

MAJ INVEST EQUITY VIETNAM I K/S

Annual report 2016

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STATEMENT BY MANAGEMENT

The executive board has today discussed and approved the annual report for Maj Invest Equity Vietnam I K/S for the financial year January 1 – December 31, 2016.

The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the limited partnership's assets, liabilities and financial position at December 31, 2016 and of the results of the limited partnership's operations and cash flows for the financial year January 1 – December 31, 2016.

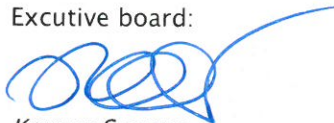
We believe that the Management commentary includes a fair review of the affairs and conditions referred to therein.

We recommend the annual report 2016 for adoption at the annual general meeting.

Copenhagen, April 3, 2017

General partner:
General Partner Equity Vietnam ApS

Excutive board:



Kasper Svarrer



Thomas Riis

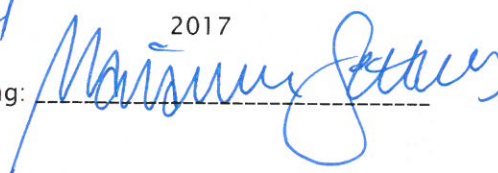
The annual report is presented and adopted at the annual general meeting.

on

24 / 4

2017

Chairman of the partnership meeting:



STATEMENTS

Independent auditor's report

To the limited partners in Maj Invest Equity Vietnam I K/S

Opinion

We have audited the financial statements of Maj Invest Equity Vietnam I K/S for the financial year January 1 – December 31, 2016, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes as well as cash flows. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the limited partnership at December 31, 2016, and of the results of the limited partnership operations as well as cash flows for the financial year January 1 – December 31, 2016 in accordance with the Danish Financial Statements Act.

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 limited partnership 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 rules and 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 a 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 limited partnership'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 limited partnership 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

STATEMENTS

Independent auditor's report

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 the 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 limited partnership'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 limited partnership'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 in-adequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the limited partnership 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 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.

STATEMENTS

Independent auditor's report

Statement on Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, April 3, 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Per Gunslev
State Authorised
Public Accountant



Ole Karstensen
State Authorised
Public Accountant

MANAGEMENT COMMENTARY

Fund information

| | |
|---|---|
| The limited partnership | Maj Invest Equity Vietnam I K/S Gammeltorv 18 DK-1457 Copenhagen K Denmark |
| Manager contact information | E-mail: kontakt@majinvest.com Website: www.majinvest.com |
| CVR no. | 32 26 42 04 |
| Financial year | January 1 – December 31 |
| Registered office | Copenhagen |
| General partner | General Partner Equity Vietnam ApS |
| Executive board in General Partner Equity Vietnam ApS | Kasper Svarrer Thomas Riis |
| Manager | Management Equity Vietnam 1 ApS |
| Auditors | ERNST & YOUNG Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 DK-2000 Frederiksberg Denmark |

MANAGEMENT COMMENTARY

KEY FIGURES AND RATIOS

| '000 DKK | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-----------|----------|----------|----------|----------|
| Key figures | | | | | |
| Profit/loss | | | | | |
| Income of investments in portfolio companies* | (97,163) | (13,459) | 51,154 | 45,090 | (10,006) |
| Operating profit/loss | (100,460) | (17,970) | 46,021 | 36,759 | (19,006) |
| Profit/loss for the year | (99,764) | (17,427) | 46,042 | 36,248 | (19,635) |
| Balance sheet | | | | | |
| Investments in portfolio companies | 385,786 | 333,840 | 318,881 | 352,035 | 304,112 |
| Total assets | 386,827 | 338,689 | 326,906 | 356,435 | 331,291 |
| Equity | 383,690 | 338,432 | 326,678 | 356,191 | 330,767 |
| Financial resources | | | | | |
| Cash | 496 | 2,778 | 5,229 | 775 | 21,302 |
| Remaining commitment | 10,085 | 10,085 | 15,576 | 20,632 | 17,563 |
| Total financial resources | 10,581 | 12,863 | 20,805 | 21,407 | 38,865 |
| Cash flow | | | | | |
| Cash flows from operating activities | 1,150 | (3,278) | (4,702) | (8,948) | (7,370) |
| Cash flows from investing activities | (3,430) | 6,286 | 84,712 | (755) | (34,605) |
| Cash flows from financing activities | - | (5,459) | (75,555) | (10,824) | 42,340 |
| Net change in cash | (2,282) | (2,451) | 4,454 | (20,527) | 365 |
| Ratios | | | | | |
| Equity ratio | 99% | 100% | 100% | 100% | 100% |
| Paid-in capital to committed capital (%) | 98% | 98% | 96% | 96% | 96% |

*Income of investments in portfolio companies for 2012 – 2014 is not restated as a consequence of the changed accounting policies. Please refer to the next page where the key figures from the income statement are compared between 2015 and 2016 as if the accounting policies were unchanged.

MANAGEMENT COMMENTARY

KEY FIGURES AND RATIOS

'000 DKK

As a result of implementing changes of the Danish Financial Statements Act, which became effective on 1 January 2016, with the effect that positive fair value adjustments on investments in portfolio companies from 2016 is not recognised at the income statement but is recognised directly at the equity.

