

LD INVEST VIETNAM K/S

Annual report 2015

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STATEMENTS

STATEMENT BY MANAGEMENT

The executive board has today discussed and approved the annual report for LD Invest Vietnam K/S for the financial year 1 January – 31 December 2015.

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 31 December 2015 and of the results of the limited partnership's operations and cash flows for the financial year 1 January – 31 December 2015.

We believe that the Management commentary includes a fair review of the development in the limited partnership's activities and financial position, the result for the year and the limited partnership's financial position as a whole.

We recommend the annual report 2015 for adoption at the annual general meeting.

Copenhagen, 14 April 2016

General partner:
General Partner Equity Vietnam ApS

Excutive board:


Torben Kjær


Thomas Riis

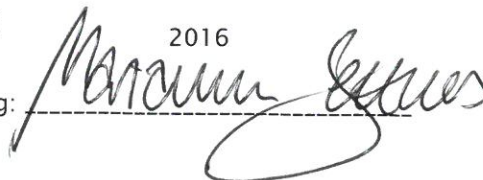
The annual report is presented and adopted at the annual general meeting.

on

29, 4

2016

Chairman of the partnership meeting:



STATEMENTS

Independent auditors' report

To the limited partners in LD Invest Vietnam K/S

Independent auditors' report on the financial statements

We have audited the financial statements of LD Invest Vietnam K/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, cash flow statement and notes. 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider internal control relevant to the limited partnership'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 limited partnership'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 opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the limited partnership's financial position at 31 December 2015 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's commentary

Pursuant to the Danish Financial Statements Act, we have read the Management's commentary. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's commentary is consistent with the financial statements.

Copenhagen, 14 April 2016

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	LD Invest Vietnam 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	1 January – 31 December
Registered office	Copenhagen
General partner	General Partner Equity Vietnam ApS
Executive board in General Partner Equity Vietnam ApS	Torben Kjær 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	2015	2014	2013	2012	2011
Key figures					
Profit/loss					
Value adjustment of investments in portfolio companies	21.181	51.154	45.090	(10.006)	(5.686)
Operating profit/loss	16.670	46.021	36.759	(19.006)	(15.429)
Profit/loss for the year	17.213	46.042	36.248	(19.635)	(16.062)
Balance sheet					
Investments in portfolio companies	333.840	318.881	352.035	304.112	279.294
Total assets	338.689	326.906	356.435	331.291	308.287
Equity	338.432	326.678	356.191	330.767	231.790
Financial resources					
Cash	2.778	5.229	775	21.302	20.938
Remaining commitment	10.085	15.576	20.632	17.563	136.175
Total financial resources	12.863	20.805	21.407	38.865	157.113
Cash flow					
Cash flows from operating activities	(3.278)	(4.702)	(8.948)	(7.370)	(13.284)
Cash flows from investing activities	6.286	84.712	(755)	(34.605)	(233.057)
Cash flows from financing activities	(5.459)	(75.555)	(10.824)	42.340	263.166
Net change in cash	(2.451)	4.454	(20.527)	365	16.825
Ratios					
Equity ratio	100%	100%	100%	100%	75%
Paid-in capital to committed capital (%)	98%	96%	96%	96%	66%

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Maj Invest Holding A/S

Maj Invest Holding A/S was established in 2005. Maj Invest Holding (MIH) had until July 2015 two core business activities: asset management and private equity. Maj Invest Asset Management provides advisory services on asset allocation and investment management in respect of listed equities, and Maj Invest Equity provides investment advisory services to private equity funds investing in unlisted equities in Denmark and abroad. With the establishment of Maj Bank in 2015, the group now has a third business area within savings and investment-related products.

In 2009 Maj Invest Equity International was set up as a business activity of Fondsmægler-selskabet Maj Invest A/S (MI). Maj Invest Equity International provides investment advisory services to four private equity funds, LD Invest Vietnam K/S, Maj Invest Equity Southeast Asia II K/S and two funds investing in microfinance institutions in Latin America, Asia and Africa.

