

MAJ INVEST EQUITY SOUTHEAST ASIA II 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 Maj Invest Equity Southeast Asia II K/S for the financial year 30 January – 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In my 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 30 January – 31 December 2015.

I 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.

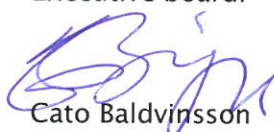
I recommend the annual report 2015 for adoption at the annual general meeting.

Copenhagen, 14 March 2016

General partner:

MIE SEA II GP ApS

Executive board:

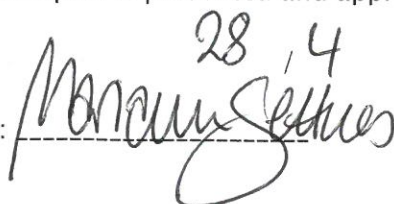

Cato Baldvinsson

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

on

28, 4
2016

Chairman:



STATEMENTS

Independent auditors' report

To the limited partners in Maj Invest Equity Southeast Asia II K/S

Independent auditors' report on the financial statements

We have audited the financial statements of Maj Invest Equity Southeast Asia II K/S for the financial year 30 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 qualifications.

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 30 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management commentary


Pursuant to the Danish Financial Statements Act, we have read the Management 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 commentary is consistent with the financial statements.

Copenhagen, 14 March 2016

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28


Per Gurslev
State Authorised
Public Accountant


Ole Karstensen
State Authorised
Public Accountant

MANAGEMENT COMMENTARY

Fund information

The limited partnership	Maj Invest Equity Southeast Asia II K/S Gammeltorv 18 DK-1457 Copenhagen K Denmark
Manager contact information	E-mail: kontakt@majinvest.com Website: www.majinvest.com
CVR no.	36 53 33 66
Financial year	1 January – 31 December First period from 30 January 2015 – 31 December 2015
Registered office	Copenhagen
General partner	MIE SEA II GP ApS
Executive board in MIE SEA II GP ApS	Cato Baldvinsson
Manager	Maj Invest Equity A/S
Depository	Private Equity Administrators Depository Services ApS
Auditors	ERNST & YOUNG Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 DK-2000 Frederiksberg Denmark

MANAGEMENT COMMENTARY

KEY FIGURES AND RATIOS

'000 USD	2015 (11 months)
Key figures	
Profit/loss	
Value adjustment of investments in portfolio companies	-
Operating profit/loss	(1,938)
Profit/loss for the year	(1,956)
Balance sheet	
Investments in portfolio companies	6,054
Total assets	7,009
Equity	6,995
Financial resources	
Cash	955
Remaining commitment	81,048
Total financial resources	82,003
Cash flow	
Cash flows from operating activities	(1,942)
Cash flows from investing activities	(6,054)
Cash flows from financing activities	8,952
Net change in cash	955
Ratios	
Equity ratio	99.80%
Paid-in capital to committed capital (%)	-6.73%

MANAGEMENT COMMENTARY

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

Maj Invest Equity Southeast Asia II K/S

The private equity fund Maj Invest Equity Southeast Asia II K/S was established on 30 January 2015 as a Danish limited partnership and is owned by a number of Danish investors. At first closing, Maj Invest Equity Southeast Asia II had a total commitment of USD 90 million. The investors have entered into a limited partnership agreement. The purpose of the fund is to carry out investments in Vietnam and Indonesia.

Investment policy and value creation philosophy

Maj Invest Equity Southeast Asia II invests in Vietnamese and Indonesian-related companies with significant value creation potential in which partnering up with the current ownership of target companies contributes to long-term value.

Investment policy

Maj Invest Equity Southeast Asia II's investment policy focuses on investments in Vietnamese and Indonesian business entities in which long-term operational value can be created through injection of capital. The investment policy is based on three cornerstone principles:

- Strategic and operational improvements
- Sound business acumen
- Optimal ownership framework

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The following must be met in order to ensure above principles

- Maj Invest Equity Southeast Asia II will always take the lead role in minority investments
- Close dialogue between owners, management team and board of directors
- The new shareholders must be capable of supporting the development of the company by bringing the right competencies and resources to the company
- Ownership and development of the company are based on a long-term build-up of competencies and business system
- Agreement on strategy and development plans
- Agreement on initiatives if development is not as expected

Value creation philosophy

Maj Invest Equity Southeast Asia II'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
- Targeted organic as well as acquisitive growth
- Long-term approach to ownership which may imply a longer average holding period than usual in private equity
- Involving experienced and competent business executives in the exercise of ownership to ensure industrial and operational value creation in the portfolio companies

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

Maj Invest Equity Southeast Asia II 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.

