui Specialty Coatings Invest ApS and RH DK Korea FPD Holdings ApS. For accounting purposes, the merger was accounted for under the pooling-of-interests method, and the comparative figures have been adjusted as if the entities had always been a combined unit. The merger has affected equity positive at 01.01.2016 by EUR 3.7m.

Consolidated financial statements

Pursuant to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The Company's annual report for 2017 is included in the consolidated financial statements of DowDuPont Inc., Delaware, USA.

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 one 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. Investments in group enterprises and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, such as administrative expenses.

Depreciation, amortisation and impairment losses

Amortisation and impairment losses relating to intangible assets comprise amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year, and impairment losses on investment in group enterprises.

Other financial income

Other financial income comprises interest income, including interest income on receivables, net capital gains on receivables and payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on receivables and payables and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. Tax attributable to profit for the year is recognised in the income statement, whereas tax attributed to equity entries is recognised directly under equity.

Current tax liabilities and current tax assets are recognised as receivables in the balance sheet in the event of overpayment of tax on account, and as liabilities in the event of underpayment of tax on account.

Accounting policies

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of the asset is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Entity is jointly taxed with the Danish affiliated entities. Income tax concerning the jointly taxed entities is distributed proportionally between profit and loss making entities according to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

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 measured at cost. Where cost exceeds the net realisable value, the investments are written down to this lower value.

Dividends are recognised in the income statement under "Income from investment in group enterprises" when declared.

If group enterprises make extraordinary large payments of dividends that resemble repayments of the invested capital, the recognised value is written down by an amount corresponding to this extraordinary payment of dividends.

Investments in associates

Investments in associates are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Dividends are recognised in the income statement under "Income from investment in group enterprises" when declared.

If group enterprises make extraordinary large payments of dividends that resemble repayments of the invested capital, the recognised values is written down by an amount corresponding to this extraordinary payment of dividends.

Accounting policies

Receivables

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

Income tax payable or receivable

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

Other provisions

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.

Other financial liabilities

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

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement of Rohm and Haas Denmark Finance A/S and group enterprises is included in the annual report of The Dow Chemical Company, Michigan, USA (Ultimate Parent Company).