The four private equity funds investing in unlisted equities in Denmark are: LD Equity 1 K/S, LD Equity 2 K/S, LD Equity 3 K/S and Maj Invest Equity 4 K/S.

LD Invest Vietnam

The private equity fund LD Invest Vietnam K/S (LD Invest Vietnam) 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

LD Invest Vietnam has invested in well-established small and medium-sized Vietnamese companies with a well-defined business model. During the years, LD Invest 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 LD Invest Vietnam mainly may be a minority owner but, if possible, in certain investment cases also may be majority owner.

Investment policy

LD Invest 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

MANAGEMENT COMMENTARY

BUSINESS REVIEW

- Credible corporate governance

LD Invest 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, LD Invest 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

LD Invest 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
- 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

LD Invest 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. LD Invest Vietnam rarely creates value primarily through leverage.

LD Invest 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

LD Invest Vietnam's CSR policy focuses on the fund's investments being sustainable and helping secure environmental and social responsible development in the portfolio companies. LD Invest Vietnam's CSR policy is adopted from The Investment Fund for Developing

MANAGEMENT COMMENTARY

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Countries (IFU) CSR policy. The CSR policy covers the following areas: Environment, work environment, safety, human rights and overall business ethics.

LD Invest Vietnam organisation

At year-end 2015, the equity team in Vietnam, advising LD Invest Vietnam, consisted of one general director, one senior investment manager and two analysts. In Denmark are MI's executive board and one investment manager involved in investments as well as three back-office staff involved in finance, legal matters and administrative duties.

Ownership

LD Invest 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 LD Invest Vietnam as well as one of the external members of the fund's Investment Committee have invested as special limited partners in LD Invest Vietnam. Any profits earned by such special limited partners are subject to tax under current 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%

