

Private Equity New Markets III K/S
Central Business Registration No
33078285

Tranegårdsvej 20
2900 Hellerup

Annual report 2015

The Annual General Meeting adopted the annual report on *26 maj 2016*

Chairman of the General Meeting

Linda á Dunga Brøndum

Name: Linda á Dunga Brøndum

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Entity details

Entity

Private Equity New Markets III K/S
Tranegårdsvej 20
2900 Hellerup

Central Business Registration No: 33078285

Registered in: Hellerup

Financial year: 01.01.2015 - 31.12.2015

Internet: www.penmpartners.com

E-mail: info@penmpartners.com

Board of Directors

David Hexter, Chairman

Bent Pedersen, Vice-chairman

Dan Jensen

Executive Board

Penm Partners GP III ApS

Bank

Nordea Bank Danmark

Strandgade 3

0900 Copenhagen C

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Private Equity New Markets III K/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We recommend the annual report for adoption at the Annual General Meeting.

Hellerup, 27.04.2016

Executive Board

Penm Partners GP III ApS

Board of Directors



David Hexter
Chairman



Bent Pedersen
Vice-chairman



Dan Jensen

Independent auditor's reports

To the owners of Private Equity New Markets III K/S

Report on the financial statements

We have audited the financial statements of Private Equity New Markets III K/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity'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 the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

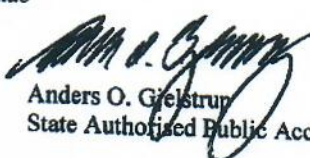
Copenhagen, 27.04.2016

Deloitte

Statsautoriseret Revisionspartnerselskab


Bill Haudal Pedersen

State Authorised Public Accountant


Anders O. Gjelstrup
State Authorised Public Accountant

CVR-nr. 33963556

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

The financial statements are stated in USD. The exchange rate at the balance sheet date was DKK 683.00 per USD 100 (as of 31. December 2014: DKK 612.14 per 100 USD)

Presentation of the income statement and the balance sheet as well as the description of items has been adjusted to the Entity's special activity as a private equity partnership.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Management's significant accounting judgments and estimates

In preparing the annual report, it is required that Management makes a number of accounting estimates and assumptions that form the basis of presentation, recognition and measurement of the Entity's assets and liabilities.

The accounting estimates and judgments concern particularly the value of Penm III Germany GmbH & Co. KG's investments in unlisted portfolio companies, which include equity and equity-related contributions to growth-oriented companies. Management has appraised the value of these investments by estimating the portfolio companies' commercial development and divestment opportunities.

Accounting policies

Penm III Germany GmbH & Co's listed portfolio companies, which are registered in Vietnam, are valued at the quoted price at 31 December 2015. The stock market in Vietnam is affected by a relatively high political and market risk.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date, or the balance sheet date, are recognised in the income statement as financial items.

General

The Entity is managed by a supervisory board (designated herein "Board of Directors") and a general partner (designated herein "Executive Board").

Income statement

Administrative expenses

Administrative expenses include administration fees and other expenses.

Other operating income

Other operating income comprises refunds that are reimbursed administration and management fees.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial expenses

Other financial expenses comprise interest expenses, realised and unrealised currency losses on receivables, payables and other monetary items in foreign currency and on transactions in foreign currencies.

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity minus or plus unrealised intra-group profits or losses.

When recognising investments in foreign group enterprises which are integrated units monetary assets and liabilities are converted at the exchange rate at the balance sheet date. Likewise, the portfolio companies meas-

Accounting policies

ured at fair value in the group enterprises are converted at the exchange rate at the balance sheet date. The transactions in the income statement are converted at the monthly average exchange rate except that transactions determined by none monetary assets and liabilities are converted to historical exchange rates for the relevant none monetary transactions. Exchange rate differences regarding investments in subsidiaries are recognised in the income statement as a part of income from investments in group enterprises.

Securities owned by the subsidiary are recognised at fair value pursuant to section 38 of the Danish Financial Statements Act, and value adjustments are recognised in the income statement under income from portfolio companies. The valuation of the unlisted portfolio companies are based on appraised fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines).

Upon distribution of profit or loss in the subsidiary, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost usually equaling nominal value less provisions for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Equity

The statement of changes in equity for 2015 is presented according to the contribution method. Retained earnings consist of retained earnings and distributions.