The effect of the above change has reduced the profit in the financial year 2016 with DKK 145.0 million and with DKK 34.6 million in financial year 2015 compared to the previous accounting policies. If the fair value adjustments on investments in portfolio companies were recognised in the income statement, the keyfigures of the income statement would have been as follows:

| | Former accounting polices | | New accounting polices | |
|---|------------------------------|--------|---------------------------|----------|
| | 2016 | 2015 | 2016 | 2015 |
| Key figures | | | | |
| Profit/loss | | | | |
| Income of investments in portfolio companies | 47,860 | 21,181 | (97,163) | (13,459) |
| Operating profit/loss | 44,563 | 16,670 | (100,460) | (17,970) |
| Profit/loss for the year | 45,259 | 17,213 | (99,794) | (17,427) |

The investments continue to be recognised at fair value, and the change in the accounting policies will not have any affect on the balance sheet or the equity.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Maj Invest Equity Vietnam I

The private equity fund Maj Invest Equity Vietnam I K/S (Maj Invest Equity Vietnam) (changed the name in June 2016 from LD Invest Vietnam K/S to Maj Invest Equity Vietnam I K/S) was established on 16 June 2009 as a Danish limited partnership and is owned by a number of Danish investors. The investors have entered into a limited partnership agreement. The purpose of the fund is to carry out investments in Vietnam.

Investment policy and value creation philosophy

Maj Invest Equity Vietnam has invested in well-established small and medium-sized Vietnamese companies with a well-defined business model. During the years, Maj Invest Equity Vietnam has made investments in six companies and is fully invested. An attractive and diversified portfolio of investments in Vietnamese companies operating with activities in production, service trades, education, marketing and distribution have been made.

Three investments have been exited during the last years. Vietnamese law requires that Maj Invest Equity Vietnam mainly may be a minority owner but, if possible, in certain investment cases also may be majority owner.

Investment policy

Maj Invest Equity Vietnam's investment policy focuses on investments in Vietnamese business entities in which long-term operational value can be created through injection of capital. The investment policy is based on four fundamental investment criteria:

- Sound business acumen
- Active ownership
- Industrial optimisation and returns generated from operating activities
- Credible corporate governance

Maj Invest Equity Vietnam's approach is that one investor in the portfolio company must always assume the primary owner-related initiative and responsibility; that there is a close dialogue between owners and management; and that the competencies and resources required are always available. Active ownership is therefore a precondition. Consequently, Maj Invest Equity Vietnam must as owners – in collaboration with co-owners – formulate clear objectives in respect of ownership and ensure that an optimal framework is always provided for the company to develop and realise its full potential.

Value creation philosophy

Maj Invest Equity Vietnam's approach to create value in the portfolio companies may be summarised as follows:

- Focus on long-term industrial and operational value creation, based on sustained improvements and innovation

MANAGEMENT COMMENTARY

BUSINESS REVIEW

- Long-term approach to ownership which may imply a longer average holding period than usual in private equity
- Involving experienced and competent business executives in the exercise of ownership to ensure industrial and operational value creation in the portfolio companies

Maj Invest Equity Vietnam prioritises a long-term value creation and emphasis that each individual investment is to be supported by well-crafted strategy and business plan for the business entity and that owners and management agree on such strategy and plan. Maj Invest Equity Vietnam rarely creates value primarily through leverage.

Maj Invest Equity Vietnam is entitled to appoint one or more board members in the individual portfolio companies. The strategic and operational management of the particular portfolio company is handled through the board of directors and the executive management, and there is thus a clear delegation of responsibilities between the owners, the board of directors and the executive management.

Maj Invest Equity International closely monitors investments to ensure that their value creation potential is realised and that time for exit is appropriate. As part of the investment case, exit possibilities and exit strategy, such as stock exchange listing, sales to industrial buyer or another private equity fund, are always identified.

CSR policy

Maj Invest Equity Vietnam's CSR policy focuses on the fund's investments being sustainable and helping secure environmental and social responsible development in the portfolio companies. Maj Invest Equity Vietnam's CSR policy is adopted from The Investment Fund for Developing Countries (IFU) CSR policy. The CSR policy covers the following areas: Environment, work environment, safety, human rights and overall business ethics.

Maj Invest Equity Vietnam I organisation

At year-end 2016, the equity team in Vietnam, advising Maj Invest Equity Vietnam, consisted of one partner, one senior investment manager and one investment associate. In Denmark are MI's executive board and one Director involved in investments as well as three back-office staff involved in finance, legal matters and administrative duties.

Ownership

Maj Invest Equity Vietnam is owned by a number of Danish professional and institutional investors: Lønmodtagernes Dyrtidsfond, PKA, IFU, DIP and Chr. Augustinus Fabrikker Aktieselskab, holding a stake of 99.2%. Maj Invest Management and staff involved in investments in Maj Invest Equity Vietnam as well as one of the external members of the fund's Investment Committee have invested as special limited partners in Maj Invest Equity Vietnam. Any profits earned by such special limited partners are subject to tax under cur-

MANAGEMENT COMMENTARY

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rent Danish tax rules. The special limited partners do not pay management fees and partnership formation costs to the fund.

| Investors | Commitment DKKm | Interest in per cent |
|--|--------------------|-------------------------|
| Danish Pension Funds | 275.0 | 68.01% |
| Other Danish professional investors | 126.0 | 31.16% |
| Management and staff in Maj Invest Equity International | 2.3 | 0.58% |
| Investment Committee | 1.0 | 0.25% |
| | 404.3 | 100.00% |