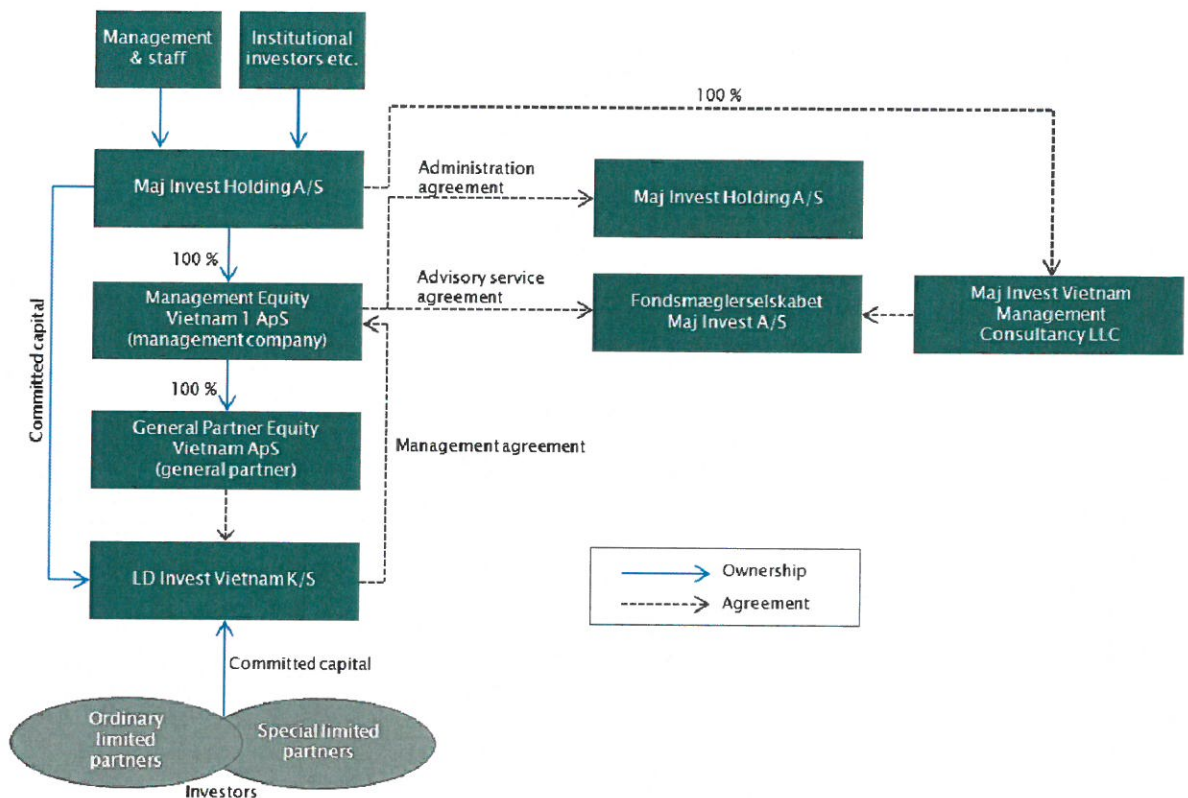
Legal structure

LD Invest 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 LD Invest Vietnam K/S



Under a management agreement, the manager handles all investment-related and administrative tasks for LD Invest Vietnam. Consequently, LD Invest 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.

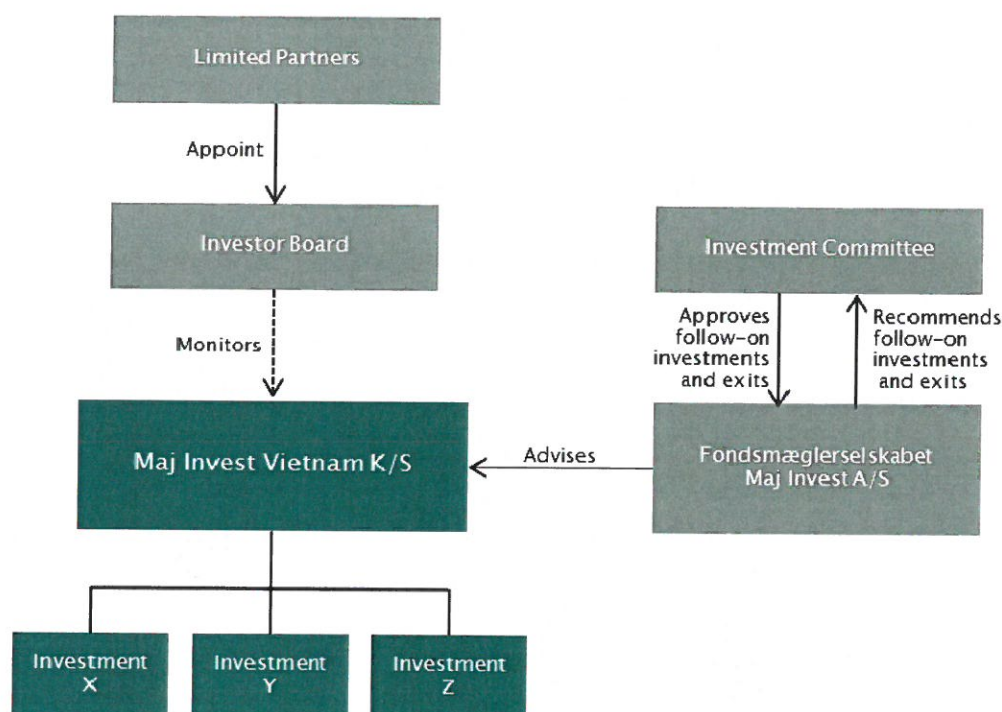
Decision structure

The investors in LD Invest 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 LD Invest Vietnam K/S



The Investment Committee is responsible for deciding any investments, follow on investments in or divestments of portfolio companies in LD Invest Vietnam following a recommendation by Maj Invest Equity International. The Investment Committee consists of five members. Reference is made to note 13, 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

LD Invest 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 31 December 2015.