MANAGEMENT COMMENTARY

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CSR policy

Maj Invest Equity Southeast Asia II's CSR policy focuses on the fund's investments being sustainable and helping secure environmental and social responsible development in the portfolio companies. The scope of Maj Invest Equity Southeast Asia II's CSR policy is the Responsible Investment Policy framework for the environmental, social and governance (ESG) requirements. The Fund incorporates ESG criteria into the investment decision-making and ownership practices that directly influence portfolio companies to enhance performance in these areas. The Fund promotes the UN Global Compact principles, with the addition of good corporate governance and animal welfare.

Maj Invest Equity Southeast Asia II organisation

At year-end 2015, the equity team in Vietnam and Indonesia, advising Maj Invest Equity Southeast Asia II, consisted of one general director, one senior investment manager and one investment manager, one associate and two analysts. In Denmark are Fondsmægler-selskabet Maj Invest A/S's (MI) 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

Maj Invest Equity Southeast Asia II is owned by a number of Danish professional and institutional investors: PFA, Chr. Augustinus Fabrikker Aktieselskab, PKA, IFU, DIP and Maj Invest Holding, holding a stake of 99.37%. Maj Invest Management and staff involved in investments in Maj Invest Equity Southeast Asia II have invested as special limited partners in Maj Invest Equity Southeast Asia II. 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 000 USD	Interest in per cent
Danish Pension Institutions	65,000	72.22%
Other danish professional investors	20,000	22.22%
Maj Invest Holding	4,430	4.92%
Management and staff in Maj Invest Equity International	570	0.63%
	90,000	100.00%

Legal structure

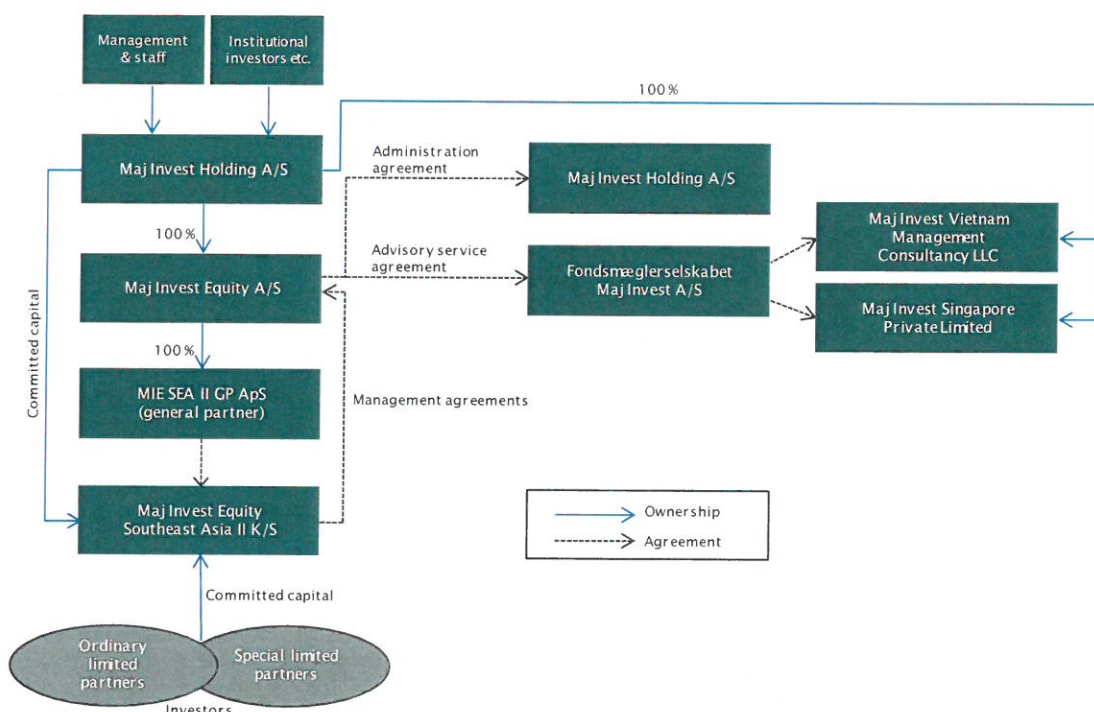
Maj Invest Equity Southeast Asia II is a Danish limited partnership with a Danish private limited company as general partner. The general partner is managed by an executive

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board of an external director. The general partner is a subsidiary of the manager Maj Invest Equity A/S which is owned by MIH.