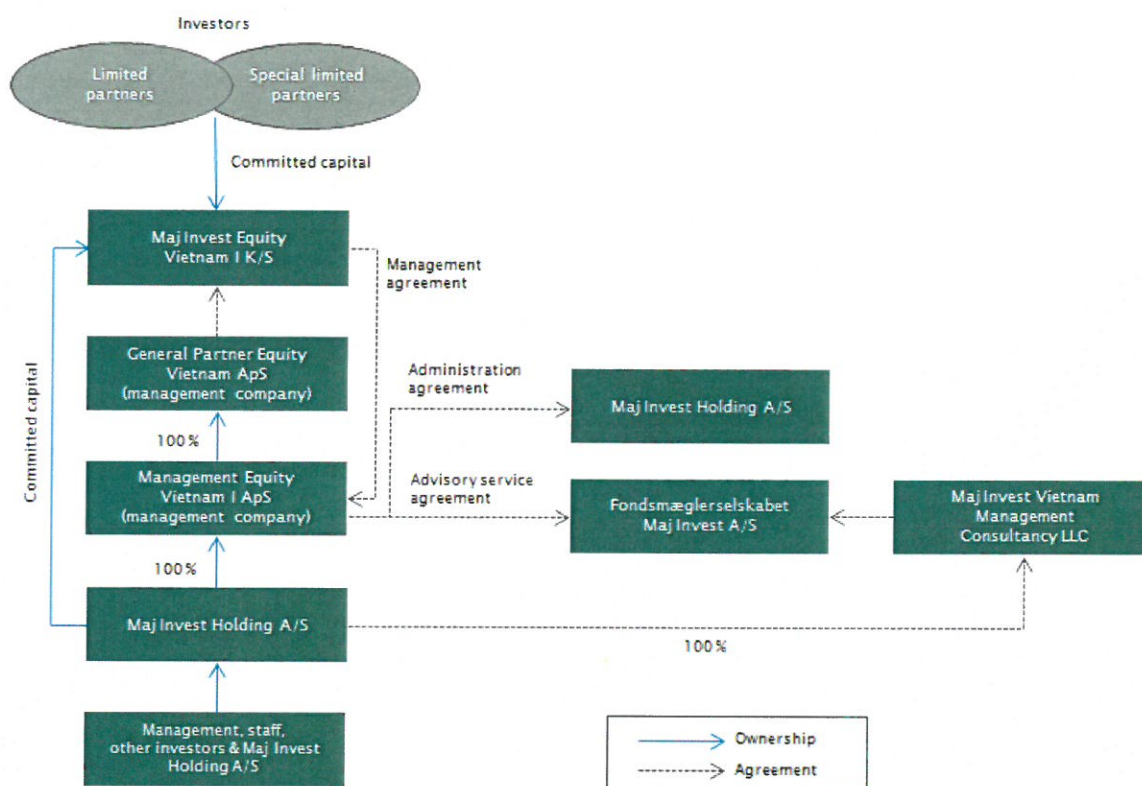
Legal structure

Maj Invest Equity Vietnam is a Danish limited partnership with a Danish private limited company as general partner. The general partner is managed by an executive board consisting of two employees of MI. The general partner is a subsidiary of the manager which is owned by Maj Invest Holding A/S (Maj Invest Holding).

MANAGEMENT COMMENTARY

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Legal structure of Maj Invest Equity Vietnam I K/S



Under a management agreement, the manager handles all investment-related and administrative tasks for Maj Invest equity Vietnam. Consequently, Maj Invest Equity Vietnam has no staff employed. The manager has made an advisory service agreement with MI in respect of some of the investment-related tasks and an agreement with Maj Invest Holding in respect of administrative tasks. MI has made a consultancy agreement with the Vietnamese subsidiary Maj Invest Vietnam Management Consultancy LLC.

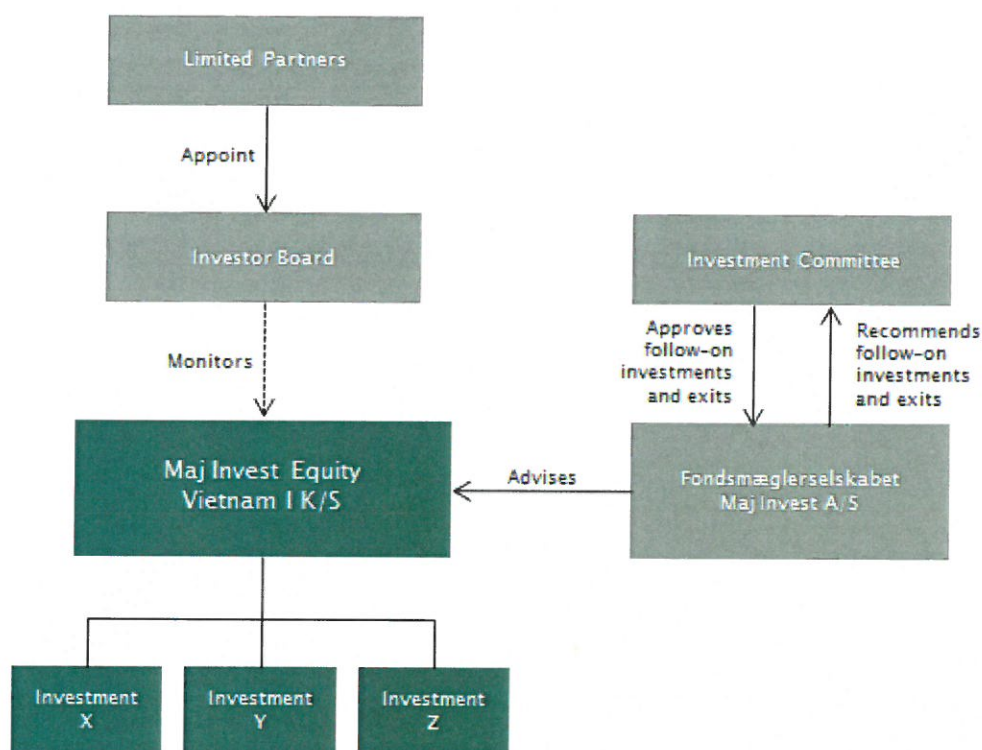
Decision structure

The investors in Maj Invest equity Vietnam have set up an Investor Board with representatives appointed by the investors. The Investor Board acts as a supervisory body and currently monitors developments in the fund. The Investor Board also approves the three to five members of the Investment Committee recommended by the manager. The other two members of the Investment Committee are appointed by the manager.

