

Report of independent auditors
to the board of directors of

**United Phosphorus Switzerland Ltd.
Lucerne**

on the financial statements 2015/2016



Report of independent auditors
to the board of directors of
United Phosphorus Switzerland Ltd.
Lucerne

As independent auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of United Phosphorus Switzerland Ltd. for the year 2015/2016, ended March 31, 2016.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

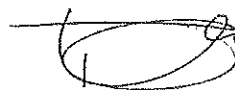
Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and the financial statements comply with the Swiss law and the company's articles of incorporation. As the financial statements contain no hidden reserves, they offer a true and fair view in accordance with Swiss Code of Obligation.

Baker Tilly OBT Ltd



Daniel Schweizer
licensed audit expert
auditor in charge



Claude Rohrer
licensed audit expert

Zurich, April 15, 2016

- Financial statements 2015/2016 (balance sheet, income statement and notes)

2015/2016

United Phosphorus Switzerland Ltd.
Lucerne

- **Financial statements 2015/2016**

- Balance sheet as per March 31, 2016
- Income statement 2015/2016
- Notes to the financial statements as per March 31, 2016

Balance Sheet as of		31.03.2016	31.03.2015
	Note	CHF	CHF
ASSETS			
Current assets			
Cash and cash equivalents			
- Migros Bank		63'756.76	75'549.64
Debtors - Related entities	3.1	1'970'000.00	25'000.00
VAT		0.00	2'161.00
Recoverable withholding tax		0.00	0.00
Accrued assets		0.00	0.00
Total current assets		<u>2'033'756.76</u>	<u>102'710.64</u>
Non current assets			
Investment Uniphos Limited, Gibraltar		2'606.00	2'606.00
Not paid-in capital	3.2	50'000.00	50'000.00
Total non current assets		<u>52'606.00</u>	<u>52'606.00</u>
Total assets		<u><u>2'086'362.76</u></u>	<u><u>155'316.64</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Current liabilities			
Creditors		11'746.00	7'074.00
Accrued liabilities		4'500.00	4'210.10
Total current liabilities		<u>16'246.00</u>	<u>11'284.10</u>
Shareholders' equity			
Share Capital	3.3	100'000.00	100'000.00
Capital Contribution Reserve		56'427.80	56'427.80
Available earnings			
- Loss brought forward		-12'395.26	-19'590.00
- Profit for the period		1'926'084.22	7'194.74
		<i>(1'913'688.96)</i>	<i>(-12'395.26)</i>
Total shareholders' equity		<u>2'070'116.76</u>	<u>144'032.54</u>
Total Liabilities and Shareholders' equity		<u><u>2'086'362.76</u></u>	<u><u>155'316.64</u></u>

Income Statement for the period		1.4.2015 to 31.03.2016	1.4.2014 to 31.03.2015
	Note	CHF	CHF
Dividend income	3.1	1'920'000.00	0.00
Management fee receivable		25'000.00	25'000.00
Total operating income		1'945'000.00	25'000.00
Operating expenses			
- Patent cost		-800.00	-400.00
- Personnel expenses		0.00	0.00
- Personnel recruiting cost		0.00	0.00
- Travelling and entertainment		0.00	0.00
- Insurance premium		0.00	0.00
- Audit and accounting		-8'500.00	-1'704.14
- Professional fees		-3'012.98	-7'084.98
- Legal fees		-5'880.80	-7'000.00
- Other operating expenses		0.00	0.00
<i>Total operating expenses</i>		<i>(-18'193.78)</i>	<i>(-16'189.12)</i>
Profit before interest and taxes		1'926'806.22	8'810.88
Financial income		7.10	146.20
Financial expenses		-65.25	-712.34
Depreciation on incorporation fee		0.00	0.00
Profit before taxes		1'926'748.07	8'244.74
Taxes	3.4	-663.85	-1'050.00
Profit for the period		1'926'084.22	7'194.74

Notes to the financial statements as per

31.3.2016

31.3.2015

1 General

United Phosphorus Switzerland Ltd., c/o Testatoris AG, Töpferstrasse 5, CH-6004 Lucerne/Switzerland
CHE-112.983.167

In the reporting business year the Company's legal domicile was changed from Zug to Lucerne.

