

Private Equity New Markets II K/S
Central Business Registration No
30540409
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

Entity details

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Statement by Management on the annual report

Entity

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

Central Business Registration No: 30540409
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 II ApS

Bank

Nordea
Strandgade 3
0900 Copenhagen C

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Independent auditor's reports

The Board of Directors and the Executive Board have today considered and approved the annual report of Private Equity New Markets II 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 II 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 II K/S

Report on the financial statements

We have audited the financial statements of Private Equity New Markets II 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.

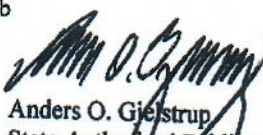
Hellerup, 27.04.2016

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.

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 judgements and estimates

In preparing the annual report it is required that the 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 main uncertainty in the recognition and measurement relates to the valuation of the Entity's investments in Vietnam, of which the Entity's shareholding in one company counts for the vast majority of the value. It should be noted that the size of the position in a single company indicates that it may not be possible to sell all of the shares on a short horizon at the recognised value.

The Entity's listed portfolio companies 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.

Accounting policies

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.

Exchange rate differences on financial fixed assets are recognised in the income statement as income from portfolio companies.

General

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

Income statement

Fair value adjustment of other investment assets and related financial liabilities

Income from portfolio companies includes realisations and value adjustments of equity investments, dividends and other portfolio expenses.

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.

Other financial income

Financial items comprise interest income, realised and unrealised currency gains on receivables, payables and other monetary items in foreign currency and on transactions in foreign currencies.

Other financial expenses

Financial items comprise interest income, realised and unrealised currency losses on receivables, payables and other monetary items in foreign currency and on transactions in foreign currencies.

Balance sheet

Other investments

Securities 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.

Accounting policies

Listed securities are recognised at the quoted price at the balance sheet date.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs 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

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Dividend

Ordinary dividend paid represents distributions paid out during the year.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Fair value adjustments of other investment assets		-30.148	254.909
Gross profit/loss		<u>-30.148</u>	<u>254.909</u>
Administrative costs	1	-7.585	-8.084
Other operating income		7.427	7.909
Operating profit/loss		<u>-30.306</u>	<u>254.734</u>
Other financial income		0	759
Other financial expenses		-241	-20
Profit/loss for the year		<u><u>-30.547</u></u>	<u><u>255.473</u></u>
Proposed distribution of profit/loss			
Retained earnings		<u>-30.547</u>	<u>255.473</u>
		<u><u>-30.547</u></u>	<u><u>255.473</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Other investments		<u>1.206.452</u>	<u>1.249.372</u>
Fixed asset investments		<u>1.206.452</u>	<u>1.249.372</u>
Fixed assets		<u>1.206.452</u>	<u>1.249.372</u>
Receivables from owners and management		<u>3.709</u>	<u>3.786</u>
Receivables		<u>3.709</u>	<u>3.786</u>
Cash		<u>525</u>	<u>1.087</u>
Current assets		<u>4.234</u>	<u>4.873</u>
Assets		<u>1.210.686</u>	<u>1.254.245</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	2	617.570	618.470
Retained earnings		589.406	631.970
Equity		<u>1.206.976</u>	<u>1.250.440</u>
Other payables		3.710	3.805
Current liabilities other than provisions		<u>3.710</u>	<u>3.805</u>
Liabilities other than provisions		<u>3.710</u>	<u>3.805</u>
Equity and liabilities		<u><u>1.210.686</u></u>	<u><u>1.254.245</u></u>
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Statement of changes in equity for 2014

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	618.470	631.970	1.250.440
Decrease of capital	-900	0	-900
Ordinary dividend paid	0	-12.017	-12.017
Profit/loss for the year	0	-30.547	-30.547
Equity end of year	617.570	589.406	1.206.976

Notes

1. Administrative expenses

	2015 DKK'000	2014 DKK'000
Management fees	7.428	7.909
Other costs	157	175
Total administrative expenses	7.585	8.084

2. Contributed capital

	2015 DKK'000	2014 DKK'000
General Partner	-	-
Limited Partners	617.570	618.470
Total contributed capital	617.570	618.470

The total committed capital amounts to 689.850.000 DKK, where as 617.570.000 DKK is paid in.

Paid in capital:

2011: 618.509.000 DKK

2012: 618.469.822 DKK

2013: 618.469.822 DKK

2014: 618.469.822 DKK

2015: 617.569.822 DKK

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 reached an unrealized return on its investments in excess of the prescribed threshold (hurdle rate) for initiation of carried interest.

In assessing the Limited Partners' equity value the Limited Partners should take the deduction of the carried interest into account. The final amount payable as carried interest will depend upon the future development of the underlying assets and is therefore very uncertain at this time.

Notes

3. Main activity

Private Equity New Market II K/S was founded in 2008 with the following investment strategy:

- to invest in unlisted companies in Africa, Central and Southeast Asia, focusing on Danida's Program Countries (Penm I approved countries)
- to focus on selected industries with a high growth potential
- to contribute significant know-how to portfolio companies
- to take active part in preparation and implementation of business plans
- to be a minority shareholder (10-40 per cent shareholding) through partnership agreements

In 2008, Private Equity New Market II K/S decided to focus solely on Vietnam.