MANAGEMENT COMMENTARY

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Decision structure in Maj Invest Equity Vietnam I K/S



The Investment Committee is responsible for deciding any investments, follow on investments in or divestments of portfolio companies in Maj Invest Equity Vietnam following a recommendation by Maj Invest Equity International. The Investment Committee consists of five members. Reference is made to note 10, which shows any other executive functions or directorships held by investment committee members. Investments committee members do not participate in the particular companies and never invest in the portfolio companies in a discretionary manner.

Performance fee

Maj Invest Equity Vietnam has been established with a management fee structure which is normal in relation to the private equity market. This means that the manager receives a fixed management fee and a performance fee depending on the investors' returns on their investments. The performance fee is payable if the returns on investments adjusted for costs exceed a predetermined hurdle rate of 8% p.a. The performance fee is calculated as 20% of investor profits over the predetermined hurdle rate.

No performance fee had been allocated or paid as at December 31, 2016.

MANAGEMENT COMMENTARY

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Reporting

One of the things governed by the limited partnership agreement is the aspect of reporting on fund activities, its development and financial position in relation to investors. The fund is obliged to report to its investors on a current basis:

- Quarterly reports on the financial situation, the development in individual investments and investment returns.
- Memoranda on follow on investments.
- Memoranda on exits.
- Annual reports.
- Annual CSR report.
- Replies to current investor queries.

The quarterly reports to investors will be prepared in compliance with the international guidelines in respect of "best practices" as stipulated in the Reporting Guidelines from Invest Europe. Investments are valued at their fair values and in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

Development in activities and the financial position

There has been a high level of activity with the optimization of the investments. In the year there has been a success full exit of the investment in the portfolio company AA Corporation and negotiation with potential buyers of the investment in the portfolio company Vietnam–Australia International School JSC.

The financial development in Vietnam

2016 was a good year for Vietnam. Vietnam's economy showed good growth and expanded by 6.21%. Even though the target of 6.7% was not met due to a reduction of agricultural and mining output, the economic growth rate in 2016 was still higher than in the four years prior to 2015 (2015 GDP growth was 6.68%). The country's solid economic expansion was also reflected through the quickening quarterly growth rates. The steady growth of the manufacturing sector, especially at FDI funded firms, and the service sector throughout the year helped the economy maintain strong growth. Meanwhile, inflation came in at 2.66%, which is higher than last year's extremely low rate of 0.6% but still modest compared to other years. Key driver for inflation this year were government policy factors which drove prices of healthcare and education services higher.

Exports grew by 8.5% to reach USD 175.9 billion in 2016, not meeting the target of 10% due to a sluggish global demand and a decline in average export prices for in particular oil and coal. However, exports still improved over 2015, when the growth was 7.9%. Imports –mainly consisting of machinery and equipment, and electronics, PCs and components– improved at a lower rate of +4.6% to USD 173.2 billion this year compared to

MANAGEMENT COMMENTARY

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+12% in 2015. As a result, Vietnam recorded a 6-year high trade surplus of USD 2.7 billion in 2016, versus a trade deficit of USD 3.6 billion in 2015.

In 2016, FDI inflows continued to focus on the manufacturing and processing sectors. Total registered FDI was USD 20.95 billion, 8.1% lower than 2015's figure. Actual FDI disbursement, on the other hand, increased 9.0% to USD 15.8 billion, the highest level in history. Existing and upcoming free trade agreements ("FTAs") together with the rising costs in the region are key drivers that will help ensure strong FDI inflows.

Also, the Vietnamese currency remained fairly stable against the USD during the first three quarters of 2016. However, in Q4, following the US election results, upbeat US economic data, the US Federal Reserve's interest rate hike, and the seasonal factor of increased domestic demand for the USD, the VND depreciated by 1.1% against the dollar to VND 22,790–22,800 per USD by year-end.

Moody's maintained its rating for Vietnam's government bond at B1 and the outlook on the banking system of Vietnam at Stable, the same as in 2014 and 2015. In 2016, the Vietnam Asset Management Company ("VAMC") bought approximately VND 30 trillion, equivalent to USD 1.3 billion, of bad debts, which was equivalent to one third of the amount they bought in 2015 due to the fact that banks were no longer under pressure to sell NPLs to VAMC since their NPL ratio was lower than 3%. As a result, the NPL ratio increased from 2.5% in 2015 to 2.8% in 2016.

Overall, following 2015, the Vietnamese economy continued showing robust growth in 2016 underlining the country's economic and political stability. For 2017, GDP growth is expected to reach 6.5%, driven by the expected recovery of the Vietnamese agriculture sector and global oil prices, together with the resilience of the consumption and export-oriented manufacturing sectors.