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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 International Private Equity and Venture Capital Investor Reporting Guidelines. Investments are valued at their fair values and in accordance with the International Private Equity and Venture Capital Valuation Guidelines. MI also acceded to the "Guidelines for Responsible Ownership and Corporate Governance in Capital Venture Funds in Denmark" drawn up by the DVCA.

Development in activities and the financial position

There has been a high level of activity with the optimization of the investments. A follow on investment has been made in VMG Media JSC in connection to VMG's subsidiary "Lingo E-commerce JSC" was spun off.

The financial development in Vietnam

2015 was a very good year for Vietnam. GDP growth touched a 5-year high of 6.68%, beating the government's target of 6.2%. GDP growth accelerated each quarter throughout the year: 6.12% in the first quarter, 6.47% in the second quarter, 6.87% in the third quarter, and 7.01% in the fourth quarter. Industry and Construction was the leading growth engine of the economy with a growth rate of 9.64%, followed by Services (+6.33% y-o-y), and Agro-fisheries (+2.41% y-o-y). Meanwhile, inflation came in at 0.6%, which was the lowest level since 2001 and also much lower than the initial target of 5%.

Exports, with mobile phones and mobile phone accessories topping the list, grew to USD 162.1 billion in 2015, up 8.1% from the figure of USD 150 billion reported in 2014, further underlining Vietnam's export potential. Imports reached USD 165.6 billion, up 11.9% from 2014. Surging machinery imports, which moved in sync with the record-high Foreign Direct Investment ("FDI") disbursement, was the key growth driver. Adding to the increase was increasing imports of consumer-related goods such as cars (USD 3 billion, up 88% versus 2014) as domestic demand re-entered a strong recovery phase. This resulted in a trade deficit of USD 3.5 billion after three years of surplus.

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Registered FDI reached USD 22.8 billion, showing an increase of 12.5% compared to 2014. Disbursed FDI in 2015 was estimated to be USD 14.5 billion, showing a year-on-year increase of 17.4%. After several years of substantial surpluses, the current account has come under pressure from the surge in imports. However, the Asian Development Bank ("ADB") estimates Vietnam's 2015 current account surplus of 0.5% of GDP to increase to 1.0% of GDP in 2016.

In 2015, the State Bank of Vietnam ("SBV") devaluated the Dong versus the dollar three times by 1% each time in January, May, and August. The devaluation of the Dong allowed the currency to weaken in an attempt to make exports more competitive after China devalued the Yuan. From the 4th of January 2016, the SBV implemented a new mechanism on foreign exchange management which allowed the foreign exchange rate to be flexible in accordance with the demand and supply of foreign currency within Vietnam and changes in the global markets. Under the new mechanism, the central rate for the dong/dollar would be announced daily instead of a fixed rate which the SBV adjusted occasionally as before. The trading band for commercial banks has been maintained at 3% on either side since August last year. Vietnam's foreign exchange reserves at the end of Q3 2015 were estimated at USD 30.3 billion, equivalent to about 2.1 months of imports.

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. In 2015 the Vietnam Asset Management Company ("VAMC") bought VND 107 trillion, equivalent to USD 4.9 billion, of bad debts, bringing the total amount of bad debts purchased since the beginning of its operation in October 2013 to VND 245 trillion, equivalent to USD 11.2 billion. Also, the NPL ratio of the banking system was reduced to around 2.5% as of the end of 2015 from 3.25% in 2014.

Overall, similar to 2014, 2015 has proven to be a good year for Vietnam with a very solid macro-economic picture. For 2016, the outlook for the country's economy seems to be even brighter than 2015.