Legal structure of Maj Invest Equity Southeast Asia II K/S



Under two management agreements, the manager handles all investment-related and administrative tasks for Maj Invest Equity Southeast Asia II. Consequently, Maj Invest Equity Southeast Asia II 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 Asian subsidiary Maj Invest Vietnam Management Consultancy LLC and Maj Invest Singapore Private Limited.

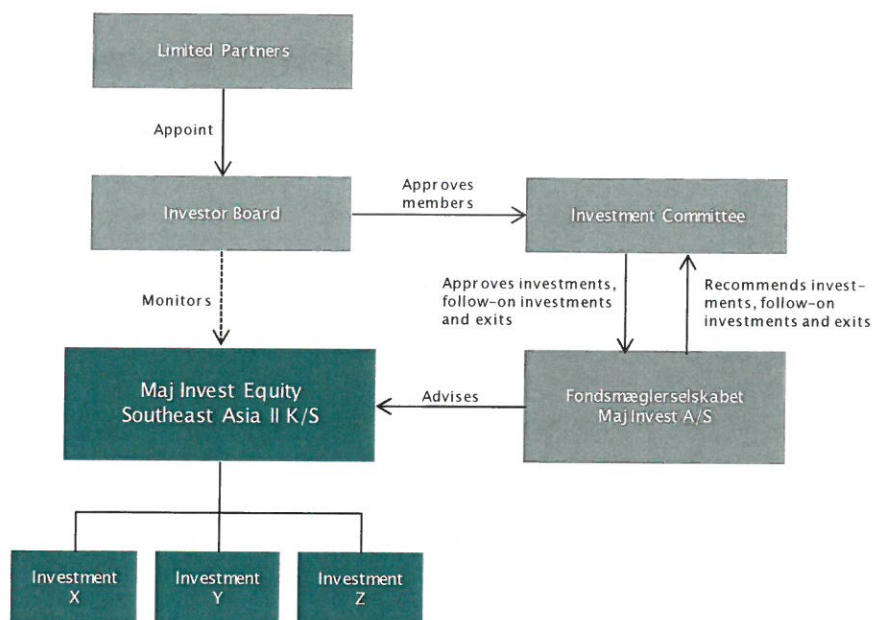
Decision structure

The investors in Maj Invest Equity Southeast Asia II 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 members of the Investment Committee.

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Decision structure in Maj Invest Equity Southeast Asia II K/S



The Investment Committee is responsible for deciding any investments, follow on investments in or divestments of portfolio companies in Maj Invest Equity Southeast Asia II following a recommendation by Maj Invest Equity International. The Investment Committee consists of five members: two external members with business experience, the CEO of MI, the managing partner and one partner of the manager. Reference is made to note 10, which shows any other executive functions or directorships held by investment committee members. Investments committee members do not participate in the particular companies and never invest in the portfolio companies in a discretionary manner.

Carried interest

Maj Invest Equity Southeast Asia II 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 the general partner receives carried interest depending on the investors' returns on their investments.

Carried interest is payable if the returns on investments adjusted for costs exceed a predetermined hurdle rate of 8% p.a. The carried interest is calculated as 20% of investor profits over the predetermined hurdle rate.

No carried interest had been allocated or paid as of 31 December 2015.

Fees

The table below shows fees received by the executive board in the general partner, the Investor Board and the Investment Committee.

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Management	Remuneration (fee) 2015 (USD)	Participation in carried interest scheme	Investment in the fund
<i>Executive board, general partner</i>			
Cato Baldvinsson	7.321	no	no
<i>Investor Board</i>			
	Not paid	no	no
<i>Investment Committee</i>			
Michael Hauge Sørensen 1)	30.000	no	no
Sameer Kalra 1)	30.000	no	no
Torben Kjær	Not paid	no	no
Erik Holm 2)	Not paid	Yes	Yes
Jeppe Christiansen 2)	Not paid	Yes	Yes

1) In January 2016, the two Investment Committee members have invested in the Fund

2) Please refer to the bonus conditions on the website www.majinvest.com

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 investments.
- Memoranda on exits.
- Annual reports.
- Investor meetings.
- Annual Social Impact Reports.
- 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. Maj Invest Equity also acceded to the "Guidelines for Responsible Ownership and Corporate Governance in Capital Venture Funds in Denmark" drawn up by the DVCA.