Result for the year

The bottom-line for 2016 is a loss of DKK 99.8 million (2015 of DKK– 17.4 million). The funds bottom-line are affected by the implemented Act. no. 738 where, previously, investment in portfolio companies were valued to fair value with unrealized value adjustment through income statement, while positive unrealized value adjustments in portfolio companies now are made directly at the equity. In annual year 2016 the positive fair value adjustment made directly at the equity are DKK 145.0 million (2015 DKK 34.6 million).

The profit for the year – including positive fair value adjustment made directly at the equity – is better than the management expectations for 2016.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Development in portfolio companies in 2016

Lingo E-Commerce Joint Stock Company (Lingo)

Lingo, originally established in 2012 as a division of VMG Media JSC (VMG), was one of Vietnam's leading B2C E-commerce players selling mainly home appliances, household products, and baby care products. In 2014 Lingo was spun-off as a separate entity in the VMG Group.

Lingo closed down in the second half of 2016 and is expected to be fully dissolved in Q2 2017.

Vietnam-Australia International School JSC (VAS)

In September 2011, Maj Invest Equity Vietnam invested in Vietnam-Australia International School JSC ("VAS"), which was founded in 2004 in HCMC and has become one of the city's leading private educational institutions. VAS targets Vietnamese students aged 3-18, and offers a unique bilingual programme combining the local and international curricula. Students can choose to combine the Vietnamese National Education Programme with either the Cambridge English Programme focused on English language and ICT courses, or the Cambridge Academic Programme which includes core English language subjects as well as IGCSE and A-level testing. Students are instructed in English as well as Vietnamese.

VAS currently has about 6,300 students spread out over its 7 campuses in HCMC. Furthermore, VAS is currently preparing for the opening of two additional campuses, one in HCMC and one in Hanoi, which would be opened soonest in enrolment year 18/19 (starting July 2018).

VAS closed enrolment year 15/16 (ending in June 2016) with higher revenue and profit and with more students compared to the year before. For enrolment year 16/17, VAS expects performance to further improve.

After year end, all of the original owners of VAS – including Maj Invest Equity Vietnam I K/S – signed a SPA in February 2017 in connection to an exit of the investment to a US Private Equity Fund.

VMG Media JSC (VMG)

Maj Invest Equity Vietnam made its initial investment in VMG Media JSC in December 2011. VMG was established in 2006 to provide telecommunications and digital contents services and is the largest mobile value-added services ("MVAS") provider in Vietnam. VMG has transformed itself from a content provider into a technology company that has a wide product portfolio consisting of MVAS, e-pay, mobile and online games, mobile marketing and credit scoring.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

2016 was a difficult year for VMG as it faced a further decline of its highly profitable MVAS business, which has been the main profit generator since the company's establishment. This decline forced management of VMG to push the performance of its existing business portfolio as well as explore new venues for generating revenue and profit. Regarding pushing the existing business, VMG succeeded in growing several of them, in particular e-Pay.

With e-Pay gaining such positive momentum, the company decided it was the right time to monetize on its investment in e-Pay. As such, the company started a process to sell e-Pay in early 2016 and signed an SPA with a major Korean strategic player in November 2016. The deal is expected to close in Q2 2017.

Also in 2016, the company launched a new business unit, mobile marketing and launched in Q1 2017 a new business unit, credit scoring. VMG expects that these new business units will play an important role in the company's long term growth.

Capital resources

Maj Invest Equity Vietnam has a total capital commitment of DKK 404.3 million. On December 31, 2016, investors had paid DKK 394.3 million, or 98% of their capital commitments. The remaining capital commitment is DKK 10.1 million. Maj Invest Equity Vietnam's equity amounted to DKK 383.7 million at December 31, 2016, matching an equity ratio of 99%. The cash amounted to DKK 0.5 million at December 31, 2016.

Financial risks

The objective of Maj Invest Equity Vietnam is to invest in Vietnamese portfolio companies and create value in such companies. The major risk factor is therefore the failure to create value in the underlying portfolio companies, and the currency risk. General economic trends, financing opportunities and trends in interest levels and currency have a tremendous impact on the potential for value creation in the portfolio companies and consequently also the future value of Maj Invest Equity Vietnam's investments.

Events after the balance sheet day

There have been no events after the balance sheet day and to date that materially affect the assessment of the annual report.

Uncertainties relating to recognition and measurement in the financial statements

Investments in portfolio companies are valued at their fair values, according to Accounting policies. The valuation includes accounting estimates and such valuation is therefore subject to some uncertainty.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

GENERAL

The annual report for Maj Invest Equity Vietnam I for 2016 is prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class B entities with additional cash flow statement and the necessary adjustments considering that the company is a limited partnership, whose activity is private equity. Investments in portfolio companies are recognised in compliance with the International Private Equity and Venture Capital Valuation Guidelines, drawn by the IPEV Board.

In order to achieve a true and fair view of operations of the limited partnership, the presentation of the income statement and balance sheet has been changed compared with the reporting form shown in schedule 2 of the Danish Financial Statements Act. Income from investments in portfolio companies is presented as an item under operating profit/loss. The fair values of the investments are presented as one item under the balance sheet regardless of the size of the ownership interest.

With effect from 1 January 2016 the Fund has implemented the Act no. 738 of 1 June 2015. This entails the following changes to the recognition and measurement of:

Investments in portfolio companies:

Investments in portfolio companies are measured at fair value. Previously, investment in portfolio companies were valued to fair value with unrealised value adjustments through the income statement, while positive unrealised value adjustments in portfolio companies are now made directly at the equity mentioned "fair value adjustments".

The effect of the above change reduces profit in financial year 2016 with DKK 145.0 million and with DKK 34.6 million in financial year 2015. The change has not any financial effect of the balance or the equity for the two years.