Profit for the year

The bottom-line for 2015 is a profit of DKK 17.2 million (2014 of DKK 46.0 million). The funds bottom-line are favourably affected by a net positive unrealized value adjustment of the investments (value- and currency adjustment) of DKK 15.4 million and a realized gain in connection to the exit in 2014 of the portfolio company Golden Gate of DKK 5.3 million. The profit for the year is better than the management expectations for 2015.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Development in portfolio companies in 2015

Lingo E-Commerce Joint Stock Company (Lingo)

Lingo, originally established in 2012 as a division of VMG Media JSC (VMG), is 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.

In 2015, LD Invest Vietnam made a follow on investment through the subsidiary Yellow Star Investment 3 Pte. Ltd. and purchased 74.9% of Lingo from VMG Group and injected a new management team in 2015. In 2015 Lingo realized growth in revenue but negative earnings. The new management team setup a new strategy plan for operational improvements. Significant operational improvements have already been achieved.

For 2016, Lingo plans to continue showing fast growth by further expanding its footprint mainly in Hanoi and Ho Chi Minh City.

Vietnam-Australia International School JSC (VAS)

In September 2011, LD Invest Vietnam invested in Vietnam-Australia International School JSC, which was established in 2004 in Ho Chi Minh City and is one of the city's leading private educational institutions. VAS currently offers the Cambridge program, English as a second language and the curriculum from Vietnam's Ministry of Education. The company operates six campuses with a total of about 5,400 students and 670 teachers.

In early 2015, VAS presented a 3-years growth plan. Management expects positive growth in revenue and earnings in 2016 and 2017.

In 2014/15 VAS managed to achieve growth in student numbers and realized growth in revenue and earnings compared to 2013/14.

AA Corporation JSC (AA)

In October 2011, LD Invest Vietnam made an investment in AA Corporation JSC which was established in 1990 as a construction company specializing in interior decoration.

AA Corporation has progressively developed into the leading interior contracting company and luxury hotel furniture manufacturer in Vietnam. In late 2012, AA opened offices in Bhutan and Myanmar, which have become major markets for AA. In 2015, the company also opened an office in Cambodia, further increasing its geographical footprint.

Overall, similar to 2014, 2015 was a very good year for AA in which the company managed to continue achieving good revenue and profit results thanks to a robust project

MANAGEMENT COMMENTARY

BUSINESS REVIEW

pipeline, mainly from the domestic market, and a much improved, more efficient organization.

For 2016, AA expects the strong performance trend to continue with growth coming from both the domestic market as well as the overseas markets.

VMG Media JSC (VMG)

LD Invest 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-commerce (Lingo), e-pay, mobile and online games, and mobile marketing.

2015 was an inflection year for VMG wherein it managed to stop the decline in profit due to the declining MVAS business by growing its other businesses such as ePay and other technology and SMS-based products. In 2015, VMG also sold the majority of its holding in Lingo to LD Invest Vietnam, enabling Lingo to grow independently from VMG.

In 2016, VMG expect to sell its remaining stake in Lingo (25%) and will focus on developing its new businesses, gaming and mobile advertising, which are expected to have very good potential moving forward in helping the company grow.

Capital resources

LD Invest Vietnam is able to finance investments and follow-on investments from the time of investment and up to nine months through bridge financing from financial institutions. A bridge loan must be repaid in connection with a capital call from investors.

LD Invest Vietnam has a total capital commitment of DKK 404.3 million. On 31 December 2015, investors had paid DKK 394.3 million, or 98% of their capital commitments. The remaining capital commitment is DKK 10.1 million. LD Invest Vietnam’s equity amounted to DKK 338.4 million at 31 December 2015, matching an equity ratio of 100%. The cash amounted to DKK 2.8 million at 31 December 2015.

Financial risks

The objective of LD Invest 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 LD Invest Vietnam’s investments.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

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.

Outlook for 2016

In 2016, the GDP growth for Vietnam is expected to reach about 6.7% while inflation is expected to increase compared to 2015 but still remain relatively low at around 3%. Based on the continued positive outlook for 2016, the management expects the fund to perform well and obtain a positive result as the portfolio companies are expected to grow compared to 2015.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

GENERAL

The annual report for LD Invest Vietnam for 2015 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.

