



MAJ INVEST EQUITY VIETNAM I K/S

Annual report 2018

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STATEMENTS

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, 2018.

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, 2018 and of the results of the limited partnership's operations and cash flows for the financial year January 1 – December 31, 2018.

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

We recommend the annual report 2018 for adoption at the annual general meeting.

Copenhagen, April 11, 2019

General partner:
General Partner Equity Vietnam ApS

Executive board:


Kasper Svarrer


Thomas Riis

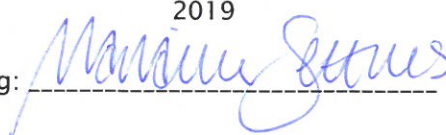
The annual report is presented and adopted at the annual general meeting.

on

29 / 4

2019

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, 2018, which comprise accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Limited Partnership at December 31, 2018 and of the results of the Limited Partnership's operations for the financial year January 1 – December 31, 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 as to 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

STATEMENTS

Independent auditor's report

is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Limited Partnership to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the note 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.

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Independent auditor's report

Statement on Management's review

Management is responsible for the Management's review.

Our opinion on the 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 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 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 financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material

Copenhagen, April 11, 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Ole Karstensen, mne16615
State Authorised
Public Accountant



Rasmus Berntsen, mne35461
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	2018	2017	2016	2015	2014
Key figures					
Profit/loss					
Income of investments in portfolio companies*	421	(34,267)	(97,163)	(13,459)	51,154
Operating profit/loss	(1,437)	(37,074)	(100,460)	(17,970)	46,021
Profit/loss for the year	(897)	(34,719)	(99,764)	(17,427)	46,042
Balance sheet					
Investments in portfolio companies	57,371	165,126	385,786	333,840	318,881
Total assets	61,187	167,732	386,827	338,689	326,906
Equity	60,974	167,518	383,690	338,432	326,678
Financial resources					
Cash	2,949	2,600	496	2,778	5,229
Remaining commitment	10,085	10,085	10,085	10,085	15,576
Total financial resources	13,034	12,685	10,581	12,863	20,805
Cash flow					
Cash flows from operating activities	(2,317)	180,236	1,150	(3,278)	(4,702)
Cash flows from investing activities	108,313	3,322	(3,430)	6,286	84,712
Cash flows from financing activities	(105,647)	(181,455)	–	(5,459)	(75,555)
Net change in cash	349	2,105	(2,282)	(2,451)	4,454
Ratios					
Equity ratio	99.7%	99.9%	99.9%	99.9%	99.9%
Paid-in capital to committed capital (%)	98%	98%	98%	98%	96%

*Income of investments in portfolio companies for 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 2016, 2017 and 2018 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.

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 for the years 2016 – 2018:

	Former accounting polices			Present accounting polices		
	2018	2017	2016	2018	2017	2016
Key figures						
Profit/loss						
Income of investments						
in portfolio companies	421	(34,267)	47,860	421	(34,267)	(97,163)
Operating profit/loss	(1,437)	(37,074)	44,563	(1,437)	(37,074)	(100,460)
Profit/loss for the year	(897)	(34,719)	45,259	(897)	(34,719)	(99,794)

MANAGEMENT COMMENTARY

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Maj Invest Equity Vietnam I K/S

The private equity fund Maj Invest Equity Vietnam I K/S (Maj Invest Equity Vietnam) was established on June 16, 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.

Maj Invest Equity Vietnam has a total capital commitment of DKK 404.3 million. The investment period of the Fund expired in November 2013, and consequently no investments are now being made in new portfolio companies.

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. A portfolio of investments in Vietnamese companies operating with activities in production, service trades, education, marketing and distribution have been made.

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.

The Fund has invested in six investments since its establishment of which five have been exited. As of year-end 2018, Maj Invest Equity Vietnam has one active investment.