Apart from the above the annual report is prepared using the same accounting policies as last year.

With reference to the Danish Financial Statements Act §110, the limited partnership has not prepared consolidated financial statements.

Recognition and measurement

All income and expenses relating to the financial year are recognised in the income

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

statement regardless of time of payment. Negative value adjustments in respect of investments in portfolio companies are also recognised in the income statement.

Assets are recognised in the balance sheet, if, in all probability, future economic benefits will flow to the limited partnership, and the value of such assets can be measured reliably.

Liabilities are recognised in the balance sheet, if, in all probability, future economic benefits will flow out of the limited partnership, and the value of such liabilities can be measured reliably.

Foreign currency translation

Transactions in foreign currencies are translated into Danish kroner using the exchange rates applicable on the transaction date. Assets and liabilities in foreign currencies are translated into Danish kroner using the rates on the balance sheet date.

INCOME STATEMENT

Income of investments in portfolio companies

Realised gains/losses on investments, negative unrealised value adjustments of investments are recognised in the income statement.

Interest received on loans to and dividends received from portfolio companies are also recognised under "Income of investments in portfolio companies".

Administrative expenses

Administrative expenses mainly consist of management fees, broken deal costs and other administrative expenses.

Financial income and expenses

Financial income and expenses include interests on bank deposits, interests on bridge loans and interests on loans provided by the general partner "General Partner Equity Vietnam ApS".

Tax

Maj Invest Equity Vietnam I is a Danish limited partnership. The limited partnership is transparent for tax purposes and taxes are levied on the individual investors in proportion to their shares in the partnership. Consequently, no provisions for tax have been made in the financial statements. However, tax withheld on the payment of dividends by the portfolio companies will be recognised in the income statement under tax.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

BALANCE SHEET

ASSETS

Investments in portfolio companies

On initial recognition, investments in portfolio companies are measured at cost, with the addition of transaction costs. On subsequent recognition, investments are measured at fair value. Value adjustments are recognised in the income statement.

The fair value of investments in portfolio companies are measured at the most recent market price, for instance in the form of an expansion of capital or a partial sale based on the values of comparable companies or through the use of traditional valuation methods, such as EV/EBITDA, P/E, EV/EBIT, P/B.

Receivables from portfolio companies in the form of loans are recognised as receivables and measured at fair value.

If the fair value assessment is not reliable, investments will be measured at cost, with the addition of transaction costs.

Receivables

Receivables from portfolio companies and other receivables are measured at the lower of amortized cost or net realisable value, which usually corresponds to the nominal value less write-downs for bad debts. Write-downs for bad debts are determined on the basis of an assessment of the individual receivables.

Prepayments

Prepayments recognised under assets mainly consist of prepaid management fees.

Cash

Cash includes deposits with financial institutions.

LIABILITIES

Financial liabilities

Other liabilities are measured at amortised cost, usually corresponding to the nominal value.

CASH FLOW STATEMENT

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as the year's movements in cash flows and the limited partnership's cash at the beginning and end of the year.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Cash flows from operating activities

Cash flows from operating activities include the net profit or loss for the year, adjusted for changes in working capital and non-cash operating items, such as value adjustments of investments in portfolio companies and provisions. The working capital includes current assets less short-term liabilities, exclusive of items included in cash and bank loans.

Cash flows from investing activities

Cash flows from investing activities include payments in respect of acquisitions or divestments of portfolio companies.

Cash flows from financing activities

Cash flows from financing activities include payments to and from limited partners as well as any changes in bank loans.

FINANCIAL STATEMENTS

INCOME STATEMENT

| '000 DKK | Note | 2016 | 2015 |
|---|------|------------------|-----------------|
| Income of investments in portfolio companies | 1 | (97,163) | (13,459) |
| Administrative expenses | | (3,297) | (4,511) |
| Operating profit/loss | | (100,460) | (17,970) |
| Financial income | 2 | 824 | 611 |
| Financial expenses | 3 | (128) | (68) |
| Profit/loss for the year | | (99,764) | (17,427) |
| Proposed distribution of net profit/loss | | | |
| Retained earnings | | (99,764) | (17,427) |
| | | (99,764) | (17,427) |

FINANCIAL STATEMENTS

BALANCE SHEET

| '000 DKK | Note | 31/12/2016 | 31/12/2015 |
|---|------|----------------|----------------|
| ASSETS | | | |
| Investments in portfolio companies | 4 | 382,324 | 325,491 |
| Receivables from portfolio companies | 5 | 3,462 | 8,349 |
| Total investments | | 385,786 | 333,840 |
| Total non-current assets | | 385,786 | 333,840 |
| Receivables from portfolio companies | | 546 | 627 |
| Other receivables | | - | 336 |
| Prepayments | | - | 1,108 |
| Total receivables | | 546 | 2,071 |
| Cash | | 496 | 2,778 |
| Total current assets | | 1,041 | 4,849 |
| Total assets | | 386,827 | 338,689 |
| EQUITY AND LIABILITIES | | | |
| Paid-in capital | | 394,255 | 394,255 |
| Distributions | | (99,316) | (99,316) |
| Net fair value adjustment | | 179,663 | 34,640 |
| Retained earnings | | (90,912) | 8,852 |
| Total equity | | 383,690 | 338,432 |
| Debt to general partner | 6 | 125 | 125 |
| Total long-term liabilities | | 125 | 125 |
| Debt to general partner | 6 | 50 | 50 |
| Other payables | | 2,962 | 82 |
| Total short-term liabilities | | 3,012 | 132 |
| Total liabilities | | 3,137 | 257 |
| Total equity and liabilities | | 386,827 | 338,689 |
| Cash flow statement – adjustments | 7 | | |
| Cash flow statement – change in working capital | 8 | | |
| Contingent liabilities etc. | 9 | | |
| Executive board and Investment Committee | 10 | | |

