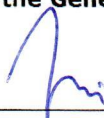


Achieva Holding A/S
Boltonvej 7
2300 Copenhagen S
Central Business Registration
No 14382844

Annual report 2016

The Annual General Meeting adopted the annual report on 12.06.2017

Chairman of the General Meeting



Name:

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Entity details

Entity

Achieva Holding A/S
Boltonvej 7
2300 Copenhagen S

Central Business Registration No: 14382844
Registered in: Copenhagen, Denmark
Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Michael Ziegler, Chairman
Niels-Erik Lund
Carsten Lund
Christian Lund

Executive Board

Niels-Erik Lund

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 Achieva Holding A/S for the financial year 01.01.2016 - 31.12.2016.

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

In our opinion, the consolidated financial statements and the parent the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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

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

Copenhagen, 12.06.2017

Executive Board



Niels-Erik Lund

Board of Directors



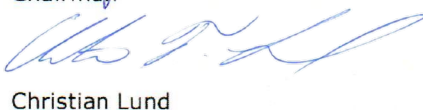
Michael Ziegler
Chairman



Niels-Erik Lund



Carsten Lund



Christian Lund

Independent auditor's report

To the shareholder of Achieva Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Achieva Holding A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2016, and of the results of their operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 is not a guarantee that an audit conducted in accordance with ISAs and the 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

Independent auditor's report

reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the 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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 12.06.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556



Sumit Sudan
State Authorised Public Accountant



Michael Thorø Larsen
State Authorised Public Accountant

Management commentary

Primary activities

The Group's primary activity consist of consulting in connection with buying, selling and chartering of ocean going passenger ships and investing in associates, securities and other financial instruments.

Development in activities and finances

The result of year amounts to a profit of USD 2,456 thousand, and is considered satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2016

	<u>Notes</u>	<u>2016 USD'000</u>	<u>2015 USD'000</u>
Revenue		1,433	1,500
Other external expenses		-511	-789
Gross profit/loss		922	711
Staff costs	1	-250	-582
Depreciation, amortisation and impairment losses		-259	-180
Other operating expenses		0	-41
Operating profit/loss		413	-92
Income from investments in associates		1,045	-836
Other financial income		1,804	4,340
Other financial expenses		-425	-444
Profit/loss before tax		2,837	2,968
Tax on profit/loss for the year		-381	-1,021
Profit/loss for the year		2,456	1,947
Proposed distribution of profit/loss			
Retained earnings		2,456	1,947
		2,456	1,947

Consolidated balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 USD'000</u>	<u>2015 USD'000</u>
Land and buildings		8,981	5,949
Other fixtures and fittings, tools and equipment		176	205
Property, plant and equipment	2	9,157	6,154
Investments in associates		2,171	1,976
Receivables from associates		21,056	19,904
Fixed asset investments	3	23,227	21,880
Fixed assets		32,384	28,034
Trade receivables		164	324
Other receivables		77	46
Prepayments		66	9
Receivables		307	379
Other investments		3,016	4,729
Other investments		3,016	4,729
Cash		997	1,820
Current assets		4,320	6,928
Assets		36,704	34,962

Consolidated balance sheet at 31.12.2016

	Notes	2016 USD'000	2015 USD'000
Contributed capital		96	96
Retained earnings		22,770	20,314
Equity		22,866	20,410
Payables to shareholders and management		4,622	4,303
Non-current liabilities other than provisions	4	4,622	4,303
Bank loans		7,755	7,977
Trade payables		11	198
Income tax payable		150	629
Other payables		1,300	1,445
Current liabilities other than provisions		9,216	10,249
Liabilities other than provisions		13,838	14,552
Equity and liabilities		36,704	34,962
Mortgages and securities	5		
Subsidiaries	6		

Consolidated statement of changes in equity for 2016

	Contributed capital USD'000	Retained earnings USD'000	Total USD'000
Equity beginning of year	96	20,314	20,410
Profit/loss for the year	0	2,456	2,456
Equity end of year	96	22,770	22,866

Notes to consolidated financial statements

	2016 USD'000	2015 USD'000
1. Staff costs		
Wages and salaries	193	462
Other social security costs	14	65
Other staff costs	43	55
	250	582
 Average number of employees	 3	 5
	Land and buildings USD'000	Other fixtures and fittings, tools and equipment USD'000
2. Property, plant and equipment		
Cost beginning of year	7,266	321
Additions	3,226	36
Cost end of year	10,492	357
 Depreciation and impairment losses beginning of the year	 -1,317	 -116
Depreciation for the year	-194	-65
Depreciation and impairment losses end of the year	-1,511	-181
 Carrying amount end of year	 8,981	 176

Notes to consolidated financial statements

	Investments in associates USD'000	Receivables from associates USD'000
3. Fixed asset investments		
Cost beginning of year	688	22,379
Additions	410	0
Disposals	-100	0
Cost end of year	998	22,379
Revaluations beginning of year	-1,102	0
Share of profit/loss for the year	952	0
Investments with negative equity depreciated over receivables	1,323	0
Revaluations end of year	1,173	0
Investments with negative equity depreciated over receivables	0	-1,323
Impairment losses end of year	0	-1,323
Carrying amount end of year	2,171	21,056

4. Liabilities other than provisions

Payables to shareholders and management fall due within 2-5 years.

5. Mortgages and securities

The following has been provided as collateral for the bank loan with an unpaid balance of USD 7,754,842:

- Land and buildings. The carrying amount of the property is USD 165,000.
- The Company's securities. The carrying amount of securities is USD 2,967,000.
- Unlimited guarantee by Niels-Erik Lund.