The objective of Maj Invest Equity Vietnam is to create and realize value in the portfolio companies. As the business carried out by Maj Invest Equity Vietnam is private equity, and no new investments will be made, Maj Invest Equity Vietnam's activity will end when all investments are sold.

CSR policy

Maj Invest Equity Vietnam's CSR Policy serves as the framework for ensuring the incorporation of environmental, social and governance factors (ESG) into the investment decision-making process and ownership practices and for ensuring a responsible and positive development on ESG factors in the companies. The Fund promotes the UN Global Compact principles, with the addition of good corporate governance and animal welfare.

Ownership

Maj Invest Equity Vietnam is owned by a number of Danish professional and institutional investors holding a stake of 99.4%. Maj Invest Management and staff involved in investments in Maj Invest Equity Vietnam, as well as one former external member 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 current Danish and local tax rules. The special limited partners do not pay management fees and partnership formation costs to the Fund.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Investors	Commitment DKKm	Interest in per cent
Danish Pension Funds	275.0	68.01%
Other Danish professional investors	127.0	31.40%
Management and staff in Maj Invest Equity International	2.1	0.52%
Former member of the Investment Committee	0.3	0.07%
	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 members. The general partner is a subsidiary of the manager Maj Invest Equity A/S which is owned by Maj Invest Holding A/S (Maj Invest Holding).

Under two management agreements, 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.

Decision structure

The investors in Maj Invest Equity Vietnam have set up an Investor Board with representatives appointed by the investors. The Investor Board is the investors representative body which evaluates the overall 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.

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 7, 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

MANAGEMENT COMMENTARY

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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, 2018.

The financial development in Vietnam

Following last year's impressive growth figure of 6.81%, Vietnam's 2018 GDP growth of 7.08% exceeded the government's target of 6.7% to reach its highest level in a decade. The accelerated growth was driven by higher domestic demand, record export earnings, and the government's economic reforms. As seen in the past, Vietnam's GDP typically expanded at the strongest rate in the first and the last quarter of the year, and this year wasn't any different with GDP growth of 7.45% and 7.31% in Q1 and Q4 respectively. The economy saw strong growth in all three main areas: agriculture, industry & construction, and services. The upbeat results reflected a rebound of the agriculture sector, robust foreign inflows and rising global and domestic demand, which boosted manufacturing and exports.

Meanwhile, 2018's Consumer Price Index (CPI) rose by 3.54%, which was almost the same as last year's 3.53% but still lower than the 4% target set by the government. CPI was kept in check mainly thanks to efforts of the government to conduct regular market inspections and apply several price stabilization policies for indispensable goods. Further, the State Bank of Vietnam's efforts to pursue a consistent monetary policy aimed at macroeconomic stability and inflation control also helped to keep CPI under control.

The value of exports was estimated at USD 244.72 billion in 2018, an increase of 13.8% compared to 2017. Phones and various devices led among the key export commodities followed by garment and textiles products, computers and electronic devices and components, and shoes. Meanwhile, the value of imports in 2018 was estimated at USD 237.51 billion (+11.5% y-o-y) fueled by increased demand for machinery and equipment for the manufacturing of mobile phones, electronics, and PCs. As a result, Vietnam recorded a trade surplus of USD 7.2 billion, a significant increase compared to last year's USD 2.7 billion.

In 2018, Vietnam attracted USD 17.97 billion (+15.5% y-o-y) in registered foreign direct investment ("FDI") for new projects. Additionally, existing FDI projects dated prior to 2018 registered for a total share capital increase of USD 7.60 billion. Meanwhile, actual disbursed FDI reached USD 19.1 billion (+9.1% y-o-y) and total foreign indirect investment ("FII") reached USD 9.89 billion (+59.8% y-o-y). The manufacturing sector was the largest beneficiary of FDI in 2018 with USD 9.07 billion in registered capital, accounting for 50.4% of the country's FDI inflows. Top countries directing FDI capital into Vietnam in

MANAGEMENT COMMENTARY

BUSINESS REVIEW

2018 included Japan (USD 6.59 billion, accounting for 36.7%), Korea (USD 3.66 billion, accounting for 20.4%) and Singapore (USD 1.42 billion, accounting for 7.9%).