As the private equity business carried on by LD Invest Vietnam is structured so that investing activities are the principal activity of each entity, the limited partnership measures investments and related financial liabilities at their fair values in accordance with section 38 of the Danish Financial Statements Act.

In order to achieve a true and fair view of operations of the limited partnership, the presentation of the income statement has been changed compared with the reporting form shown in schedule 2 of the Danish Financial Statements Act. Value adjustment of investments in portfolio companies is presented as one 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 reference to the Danish Financial Statements Act §110, the limited partnership has not prepared consolidated financial statements.

The accounting policies are the same as last year.

Recognition and measurement

All income and expenses relating to the financial year are recognised in the income statement regardless of time of payment. Value adjustments in respect of investments in portfolio companies, which are measured at fair value, 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.

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ACCOUNTING POLICIES

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement of assets and liabilities have taken into account any information available after the balance sheet date but before the presentation of the financial statements, either affirming or not affirming conditions existing on the balance sheet date.

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

Value adjustment of investments in portfolio companies

Gains/losses on investments and value adjustments of investments in and receivables from portfolio companies are recognised in the income statement. Interest received on loans to and dividends received from portfolio companies are also recognised under "Value adjustment of investments in portfolio companies".

Administrative expenses

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

Financial income and expenses

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

Tax

LD Invest Vietnam is not an independent entity liable to pay tax, and consequently, no provision for tax on profits has been made in the financial statements.

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.

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ACCOUNTING POLICIES

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 amortised 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

Bank loans regarding bridge financing are measured at fair value.

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.

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

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

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.

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INCOME STATEMENT

'000 DKK	Note	2015	2014
Value adjustment of investments in portfolio companies	1	21.181	51.154
Administrative expenses		(4.511)	(5.133)
Operating profit/loss		16.670	46.021
Financial income	2	611	71
Financial expenses	3	(68)	(50)
Profit/loss for the year		17.213	46.042
Proposed distribution of net profit/loss			
Retained earnings		17.213	46.042
		17.213	46.042

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BALANCE SHEET

'000 DKK	Note	31/12/2015	31/12/2014
ASSETS			
Investments in portfolio companies	4	325.491	310.615
Receivables from portfolio companies	5	8.349	8.266
Total investments		333.840	318.881
Total non-current assets		333.840	318.881
Receivables from portfolio companies		627	604
Other receivables		336	-
Prepayments		1.108	2.192
Total receivables		2.071	2.796
Cash	6	2.778	5.229
Total current assets		4.849	8.025
Total assets		338.689	326.906
EQUITY AND LIABILITIES			
Paid-in capital		394.255	388.764
Distributions		(99.316)	(88.366)
Retained earnings		43.493	26.280
Total equity	7	338.432	326.678
Debt to general partner	8	125	125
Total long-term liabilities		125	125
Debt to general partner		50	50
Other payables		82	53
Total short-term liabilities		132	103
Total liabilities		257	228
Total equity and liabilities		338.689	326.906
Contingent liabilities etc.	11		
Other notes	12-13		

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CASH FLOW STATEMENT

'000 DKK	Note	2015	2014
Profit/loss for the year		17.213	46.042
Adjustments	9	(21.648)	(51.430)
Change in working capital	10	614	665
Cash flows from operating activities before net financials		(3.821)	(4.723)
Financial income etc.		611	71
Financial expenses etc.		(68)	(50)
Cash flows from operating activities		(3.278)	(4.702)
Investment in portfolio companies		-	-
Disposals of portfolio companies		5.258	73.701
Disposals of loan		1.028	11.011
Cash flows from investing activities		6.286	84.711
Paid-in capital from investors		5.491	5.056
Distributions to investors		(10.950)	(80.611)
Changes in bank loans		-	-
Cash flows from financing activities		(5.459)	(75.555)
Cash flows for the year, net		(2.451)	4.454
Cash at the beginning of the year		5.229	775
Cash at the end of the year	6	2.778	5.229