FINANCIAL STATEMENTS

Statement of changes in equity.

| '000 kr. | Paid-in capital from limited partners | Distribu- tions to limited partners | Fair value adjustment | Retained earnings | Total |
|--|--|--|--------------------------|----------------------|----------------|
| 2016 | | | | | |
| Equity at beginning of year | 394,255 | (99,316) | 34,640 | 8,852 | 338,432 |
| Paid-in capital from limited partners | - | - | - | - | - |
| Distributions to limited partners | - | - | - | - | - |
| Fair value adjustment | - | - | 145,023 | - | 145,023 |
| Retained earnings | - | - | - | (99,764) | (99,764) |
| Equity at year end | 394,255 | (99,316) | 179,663 | (90,912) | 383,690 |

The limited partners are liable for their share of the remaining
commitment as of 31/12 2016

10,085

2015

| | | | | | |
|--|----------------|-----------------|---------------|--------------|----------------|
| Equity at beginning of year | 388,764 | (88,366) | - | 26,279 | 326,678 |
| Paid-in capital from limited partners | 5,491 | - | - | - | 5,491 |
| Distributions to limited partners | - | (10,950) | - | - | (10,950) |
| Fair value adjustment | - | - | 34,640 | - | 34,640 |
| Retained earnings | - | - | - | (17,427) | (17,427) |
| Equity at year end | 394,255 | (99,316) | 34,640 | 8,852 | 338,432 |

The limited partners are liable for their share of the remaining
commitment as of 31/12 2015

10,085

FINANCIAL STATEMENTS

CASH FLOW STATEMENT

| '000 DKK | Note | 2016 | 2015 |
|---|------|----------------|----------------|
| Profit/loss for the year | | (99,764) | (17,427) |
| Adjustments | 7 | 95,812 | 12,992 |
| Change in working capital | 8 | 4,406 | 614 |
| Cash flows from operating activities before net financials | | 454 | (3,821) |
| Financial income etc. | | 824 | 611 |
| Financial expenses etc. | | (128) | (68) |
| Cash flows from operating activities | | 1,150 | (3,278) |
| Investment in portfolio companies and loans | | (10,339) | - |
| Disposals of portfolio companies and loans | | 6,909 | 6,286 |
| Cash flows from investing activities | | (3,430) | 6,286 |
| Paid-in capital from investors | | - | 5,491 |
| Distributions to investors | | - | (10,950) |
| Changes in bank loans | | - | - |
| Cash flows from financing activities | | - | (5,459) |
| Cash flows for the year, net | | (2,282) | (2,451) |
| Cash at the beginning of the year | | 2,778 | 5,229 |
| Cash at the end of the year | | 496 | 2,778 |

FINANCIAL STATEMENTS

NOTES

| '000 DKK | 2016 | 2015 |
|--|-------------------|-------------------|
| NOTE 1 Income of investments in portfolio companies | | |
| Realised gain/loss in portfolio companies | – | 5,258 |
| Unrealised negative value adjustment | (96,903) | (19,255) |
| Realised gain/loss on loans to portfolio companies | (655) | 76 |
| Interest on loans to portfolio companies | 395 | 462 |
| | <u>(97,163)</u> | <u>(13,459)</u> |
| NOTE 2 Financial income | | |
| Other financial income | 824 | 611 |
| | <u>824</u> | <u>611</u> |
| NOTE 3 Financial expenses | | |
| Financial expenses, general partner | (50) | (50) |
| Other financial expenses | (78) | (18) |
| | <u>(128)</u> | <u>(68)</u> |
| NOTE 4 Investments in portfolio companies | | |
| | <u>31/12/2016</u> | <u>31/12/2015</u> |
| Cost at 01/01 | 243,132 | 243,132 |
| Additions during the year | – | – |
| Disposals during the year | – | – |
| Cost at 31/12 | <u>243,132</u> | <u>243,132</u> |
| Value adjustments at 01/01 | 82,359 | 67,483 |
| Currency adjustments during the year | 13,109 | 31,010 |
| Value adjustments during the year: | | |
| Unrealised positive value adjustment | 134,377 | 16,399 |
| Unrealised negative value adjustment | (90,653) | (32,533) |
| Disposals during the year | – | – |
| Value adjustments at 31/12 | <u>139,192</u> | <u>82,359</u> |
| Carrying amount at 31/12 | <u>382,324</u> | <u>325,491</u> |

FINANCIAL STATEMENTS

NOTES

'000 DKK

| | 31/12/2016 | 31/12/2015 |
|---|--------------|--------------|
| NOTE 5 Loan to portfolio companies | | |
| Cost at 01/01 | 7,448 | 8,014 |
| Additions during the year | 10,734 | 462 |
| Disposals during the year | (6,909) | (1,028) |
| Cost at 31/12 | 11,273 | 7,448 |
| Value adjustments at 01/01 | 901 | 252 |
| Currency adjustments during the year | (255) | 649 |
| Value adjustments during the year | (8,457) | - |
| Value adjustments at 31/12 | (7,811) | 901 |
| Carrying amount at 31/12 | 3,462 | 8,349 |

NOTE 6 Debt to general partner

Debt to general partner is an installment-free loan to Maj Invest Equity Vietnam I for the full term of Maj Invest Equity Vietnam I.