With regards to the foreign exchange rate, the commercial VND/USD exchange rate fluctuated moderately. After remaining fairly stable during 4M/2018, the VND started to depreciate against the USD from around 22,800 in May to around 23,200 in August. Since August, the VND/USD exchange rate has fluctuated slightly at around 23,200 – 23,300 until year-end. Foreign currency reserves of the country peaked at approximately USD 60 billion – the highest level ever, mainly thanks to the trade surplus, the FDI, FII and remittance from overseas Vietnamese. This significantly contributed to a stable exchange rate, enhanced macro-economic conditions, and increased trust from foreign investors in the country's economy.

In November 2018, Moody's changed its 12–18 months outlook on the banking system in Vietnam to stable from positive (Ba3 stable) stating "economic growth in Vietnam will remain robust, and the banks' asset quality will improve, helping to strengthen their profitability". The stable outlook was attributed to the government's efforts on implementing measures to maintain macroeconomic stability, control inflation and promote economic growth. On asset quality, Moody's also stated that Vietnamese banks will show improved asset quality over the next 12–18 months, because strong economic growth will translate into improvements in borrower repayment capabilities and enable the banks to accelerate the write-offs of legacy problem assets. However, rapid credit growth in recent years can result in a deterioration of asset quality as new loans mature, although this situation is unlikely to occur during Moody's outlook period of the next 12–18 months.

Overall, following the 2015 – 2017 period, the Vietnamese economy continued showing robust growth in 2018 underlining the country's economic and political stability. For 2019, GDP growth is expected to grow in the range of 6.6% – 6.8%, supported by strong domestic fundamental strengths, the continued reform of the state-owned sector, and that Vietnam is poised to be a beneficiary of the US–China trade war. Meanwhile, the government has set the inflation target below 4% in 2019.

Financial position and development in the portfolio companies in 2018

Result for the year

The bottom-line for 2018 is a loss of DKK 0.9 million (2017 loss of DKK 34.7 million) and can be explained with value adjustment in portfolio companies. The negative result for 2017 was affected by negative currency and value adjustment during the year.

In 2018, Maj Invest Equity Vietnam received further proceeds from its holding companies from the sale of the two portfolio companies, Vietnam–Australia International School JSC (exit in 2017) and AA Corporation JSC (exit in 2016). The proceeds were received as capi-

MANAGEMENT COMMENTARY

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tal reduction from the two Singapore holding companies and was distributed to the investors.

Development in portfolio companies in 2018

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, mobile marketing, cloud gaming, and data-analytics including credit scoring.

Following 2017, VMG continued facing challenges in 2018. Sales from its gateway services decreased significantly by over 84% due to recent regulatory restrictions related to charging services to control online gambling. On the other hand, sales of other services including mobile marketing services grew by 157%. As such, total operating profit turned positive again. The data analytics business did not contribute much to sales as it was still under development but it started growing significantly in Q4 2018 and as such becoming a promising business unit for 2019 and beyond.

Capital resources

Maj Invest Equity Vietnam has a total capital commitment of DKK 404.3 million. On December 31, 2018, 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 61.0 million at December 31, 2018, matching an equity ratio of 99.7%.

Financial risks

The objective of Maj Invest Equity Vietnam is to invest in a Vietnamese portfolio company and create value in such a company. The major risk factor is therefore the failure to create value in the underlying portfolio company, 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 company and consequently also the future value of Maj Invest Equity Vietnam’s investment.

Uncertainties relating to recognition and measurement in the financial statements

Investment in the portfolio company is valued at fair values, according to Accounting policies. The valuation includes accounting estimates and such valuation is therefore subject to some uncertainty.

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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.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

GENERAL

The annual report for Maj Invest Equity Vietnam I is prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class B entities with the adoption of rules for reporting of class C entities such as cash flow statement and with 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.