FINANCIAL STATEMENTS

NOTES

'000 DKK	2015	2014
NOTE 1 Value adjustment of investments in portfolio companies		
Realised gain/loss in portfolio companies	5.258	42.048
Reversal of previous unrealised value adjustment in realised gain/loss	–	(27.588)
Realised gain/loss on loans to portfolio companies	76	(255)
Interest on loans to portfolio companies	462	689
Unrealised value adjustments	15.385	36.260
	21.181	51.154
NOTE 2 Financial income		
Other financial income	611	71
	611	71
NOTE 3 Financial expenses		
Financial expenses, general partner	(50)	(50)
Other financial expenses	(18)	–
	(68)	(50)
NOTE 4 Investments in portfolio companies		
	31-12-2015	31-12-2014
Cost at 01/01	243.132	306.768
Additions during the year	–	–
Disposals during the year	–	(63.636)
Cost at 31/12	243.132	243.132
Value adjustments at 01/01	67.483	28.087
Currency adjustments during the year	36.138	36.186
Value adjustments during the year	(21.262)	(1.185)
Disposals during the year	–	4.395
Value adjustments at 31/12	82.359	67.483
Carrying amount at 31/12	325.491	310.615

FINANCIAL STATEMENTS

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NOTE 4 Investments in portfolio companies (continued)

Name and registered office of investments in portfolio companies	Ownership interest	Share capital	Equity	Profit/loss for the year
Subsidiaries **)				
Yellow Star Investment 3 Pte. Ltd. '000 USD	100,00%	11.657	5.491	(121)
<i>Lingo E-Commerce JSC (mill. VND)</i>	74,91%	100.000	68.628	(31.372)
Yellow Star Investment 4 Pte. Ltd. '000 USD	100,00%	12.345	16.618	175
<i>Vietnam Australia International Education Corporation (mill. VND)*)</i>	25,50%	16.000	143.878	87.046
Yellow Star Investment 5 Pte. Ltd. '000 USD	100,00%	4.681	6.924	(349)
<i>AA Corporation JSC (mill. VND)</i>	28,40%	120.000	226.294	130.791
Yellow Star Investment 6 Pte. Ltd. '000 USD	100,00%	15.300	23.227	(821)
<i>VMG Media JSC (mill. VND)</i>	22,07%	203.930	589.827	79.498
Yellow Star Investment 7 Pte. Ltd. '000 USD	100,00%	0	(40)	(5)

The registered office for the portfolio Yellow Star companies is in Singapore.

Share capital, equity and profit/loss for the year are from the annual reports 2014 which are the latest annual reports published.

* Annual report for the period 1-7 2014 to 30-6-2015.

**) The portfolio company is listed after the subsidiary's name. The portfolio companies are registered in Vietnam.

FINANCIAL STATEMENTS

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	31-12-2015	31-12-2014
NOTE 5 Loan to portfolio companies		
Cost at 01/01	8.014	18.336
Additions during the year	462	689
Disposals during the year	(1.028)	(11.011)
Cost at 31/12	7.448	8.014
Value adjustments at 01/01	252	(1.156)
Currency adjustments during the year	649	1.408
Value adjustments during the year	-	-
Value adjustments at 31/12	901	252
Carrying amount at 31/12	8.349	8.266

FINANCIAL STATEMENTS

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'000 DKK

31/12/2015

Note 6 Cash at bank

An escrow amount of DKK 4.0 million related to the sale of investments are included in the amount as of December 31, 2014.