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The financial development in Vietnam and Indonesia

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.

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

MANAGEMENT COMMENTARY

BUSINESS REVIEW

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.

Indonesia

2015 was a turbulent year for Indonesia due to the slowdown in the global economy and commodities markets. The GDP growth of 4.79% was the weakest experienced by Indonesia since the global financial crisis. Despite the challenging situation, Indonesia was able to expand its GDP by 5.04% in the last quarter of 2015 driven by a 7.31% y-o-y increase in public spending in the fourth quarter, showing a potential for reversal from the current downtrend.

Indonesia has started an economic restructuring since the beginning of President Joko Widodo's presidency which includes bureaucratic and tax reform as well as nation-wide infrastructure development. Government spending on public works finally picked up in mid-2015 which drove the increase in public spending to 5.38% of GDP in 2015 from just 1.16% in 2014. Indonesia was able to maintain its momentum by improving its GDP growth in the last two quarters of 2015, which brought the economy to a favorable position to meet the government's target of 5.2% growth in 2016.

Furthermore, Indonesia's government is seeking to spur growth by cutting red tape and increasing infrastructure spending at a time when tax and commodity-export revenues are falling short of projections. To support the economic expansion the government has introduced eight stimulus packages since September to increase household spending which contributed around 55.91% to the economy in 2015, and boost investment.

For the first time since 2011, Indonesia recorded a yearly trade surplus, amounting to USD 7.62 billion. The trade surplus was driven by the faster decline in imports compared to the decline in exports. The decline in imports was mainly driven by the significant drop of raw / auxiliary materials (declined by 21.4% y-o-y), capital goods (declined by 15.6% y-o-y), and consumer goods (declined by 14.2% y-o-y). Concurrently, the export decline was driven by various commodity products such as chemical products (declined by 35.5% y-o-y), organic chemicals (declined by 31.4% y-o-y), and fossil fuels (declined by 23.9% y-o-y).

Foreign direct investment ("FDI") in Indonesia rose to USD 29.27 billion in 2015 from USD 28.53 billion in 2014. The gain in FDI indicates improving investor sentiment in the country since the 2014 election of President Joko Widodo, who has been trying to attract foreign investors. FDI in 2015 mainly came from five countries—Malaysia, Singapore, Japan,

MANAGEMENT COMMENTARY

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South Korea, and the United States. In 2016, Indonesia is targeting foreign direct investments of USD 30.91 billion.

Indonesia's inflation rate averaged 6.38% in 2015 with inflation decreasing in December to 3.35% y-o-y, the lowest in six years. The Rupiah depreciated by 11.1% amid the global economic slowdown. Indonesia's central bank ("BI") cut its benchmark interest rate for the first time since February 2015, by 25 basis points from 7.50% to 7.25%. The BI has signaled the possibility of further easing this year. The interest rate adjustment is expected to improve the NPL ratio which reached 2.7% in 2015.

Banking on better government spending and investment, many economists are expecting the growth to improve steadily in 2016 after a slowdown for five straight years. Moody's maintained its investment grade rating (Baa3, stable outlook) for Indonesia as it expects that growth will stabilize at current levels as the economy has adapted to lower commodity prices and policy has turned more accommodative. Moreover, foreign currency reserves have been rebuilt over the past two years as cooling domestic demand and subsidy reforms narrowed the current account deficit.

Overall, amid pressures from the global economic slowdown, Indonesia has been able to start its economic reforms which are reflected by the steady economic improvement in the second half of 2015. For 2016, the economy is expected to continue to improve as a result of more friendly investment policies as well as increasing government spending on infrastructure projects.

Development in activities and the financial position

Investments in 2015

There has been a high level of activity with the search of potential investments in Vietnam and Indonesia. In 2015, the Fund has invested in Berrybenka Pte. Ltd. The investment has been made as shares and redeemable convertible Notes. The ownership is 15.1% of the portfolio company as per 31. December 2015.

Result for the year

The bottom-line for 2015 is a loss of USD 2.0 million. The profit for the year is in line with the management expectations for 2015, as the Fund is newly established.