2 Summary of significant accounting policies

The accounting principles applied preparing these financial statements are in accordance with the provisions of the Swiss accounting law (chapter 32 of the Code of Obligations), in particular with the articles of the Code of Obligations about accounting and financial reporting (article 957 to article 962).

When preparing financial statements, the Board is required to make estimates and assumptions that could affect the reported amounts of assets, liabilities and contingent liabilities at the balance sheet date, as well as income and expenses for the reporting period. The Board shall decide in each case in its sole discretion on the use of existing legal valuation and accounting scope. In line with the concept of prudence, depreciation, amortization and provisions can be recorded above the economically required extent to secure the on-going prosperity of the company.

These financial statements have been prepared on the historical cost basis unless indicated otherwise and the Board believes that the company will continue as going concern for the foreseeable future. Comparative information has been presented also using the same accounting policies.

3 Information to individual financial statement line items**3.1 Debtors - related entities**

		31/03/2016	31/03/2015
		CHF	CHF
<i>Related Party Name</i>	<i>Nature of Transaction</i>	2015-16	2014-15
UPL Limited., Gibraltar	Management Fee	25,000.00	25,000.00
UPL Limited., Gibraltar	Dividen (USD 2,0 Mio.)	1,920,000.00	0.00
Total		1,945,000.00	25,000.00
<i>Related Party Name</i>	<i>Category of Outstanding balance</i>	2015-16	2014-15
UPL Limited, Gibraltar	Management Fee	50,000.00	25,000.00
UPL Limited, Gibraltar	Dividend (USD 2,0 Mio.)	1,920,000.00	0.00
Total		1,970,000.00	25,000.00

3.2 Investment UPL Limited., Gibraltar

United Phosphorus Switzerland Ltd. is holding 100 % of the share capital of GBP 2,000 of UPL Limited (formerly known as Uniphos Ltd.), Gibraltar, which was incorporated on 28 April 2011.

3.3 Share Capital

The share capital amounts to CHF 100,000 of which CHF 50,000 are paid in and is divided into 1000 registered shares with a par value of CHF 100 each. No shares or share certificates are issued.

All shares of the Company are held by United Phosphorus Holdings Coöpertief U.A., 3196 KE Vonderlingenplaat Rt., The Netherlands.

3.4 Tax reconciliation

	2015/16 CHF	2014/15 CHF
Profit on ordinary activities before tax	1,926,748.07	8,244.74
Less. Exempted income (Dividend of USD 2,0 Mio.)	-1,920,000.00	0.00
Profit on ordinary activities bevor (after exempted income)	6,748.07	8,244.74
Corporate tax rate in %	22.22%	12.74%
Tax as per Corporate tax rate	1,500.00	1,050.00
Adjustments:		
- tax payment to tax office	373.75	0.00
- reversal of PY tax	-1,050.00	0.00
- refund from tax office	-160.00	0.00
Current tax charge for the year	663.75	1,050.00
Effective tax rate in %	<u>9.84%</u>	<u>12.74%</u>

4 Number of full time equivalent employees

The Company has no employees.

5 Consolidated financial statement

In applying Art. 663f CO the Company has renounced to establish consolidated financial statement.

6 Significant subsequent events

No significant events occurred between the end of the reporting period and the date of approval by the Board of Directors, which would result in an adjustment of these financial statements or require their disclosure at this point.

Appropriation of available earnings	2015/16	2014/15
Loss brought forward	-12'395.26	-19'590.00
Profit for the period	1'926'084.22	7'194.74
Available earnings	<u>1'913'688.96</u>	<u>-12'395.26</u>

The board of Directors proposes to the General Meeting of shareholders the following appropriation of available earnings:

Payment of a dividend of	1'825'000.00	0.00
Transfer to legal earnings reserve	50'000.00	0.00
To be carried forward	38'688.96	-12'395.26
	<u>1'913'688.96</u>	<u>-12'395.26</u>