NOTE 7 Equity

31/12/2015

Equity at beginning of year	326.678
Paid-in capital from limited partners	5.491
Distributions to limited partners	(10.950)
Retained earnings	17.213
Equity at end year	338.432

31/12/2014

Equity at beginning of year	356.191
Paid-in capital from limited partners	5.056
Distributions to limited partners	(80.611)
Retained earnings	46.042
Equity at end year	326.678

31/12/2013

Equity at beginning of year	330.767
Paid-in capital from limited partners	(3.069)
Distributions to limited partners	(7.755)
Retained earnings	36.248
Equity at end year	356.191

31/12/2012

Equity at beginning of year	231.790
Paid-in capital from limited partners	118.612
Retained earnings	(19.635)
Equity at end year	330.767

31/12/2011

Equity at beginning of year	60.957
Paid-in capital from limited partners	186.895
Retained earnings	(16.062)
Equity at end year	231.790

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	31-12-2015	31-12-2014
The limited partners are liable for their share of the remaining commitment	10.085	15.576

NOTE 8 Debt to general partner

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

	2015	2014
NOTE 9 Cash flow statement – adjustments		
Financial income	(611)	(71)
Financial expenses	68	50
Interest on loans to portfolio companies	(462)	(689)
Realised gain/loss in portfolio companies	(5.258)	(14.460)
Unrealised value adjustments in portfolio companies	(15.385)	(36.260)
	(21.648)	(51.430)

NOTE 10 Cash flow statement – change in working capital

Change in receivables	585	681
Change in other short-term liabilities	29	(16)
	614	665

NOTE 11 Contingent liabilities etc.

Contingent liabilities

LD Invest Vietnam has entered into a management agreement with Management Equity Vietnam I ApS for the manager's administration of LD Invest Vietnam as well as the provision of investment advisory services to LD Invest Vietnam. On termination, LD Invest Vietnam may in certain circumstances be obliged to pay management fees for up to 1 year. At 31 December 2015, the fee payable amounted to app. DKK 3.3 million. (at 31 December 2014 app. DKK 4.4 million).

LD Invest Vietnam 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 12 Related parties

No related parties have controlling interest on LD Invest Vietnam.

Related parties include the general partner "General Partner Equity Vietnam ApS", the manager "Management Equity Vietnam I ApS" and also the executive board of the general partner.

NOTE 13 Executive board and Investment Committee

Executive board of the general partner:

Torben Kjær

Director of:

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

Member of Investment Committee of:

LD Invest Vietnam K/S and Maj Invest Equity Southeast Asia II K/S.

Thomas Riis

Director of:

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 and LDETRE Datterholding 1 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.

Vice Chairman of the boards of:

Haldor Topsøe A/S, 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 and Maj Invest Equity 4 K/S.

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Erik Holm

CEO of:

Maj Invest Equity A/S.

Director of:

Fondsmæglerselskabet Maj Invest A/S, Maj Invest Holding A/S, Erik Holm Holding ApS. In addition managing director or directorship of several holding companies and underlying portfolio companies owned by LD Equity 2 K/S and Maj Invest Equity 4 K/S.

Board member of:

Fonden Maj Invest Equity General Partner, Brødrene A. & O. Johansen A/S, AO Invest A/S and Maj Invest Equity A/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 and Maj Invest Equity Southeast Asia II K/S.

Torben Kjær

(please see description above)

Kaare Vagner Jensen

Chairman of:

Skako A/S, Skako Concrete A/S, Skako Vibration A/S, Nordatlantisk Venture A/S, Copenhagen Engineering A/S and Smedefirmaet L. S. Stålmontage ApS.

Vice Chairman of the boards of:

Mols-Linien A/S.

Board member of:

Erria A/S and Alstom Danmark A/S.

Torben Huss

Executive vice president:

Investeringsfonden for udviklingslande (IFU) and Investeringsfonden for Østlandene (IØ).

Board member of:

DCIF Subsidiary GP ApS, DCIF I GP Komplementar ApS, DCIF I GP P/S, Juristernes og Økonomernes Pensionskasse, IFU Investment, Partners GP P/S, IFU Investments Komplementar ApS, SolarSouth Investment P/S, DAF I GP P/S and DAF I GP Komplementar ApS.

Member of Investment Committee of:

Danish Microfinance Partners K/S.