The accounting policies are the same 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 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.

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.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

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 and other administrative expenses.

Financial income and expenses

Financial income and expenses include interests on bank deposits 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.

BALANCE SHEET

ASSETS

Investments in portfolio companies

On initial recognition, investments in portfolio companies were measured at cost, with the addition of transaction costs. On subsequent recognition, investments are measured at fair value.

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.

Positive unrealised value adjustments of investments in associated companies

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

are made directly at the equity. Negative unrealised value adjustments are recognised in the income statement.

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

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

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.

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.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

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	2018	2017
Income of investments in portfolio companies	1	421	(34,267)
Administrative expenses		(1,858)	(2,807)
Operating profit/loss		(1,437)	(37,074)
Financial income		629	2,455
Financial expenses		(89)	(100)
Profit/loss for the year		(897)	(34,719)
Proposed distribution of net profit/loss			
Retained earnings		(897)	(34,719)
		(897)	(34,719)

FINANCIAL STATEMENTS

BALANCE SHEET

'000 DKK	Note	31/12/2018	31/12/2017
ASSETS			
Investments in portfolio companies	2	57,371	165,126
Total investments		57,371	165,126
Total non-current assets		57,371	165,126
Receivables from portfolio companies		–	6
Prepayments		867	–
Total receivables		867	6
Cash		2,949	2,600
Total current assets		3,816	2,606
Total assets		61,187	167,732
EQUITY AND LIABILITIES			
Paid-in capital		394,255	394,255
Distributions		(386,418)	(280,771)
Retained earnings		53,135	54,032
Total equity		60,974	167,518
Debt to general partner	3	125	125
Total long-term liabilities		125	125
Debt to general partner	3	50	50
Other payables		38	39
Total short-term liabilities		88	89
Total liabilities		213	214
Total equity and liabilities		61,187	167,732
Cash flow statement – adjustments	4		
Cash flow statement – change in working capital	5		
Contingent liabilities etc.	6		
Executive board and Investment Committee	7		

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
2018					
Equity at beginning of year	394,255	(280,771)	–	54,032	167,516
Distributions to limited partners	–	(105,647)	–	–	(105,647)
Retained earnings	–	–	–	(897)	(897)
Equity at year end	394,255	(386,418)	–	53,135	60,974
The limited partners are liable for their share of the remaining commitment as of 31/12 2018					<u>10,085</u>
2017					
Equity at beginning of year	394,255	(99,316)	179,663	(90,912)	383,690
Distributions to limited partners	–	(181,455)	–	–	(181,455)
Fair value adjustment	–	–	(179,663)	179,663	–
Retained earnings	–	–	–	(34,719)	(34,719)
Equity at year end	394,255	(280,771)	–	54,032	167,515
The limited partners are liable for their share of the remaining commitment as of 31/12 2017					<u>10,085</u>

FINANCIAL STATEMENTS

CASH FLOW STATEMENT

'000 DKK	Note	2018	2017
Profit/loss for the year		(897)	(34,719)
Adjustments	4	(1,098)	214,983
Change in working capital	5	(862)	(2,384)
Cash flows from operating activities before net financials		(2,857)	177,880
Financial income etc.		629	2,455
Financial expenses etc.		(89)	(100)
Cash flows from operating activities		(2,317)	180,236
Capital reduction in portfolio companies		108,313	–
Disposals of portfolio companies and loans		–	3,322
Cash flows from investing activities		108,313	3,322
Paid-in capital from investors		–	–
Distributions to investors		(105,647)	(181,455)
Cash flows from financing activities		(105,647)	(181,455)
Cash flows for the year, net		349	2,105
Cash at the beginning of the year		2,600	496
Cash at the end of the year		2,949	2,600