FINANCIAL STATEMENTS

NOTES

| '000 DKK | 31/12/2016 | 31/12/2015 |
|---|---------------|---------------|
| NOTE 7 Cash flow statement – adjustments | | |
| Financial income | (824) | (611) |
| Financial expenses | 128 | 68 |
| Interest on loans to portfolio companies | (395) | (462) |
| Realised gain/loss in portfolio companies | – | (5,258) |
| Unrealised value adjustments in portfolio companies | 96,903 | 19,255 |
| Other adjustments | – | – |
| | 95,812 | 12,992 |

NOTE 8 Cash flow statement – change in working capital

| | | |
|--|--------------|------------|
| Change in receivables | 1,526 | 585 |
| Change in other short-term liabilities | 2,880 | 29 |
| | 4,406 | 614 |

NOTE 9 Contingent liabilities etc.

Contingent liabilities

Maj Invest Equity Vietnam I has entered into a management agreement with Management Equity Vietnam I ApS for the manager's administration of Maj Invest Equity Vietnam I as well as the provision of investment advisory services to Maj Invest Equity Vietnam I. On termination, Maj Invest Equity Vietnam I may in certain circumstances be obliged to pay management fees for up to 1 year. At December 31, 2016 the fee payable amounted to approx. DKK 3.6 million. (December 31, 2015 approx DKK 3.3 million).

Maj Invest Equity Vietnam I has contingent liabilities in connection with the sale of a portfolio company. While most of the warranties have expired, certain key warranties are unlimited in time and amount. The key warranties are normal sales guarantees for this line of business.

FINANCIAL STATEMENTS

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NOTE 10 Executive board and Investment Committee

Executive board of the general partner:

Kasper Svarrer

Director of:

Kasper Svarrer Holding ApS, DMP Holding 1 ApS, Danish Microfinance Partners General Partner ApS, Danish Microfinance Partners Management ApS, Management Equity Vietnam I ApS and General Partner Equity Vietnam ApS.

Chairman of:

Jutlandia Terminal A/S, A/S J. Lauritzen´s Eftf., Esbjerg and Fonden MIFIF II GP.

Board member of:

Jantzen A/S and Microcred Holding S.A.

Member of Investment Committee of:

Maj Invest Financial Inclusion Fund II K/S.

Thomas Riis

Director of:

Danish Microfinance Partners General Partner ApS, Danish Microfinance Partners Management ApS, General Partner Equity Vietnam ApS, Management Equity Vietnam I ApS, JKF Industri Holding ApS, LDETRE Holding 12 ApS, MIE4 Holding 5 ApS, LDETRE Holding 6 ApS, LDE Holding 16 (JMM) ApS, Equity Datterholding 16 (JMM) ApS, LDETRE Holding 1 ApS, LDETRE Datterholding 1 ApS and ACE Capital ApS.

Board member of:

Muuto A/S, Muuto Holding ApS and Blip Systems A/S.

Investment Committee:

Jeppe Christiansen

CEO of:

Fondsmæglerselskabet Maj Invest A/S

Director of:

Maj Invest Holding A/S, Maj Invest Equity A/S, Emlika ApS and Det Kgl. Vajsenhus.

Chairman of:

Haldor Topsøe A/S and Emlika ApS.

Vice Chairman of the boards of:

Novo Nordisk A/S and Maj Bank A/S.

Board member of:

Kirkbi A/S, Symphogen A/S, Novo A/S, Maj Invest Equity A/S and JKLE Holding ApS.

Member of Investment Committee of:

Maj Invest Equity Southeast Asia II K/S, Maj Invest Financial Inclusion Fund II K/S, Danish Microfinance Partners K/S, Maj Invest Equity 4 K/S and Maj Invest Equity 5 K/S.

FINANCIAL STATEMENTS

NOTES

Erik Holm

CEO of:

Maj Invest Equity A/S.

Director of:

Fondsmæglerselskabet Maj Invest A/S, Maj Invest Holding A/S and Erik Holm Holding ApS.

Chairman of:

Sticks 'N' Sushi A/S, Sticks 'N' Sushi Holding A/S and Vernal A/S.

Vice Chairman of the boards of:

Arvid Nilssons Fond, SP Group A/S and SP Moulding A/S.

Board member of:

Fonden Maj Invest Equity General Partner, Brødrene A. & O. Johansen A/S, AO Invest A/S, Maj Invest Singapore Private Ltd., Maj Invest South America S.A. and Maj Invest Equity A/S. In addition, chairman and board member of several holding companies and underlying portfolio companies owned by Maj Invest Equity 4 K/S and LD Equity 2 K/S.

Member of Investment Committee of:

LD Equity 1 K/S, LD Equity 2 K/S, LD Equity 3 K/S, Maj Invest Equity 4 K/S, Maj Invest Equity 5 K/S and Maj Invest Equity Southeast Asia II K/S.

Michael Hauge Sørensen

Director of:

Zebra A/S.

Chairman of:

Top-Toy A/S, TT Holding II A/S, TT Holding III A/S and Fristads Kansas Group AB.

Board member of:

Santa Fe Group A/S, IC Group A/S, Pandora A/S, Zebra A/S, Michaso Holdings Limited and Elevate Global Limited.

Member of Investment Committee of:

Maj Invest Equity Southeast Asia II K/S.

Sameer Kalra

Member of Investment Committee of:

Maj Invest Equity Southeast Asia II K/S.

Torben Kjær

Board member of:

Fonden LDE 2 GP, Fonden LDE 3 GP and Fonden MIE 5 GP.