Development in the portfolio company in 2015

Berrybenka

In June 2015 Maj Invest Southeast Asia Fund II invested in Berrybenka Pte. Ltd. Berrybenka Pte. Ltd has invested in PT Berrybenka. PT Berrybenka (Berrybenka) which was established in 2012 in Jakarta and is the second largest fashion e-commerce in Indonesia.

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Berrybenka offers a wide variety of fashion apparel from more than 1,700 brands catering to the middle class population aged between 18 – 35 years old across Indonesia. The company is expanding its business concept from an e-commerce retail company to becoming a fashion destination by exploring various alternative channels while focusing on its private label business.

Berrybenka was able to maintain its rapid expansion in 2015 by achieving 80% revenue growth from USD 2.7 million in 2014 to USD 4.9 million in 2015, mainly driven by the company's ability to attract new customers and retain its existing customers. Berrybenka grew its new orders by 113% and its returning orders by 142%. Berrybenka successfully weathered the increasing competition among general e-commerce players by maintaining its focus on fashion and providing high quality services to its customers. During the last quarter of 2015, the company started several new initiatives to penetrate the market through direct sales and offline channels.

For 2016, the management of Berrybenka plans to continue its fast growth and improve its profitability by expanding its higher margin private label business as well as increasing its offline presence through multiple channels to attract new customers.

Capital resources

Maj Invest Equity Southeast Asia II has a total capital commitment of USD 90.0 million. On 31 December 2015, investors had paid USD 9.0 million, or 9.95% of their capital commitments. The remaining capital commitment is USD 81.0 million. Maj Invest Equity Southeast Asia II's equity amounted to USD 7.0 million at 31 December 2015, matching an equity ratio of 99.8%. The cash amounted to USD 1.0 million at 31 December 2015.

Maj Invest Equity Southeast Asia II is able to finance investments and follow-on investments from the time of investment and up to six months through bridge financing from financial institutions. A bridge loan must be repaid in connection with a capital call from investors. At year-end 2015, debt to banks amount to USD 0 million.

Financial risks

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

MANAGEMENT COMMENTARY

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Events after the balance sheet day

After the balance sheet day there has been final closing of the Fund. The commitment after final closing has resulted in a total commitment in the fund of USD 90.4 million.

There have been no other 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

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

Outlook for 2016

The Fund has good pipeline and more investments over the investment period are expected.

Maj Invest Equity Southeast Asia II is newly established which leads to an expectation of a negative result in 2016.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

GENERAL

The annual report for Maj Invest Equity Southeast Asia II is prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class B entities with the adoption of a 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.

As the private equity business carried on by Maj Invest Equity Southeast Asia II 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 the 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 an item under operating profit/loss.

The annual report is prepared in USD (USD/DKK: 31/12-2015: 683.00)

There are no comparative numbers as it is the Funds first financial 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.

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

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

on the balance sheet date.

Foreign currency translation

If transactions in other currencies than USD, these are translated into USD using the exchange rates applicable on the transaction 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 annual risk premium to the general partner "MIE SEA II GP ApS".

Tax

Maj Invest Equity Southeast Asia II is a Danish limited partnership and is not a taxable entity in Denmark. The partnership is transparent for tax purposes and taxes are levied on the individual investors in proportion to their shares in the partnership. Consequently, no provisions for tax have been made in the financial statements. However, tax withheld on the payment of dividends by the portfolio companies will be recognized in the income statement.

BALANCE SHEET

ASSETS

Investments in portfolio companies

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

The fair value of investments in portfolio companies are measured at the most recent market price, for instance in the form of an expansion of capital or a partial sale based on the values of comparable companies or through the use of traditional

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ACCOUNTING POLICIES

valuation methods, such as EV/EBITDA, P/E, EV/EBIT, P/B.

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

Receivables

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.

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 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 USD	Note	30/01/15 – 31/12/2015
Value adjustment of investments in portfolio companies	1	-
Administrative expenses		(1,938)
Operating profit/loss		(1,938)
Financial income	2	1
Financial expenses	3	(19)
Profit/loss before tax		(1,956)
Withholding tax		-
Profit/loss for the year		(1,956)
Proposed distribution of net profit/loss		
Retained earnings		(1,956)
		(1,956)

FINANCIAL STATEMENTS

BALANCE SHEET

'000 USD	Note	31/12/2015
ASSETS		
Investments in portfolio companies	4	6,054
Total investments		6,054
Total non-current assets		6,054
Cash		955
Total current assets		955
Total assets		7,009
EQUITY AND LIABILITIES		
Paid-in capital		8,952
Distributions		-
Retained earnings		(1,956)
Total equity	5	6,995
Other payables		14
Total short-term liabilities		14
Total liabilities		14
Total equity and liabilities		7,009
Contingent liabilities etc.	8	
Other notes	9-10	