FINANCIAL STATEMENTS

NOTES

'000 DKK	2018	2017
NOTE 1 Income of investments in portfolio companies		
Unrealised value adjustment	558	(217,407)
Received dividend from portfolio companies	–	183,203
Realised gain/loss on loans to portfolio companies	(137)	(132)
Interest on loans to portfolio companies	–	69
	421	(34,267)
NOTE 2 Investments in portfolio companies		
	31/12/2018	31/12/2017
Cost at 01/01	243,132	243,132
Additions during the year	–	–
Disposals during the year	(94,596)	–
Cost at 31/12	148,536	243,132
Value adjustments at 01/01	(78,006)	139,192
Currency adjustments during the year	6,581	(43,428)
Value adjustments during the year:		
Unrealised negative value adjustment	(6,023)	(173,770)
Disposals during the year	(13,717)	–
Value adjustments at 31/12	(91,165)	(78,006)
Carrying amount at 31/12	57,371	165,126

The investments in portfolio companies have been made through 100 % owned subsidiaries.

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'000 DKK	31/12/2018	31/12/2017
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NOTE 4 Cash flow statement – adjustments

Financial income	(629)	(2,455)
Financial expenses	89	100
Interest on loans to portfolio companies	–	(69)
Unrealised value adjustments in portfolio companies	(558)	217,407
	(1,098)	214,983

NOTE 5 Cash flow statement – change in working capital

Change in receivables	(861)	540
Change in other short-term liabilities	(1)	(2,923)
	(862)	(2,384)

NOTE 6 Contingent liabilities etc.

Contingent liabilities

Maj Invest Equity Vietnam I has contingent liabilities in connection with the sale of portfolio companies. 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.

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NOTE 7 Executive board and Investment Committee

Executive board of the general partner:

Thomas Riis

Director of:

ACE Capital ApS, Danish Microfinance Partners General Partner ApS, Danish Microfinance Partners Management ApS, DMP Holding 1 ApS, General Partner Equity Vietnam ApS and MIFIF III GP ApS.

In addition, director or directorship of various holding companies and underlying portfolio companies owned by 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.

Kasper Svarrer

Director of:

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

Chairman of:

Fonden MIFIF II GP.

Board member of:

Jutlandia Terminal A/S, A/S J. Lauritzen's Eftf., Esbjerg, Jantzen A/S, Microcred Holding S.A. and Arohan Financial Services Pvt.

Member of Investment Committee of:

Maj Invest Financial Inclusion Fund II K/S.

Investment Committee:

Jeppe Christiansen

CEO of:

Fondsmæglerselskabet Maj Invest A/S and Maj Invest Holding A/S.

Director of:

Maj Invest Equity A/S and Det Kgl. Vajsenhus.

Chairman of:

Haldor Topsøe A/S and Emlika ApS.

Vice Chairman of the boards of:

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

Board member of:

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

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.

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Erik Holm

CEO, Managing Partner of:

Maj Invest Equity A/S.

Director of:

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

In addition, chairman and board member of several holding companies and underlying portfolio companies owned by Maj Invest Equity 4 K/S and Maj Invest Equity 5 K/S.

Chairman of:

Cenex ApS.

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.

Member of Investment Committee of:

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

Michael Hauge Sørensen

Chairman and co-owner of:

Fristads Kansas Group AB and Homemate ApS.

Board member of:

Santa Fe Group A/S, IC Group 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

CEO of:

Framo AS.

Chairman of:

Framo AS, Framo Fusa AS, Framo Holsnøy AS, Framo Flatøy AS and PHE Holding AS.

Board member of:

Framo Services AS.

Member of Investment Committee of:

Maj Invest Equity Southeast Asia II K/S.

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Torben Kjær

Board member of:

Berrybenka Pte. Ltd., Singapore, Kim Health Care Group Corporation, Vietnam, Niso Corporation, Vietnam, Fonden LDE 2 GP, Fonden LDE 3 GP and Fonden MIE 5 GP.

Member of Investment Committee of:

Maj Invest Equity Southeast Asia II K/S.