Other financial liabilities

Financial liabilities are measured at amortised cost, which usually corresponds to the nominal value.

Dividend

Ordinary dividend paid represents distributions paid out during the year.

Income statement for 2015

	<u>Notes</u>	<u>2015 USD'000</u>	<u>2014 USD'000</u>
Administrative costs			
Other operating income	1	(2,578)	(2,689)
		<u>2,577</u>	<u>2,577</u>
Operating profit/loss		(1)	(112)
Income from investments in group enterprises			
Other financial expenses	2	(9,024)	16,915
		<u>(2)</u>	<u>(285)</u>
Profit/loss for the year		<u>(9,027)</u>	<u>16,518</u>
Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		(9,024)	16,915
Retained earnings		<u>(3)</u>	<u>(397)</u>
		<u>(9,027)</u>	<u>16,518</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 USD'000</u>	<u>2014 USD'000</u>
Investments in group enterprises		125,354	140,083
Fixed asset investments	3	<u>125,354</u>	<u>140,083</u>
Fixed assets		<u>125,354</u>	<u>140,083</u>
Receivables from owners and management		644	644
Receivables		<u>644</u>	<u>644</u>
Cash		<u>442</u>	<u>1,938</u>
Current assets		<u>1,086</u>	<u>2,582</u>
Assets		<u>126,440</u>	<u>142,665</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 USD'000</u>	<u>2014 USD'000</u>
Contributed capital	4	119,850	119,850
Reserve for net revaluation according to the equity method		16,998	26,022
Retained earnings		(11,052)	(3,861)
Equity		<u>125,796</u>	<u>142,011</u>
Other payables		644	654
Current liabilities other than provisions		<u>644</u>	<u>654</u>
Liabilities other than provisions		<u>644</u>	<u>654</u>
Equity and liabilities		<u><u>126,440</u></u>	<u><u>142,665</u></u>
Main activity	5		

Statement of changes in equity for 2015

	Contributed capital USD'000	Reserve for net revaluation according to the equity method USD'000	Retained earnings USD'000	Total USD'000
Equity beginning of year	119,850	26,022	(3,861)	142,011
Ordinary dividend paid	0	0	(7,188)	(7,188)
Profit/loss for the year	0	(9,024)	(3)	(9,027)
Equity end of year	119,850	16,998	(11,052)	125,796

Notes

1. Administrative expenses

	2015 USD'000	2014 USD'000
Management fees	2,577	2,577
Other costs	1	112
Total administrative expenses	2,578	2,689

2. Income from investments in group enterprises

Income from investments in group enterprises is mainly determined by the investment income in Penm III Germany GmbH & Co. KG's portfolio companies.

The underlying entity Penm III Germany GmbH & Co. KG has directly and indirectly invested in three subsidiaries of two portfolio companies of another fund, Private Equity New Markets II K/S, which is under common management with the Entity.

Private Equity New Markets II K/S' ownership in the portfolio companies are 5.1% and 2.9%, respectively.

3. Fixed asset investments

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity interest %</u>	<u>Equity USD'000</u>	<u>Profit/loss USD'000</u>
Subsidiaries: PENM III Germany GmbH & Co. KG	Germany	KG	100.00	125,354	5,093

The functional currency for Penm III Germany GmbH & Co. KG is EUR. As such, the above figures have been translated into USD.

4. Contributed capital

Notes

	2015 USD'000	2014 USD'000
General Partner	-	-
Limited Partners	119,850	119,850
Total contributed capital	119,850	119,850

The total committed capital amounts to 143,700,000 USD, where as 119,850,000 USD is paid in.

Paid in capital:

2011: 0 USD

2012: 0 USD

2013: 39,000,000 USD

2014: 119,850,000 USD

2015: 119,850,000 USD

Carried interest

Since carried interest is a matter between the partners in the limited partnership, carried interest is not provided for in the balance sheet. At 31 December 2015, the Entity has not reached a return on its investments in excess of the prescribed threshold (hurdle rate) for initiation of carried interest.

5. Main activity

Private Equity New Market III's objective is to invest in companies in Vietnam looking for financing in order to develop and/or commercialise technologies and/or products, or in holding companies whose primary objective is ownership of such companies, and directly or indirectly, to participate in the overall management and operations of such companies with the aim to achieve a high overall rate of return and any other activities which in the opinion of the general partner is related thereto.