FINANCIAL STATEMENTS

CASH FLOW STATEMENT

'000 USD	Note	30/01/15 – 31/12/2015
Profit/loss for the year		(1,956)
Adjustments	6	18
Change in working capital	7	14
Cash flows from operating activities before net financials		(1,924)
Financial income		1
Financial expenses		(19)
Cash flows from operating activities		(1,942)
Purchase of investments in portfolio companies		(6,054)
Cash flows from investing activities		(6,054)
Paid-in capital from limited partners		8,952
Distributions to limited partners		–
Cash flows from financing activities		8,952
Cash flows for the year, net		955
Cash at the beginning of the year		–
Cash at the end of the year		955

FINANCIAL STATEMENTS

NOTES

'000 USD	30/01/15 – 31/12/2015
NOTE 1 Value adjustment of investments in portfolio companies	
Unrealised value adjustments	-
	-
NOTE 2 Financial income	
Other financial income	1
	1
NOTE 3 Financial expenses	
Annual risk premium to general partner	1
Other financial expenses	18
	19
NOTE 4 Investments in portfolio companies	31/12/2015
Cost at 30/01	-
Additions during the year	6,054
Disposals during the year	-
Cost at 31/12	6,054
Value adjustments at 30/01	-
Value adjustments during the year	-
Value adjustments at 31/12	-
Carrying amount at 31/12	6,054

Redeemable convertible Notes in the portfolio company are included by USD 2,000.

FINANCIAL STATEMENTS

NOTES

'000 USD

NOTE 4 Investments in portfolio companies (continued)

Name of investments in portfolio companies	Registered office	Owner- ship interest	Share capital*	Equity*	Profit for the year*
Berrybenka Pte. Ltd.	Singapore	15.1%	15,487	NA	NA

* The company is incorporated in 2015 and have not yet publised an annual report for 2015. The company has invested in PT Berrybenka, Indonesia.

FINANCIAL STATEMENTS

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'000 USD	31/12/2015
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NOTE 5 Equity

Equity at Fund start	-
Paid-in capital from limited partners	8,952
Distributions to limited partners	-
Retained earnings	(1,956)
Equity at end year	6,995

The limited partners are liable for their share of the remaining commitment

81,048

30/01/15 -
31/12/2015

NOTE 6 Cash flow statement – adjustments

Financial income	(1)
Financial expenses	19
	18

NOTE 7 Cash flow statement – change in working capital

Change in receivables	-
Change in other short-term liabilities	14
	14

FINANCIAL STATEMENTS

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'000 DKK

NOTE 8 Contingent liabilities etc.

Contingent liabilities

Maj Invest Equity Southeast Asia II has entered into management agreements with Maj Invest Equity for the Manager's administration of Maj Invest Equity Southeast Asia II as well as the provision of investment advisory services to Maj Invest Equity Southeast Asia II. On termination, Maj Invest Equity Southeast Asia II may in certain circumstances be obliged to pay management fees for up to a 9 month period. At December 31, 2015 the fee payable amounted to app. USD 1.4 million.

NOTE 9 Related parties

No related parties have controlling interest on Maj Invest Equity Southeast Asia II.

Related parties include the general partner "MIE SEA II GP ApS" and the manager "Maj Invest Equity".

In addition to this, no limited partners have significant influence.

NOTE 10 The Executive board and Investment Committee

Executive board of the general partner:

Cato Baldvinsson

Chairman of:

Asgard Fixed Income Funds Limited and Maj Bank A/S.

Board member of:

Kronborg Ltd. and Pensionskassen PENSAM.

Member of Investment Committee of:

LD Equity 2 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, 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:

LD Invest Vietnam K/S, Maj Invest Financial Inclusion Fund II K/S, Danish Microfinance Partners K/S and Maj Invest Equity 4 K/S.

FINANCIAL STATEMENTS

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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.

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 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 LD Invest Vietnam K/S.

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.

Michael Hauge Sørensen

Chairman of:

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

Board member of:

Santa Fe Group A/S, IC Group A/S, Pandora A/S and Zebra A/S.

Sameer Kalra

Board member of:

Desmi Pumping Technology A/S and Desmi China Holding A/S.