

Subcontinent Ammonia Investment Company ApS
Haldor Topsøes Allé 1, 2800 Kgs. Lyngby - Denmark

SAICA

Annual Report 2015

Subcontinent Ammonia Investment Company ApS
CVR-no. 26 79 13 16

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The annual financial statement is presented and approved at the annual general meeting on March 31, 2016



Chair of the meeting, Louise Jessen Høyer

Directors' report

The company's objectives are trade, financing, investment in shares in other companies and other financial activities, activities related to granting licence, especially for catalysts and chemical process technology, and other activities deemed relevant by the Management.

The company's main asset is a 15% share in ammonia and urea producer Karnaphuli Fertilizer Company Ltd. (KAFCO) in Bangladesh.

KAFCO generated for the financial year 2014/15 a profit after tax amounting to USD 45 million (2013/14: USD 26 million). KAFCO distributes the majority of the profit as dividends to the shareholders.

The increase in the result of KAFCO was caused by an increase in production due to increased supply of natural gas compared to 2013/14.

The estimated value of Subcontinent Ammonia Investment Company ApS's shares in KAFCO have been written down by DKK 28 million, from DKK 391 million to DKK 363 million. The estimated value is established upon a discounted cash flow calculation.

The company expects a positive result in 2016, as KAFCO forecasts a positive operation for 2015 and – as in the past – KAFCO plans to distribute the major part of its profit as dividend during the coming year.

No events materially affecting the company's financial position at December 31, 2015 have occurred after the balance sheet date.

The company is a fully owned subsidiary of Haldor Topsøe A/S, Lyngby, Denmark, which is a fully owned subsidiary of Haldor Topsøe Holding A/S, Lyngby, Denmark.

Management's statement

The Management have today considered and adopted the Annual Report of Subcontinent Ammonia Investment Company ApS for the financial year January 1 – December 31, 2015.

The Annual Report was prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies applied appropriate and the estimates made reasonable. Furthermore, we consider the overall annual report presentation true and fair.

Lyngby, March 31, 2016

Therefore in our opinion the Financial Statements give a true and fair view of the financial position of the Company at December 31, 2015 and of the result of the Company operations for the financial year January 1 – December 31, 2015.

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

Management

Ulrik Federspiel

Lene Ramm

Bjerne S. Clausen

Independent auditor's report

To the shareholder of Subcontinent Ammonia Investment Company ApS

We have audited the Financial Statements and Directors' Report of Subcontinent Ammonia Investment Company 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 and of Financial Statements that give a true and fair view in accordance with 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 appro-

priate 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.

The 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.

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 consistent with the Financial Statements.

Copenhagen, March 31, 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR nr. 33 77 12 31

Mikkel Sthyr
State-Authorised Public Accountant

Maj-Britt Nørskov Nannestad
State-Authorised Public Accountant

Accounting policies

The Annual Report of Subcontinent Ammonia Investment Company 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 principles applied remain unchanged from previous years.

The Annual Report has been denominated in DKK 1,000.

Recognition and measurement

The accounts have been prepared based on the historical cost basis.

Revenues are recognised in the income statement as earned. Beyond this value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Furthermore, 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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of transaction. Foreign currency monetary items are translated to the functional currency at the exchange rates at the balance sheet date.

Other external expenses

Other external expenses comprise of administration fee, audit etc.

Financial income and expenses

Financial income and expenses comprise of interest, dividends, fair value adjustment and realized and unrealized foreign currency translation adjustments.

Corporation tax and deferred tax

The company is jointly taxed with the ultimate parent company in the mandatory Danish joint taxation.

Tax in the income statement comprises of current tax for the year and 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 entries is recognised directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

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

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates of the respective countries that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement, except for the effect related to write-up regarding property, plants and equipment booked directly on equity.

Other Investments

Other investments are measured at market value or at estimated value at the balance sheet date.

Receivables

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

Debt

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

Income Statement January 1 - December 31

	Note	2015 DKK 1,000	2014 DKK 1,000
Other external expenses		-473	-432
EBIT		-473	-432
Financial income	1	29.805	53.638
Financial expenses	2	-28.050	-25.061
Profit before tax		1.282	28.145
Tax	3	-3.312	-5.304
Net profit		-2.030	22.841
Proposed distribution of profit			
Proposed dividend		25.000	50.000
Retained earnings		-27.030	-27.159
		-2.030	22.841

Balance sheet at December 31

Assets

	Note	2015 DKK 1,000	2014 DKK 1,000
Other investments		363.000	391.000
Investments	4	363.000	391.000
Fixed assets		363.000	391.000
Receivables from group enterprises		25.104	22.787
Other receivables		0	25.741
Tax receivables	3	0	18
Receivables		25.104	48.546
Cash		53	61
Current Assets		25.157	48.607
Assets		388.157	439.607

Liabilities and Equity

	Note	2015 DKK 1,000	2014 DKK 1,000
Share capital		1.000	1.000
Retained earnings		361.442	388.472
Proposed dividend for the year		25.000	50.000
Equity		387.442	439.472
Corporation tax		669	0
Other payables		46	135
Short-term liabilities		715	135
Liabilities		715	135
Liabilities and equity		388.157	439.607
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Statement of changes in equity

	<u>Share capital</u> DKK 1,000	<u>Retained earnings</u> DKK 1,000	<u>Proposed dividend</u> DKK 1,000	<u>Total</u> DKK 1,000
Equity at January 1, 2015	1.000	388.472	50.000	439.472
Dividend paid to shareholders			-50.000	-50.000
Net profit		-27.030	25.000	-2.030
Equity at December 31, 2015	<u>1.000</u>	<u>361.442</u>	<u>25.000</u>	<u>387.442</u>

Notes

	2015	2014
	DKK 1,000	DKK 1,000
1 Financial income		
Income from other investments	26.437	53.217
Interest received from group enterprises	217	382
Foreign currency translation adjustments	3.151	39
	29.805	53.638
2 Financial expenses		
Value adjustments of other investments	28.000	25.000
Foreign currency translation adjustments	50	61
	28.050	25.061
3 Tax		
Current tax for the year	3.312	5.286
Tax receivable	0	18
	3.312	5.304

Notes

4 Investments

	Other investments
Cost at January 1, 2015	29.857
Additions for the year	0
Cost at December 31, 2015	29.857
Value adjustment at January 1, 2015	361.143
Value adjustment for the year	-28.000
Value adjustment at december 31, 2015	333.143
Book value at December 31, 2015	363.000

Other investments are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
KAFCO	Bangladesh	BDT 1.000 4.607.576	15,01%
Haldor Topsoe India Pvt. Ltd. *)	India	INR 1.000 131.063	0,01%

*) Other shares are owned by the affiliated company, Haldor Topsøe International A/S.

5 Staff

The company has no employees.

6 Consolidated accounts

Haldor Topsøe A/S prepares the Consolidated Accounts in which the company is a part. The ultimate parent company, who prepares Consolidated Accounts, is Haldor Topsøe Holding A/S.