Furthermore, Achieva Holding A/S has provided collateral for TN Cruise K/S's mortgage of USD 4,060,567.

	Registered in	Corpo- rate form	Equity inte- rest %	Equity USD'000	Profit/loss USD'000
6. Subsidiaries					
Sunstone Bahamas Ltd.	Bahamas	Ltd.	100.0	226,596	574,362
Sunstone Ships Inc.	USA	Inc.	100.0	-3,083,639	-488,652

Parent income statement for 2016

	Notes	2016 USD'000	2015 USD'000
Revenue		180	368
Other external expenses	1	-129	-341
Gross profit/loss		51	27
Depreciation, amortisation and impairment losses		-11	-11
Other operating expenses		0	-41
Operating profit/loss		40	-25
Income from investments in group enterprises		86	-339
Income from investments in associates		1,045	-836
Other financial income from group enterprises		164	84
Other financial income		1,804	4,340
Other financial expenses		-302	-256
Profit/loss before tax		2,837	2,968
Tax on profit/loss for the year		-381	-1,021
Profit/loss for the year		2,456	1,947
Proposed distribution of profit/loss			
Retained earnings		2,456	1,947
		2,456	1,947

Parent balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 USD'000</u>	<u>2015 USD'000</u>
Land and buildings		165	175
Other fixtures and fittings, tools and equipment		5	6
Property, plant and equipment	2	170	181
Investments in group enterprises		0	0
Receivables from group enterprises		5,404	2,132
Investments in associates		2,171	1,976
Receivables from associates		21,056	19,957
Fixed asset investments	3	28,631	24,065
Fixed assets		28,801	24,246
Trade receivables		0	189
Other receivables		5	5
Receivables		5	194
Other investments		2,967	4,676
Other investments		2,967	4,676
Cash		707	1,790
Current assets		3,679	6,660
Assets		32,480	30,906

Parent balance sheet at 31.12.2016

	Notes	2016 USD'000	2015 USD'000
Contributed capital		96	96
Retained earnings		22,770	20,314
Equity		22,866	20,410
Payables to shareholders and management		473	277
Non-current liabilities other than provisions	4	473	277
Bank loans		7,755	7,977
Trade payables		11	198
Income tax payable		150	624
Other payables		1,225	1,420
Current liabilities other than provisions		9,141	10,219
Liabilities other than provisions		9,614	10,496
Equity and liabilities		32,480	30,906
Mortgages and securities	5		

Parent statement of changes in equity for 2016

	Contributed capital USD'000	Retained earnings USD'000	Total USD'000
Equity beginning of year	96	20,314	20,410
Profit/loss for the year	0	2,456	2,456
Equity end of year	96	22,770	22,866

Notes to parent financial statements

1. Other external expenses

There were no employees in the Company during 2016. Further, the Executive Board and the Board of Directors have not received remuneration during 2016.

	Land and buildings USD'000	Other fixtures and fittings, tools and equipment USD'000
2. Property, plant and equipment		
Cost beginning of year	522	16
Cost end of year	522	16
Depreciation and impairment losses beginning of the year	-347	-10
Depreciation for the year	-10	-1
Depreciation and impairment losses end of the year	-357	-11
Carrying amount end of year	165	5

	Investments in group enterprises USD'000	Receivables from group enterprises USD'000	Investments in associates USD'000	Receivables from associates USD'000
3. Fixed asset investments				
Cost beginning of year	6	5,074	688	22,379
Additions	0	3,187	410	0
Disposals	0	0	-100	0
Cost end of year	6	8,261	998	22,379
Revaluations beginning of year	-2,949	0	-1,102	0
Share of profit/loss for the year	86	0	952	0
Investments with negative equity depreciated over receivables	2,857	0	1,323	0
Revaluations end of year	-6	0	1,173	0
Investments with negative equity depreciated over receivables	0	-2,857	0	-1,323
Impairment losses end of year	0	-2,857	0	-1,323
Carrying amount end of year	0	5,404	2,171	21,056

Notes to parent financial statements

Specification of investments in group enterprises appears in the notes to the consolidated financial statements.

4. Liabilities other than provisions

Payables to shareholders and management fall due within 2-5 years.

5. Mortgages and securities

The following has been provided as collateral for the bank loan with an unpaid balance of USD 7,754,842:

- Land and buildings. The carrying amount of the property is USD 165,000.
- The Company's securities. The carrying amount of securities is USD 2,967,000.
- Unlimited guarantee by Niels-Erik Lund.

Furthermore, Achieva Holding A/S has provided collateral for TN Cruise K/S's mortgage of USD 4,060,567.

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 with addition of certain provisions for reporting class C.

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

The annual report has been prepared and presented in USD. A DKK/USD exchange rate of 7.053 has been applied (2015: 6.828).

Adjustments have been made to the comparative figures without affecting the equity or result of the year.

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when the service is provided.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and gains and losses from the sale of property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises

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

Income from investments in associates

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

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income and net capital gains on securities and payables.

Other financial expenses

Other financial expenses comprise interest expenses and net capital losses on securities and payables.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment comprise Land and buildings and Other fixtures and fittings, tools and equipment and are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	25-40 years
Other fixtures and fittings, tools and equipment	5-10 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

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 plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present of the costs deemed necessary to incur to settle the obligation.

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

Investments in associates

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

Accounting policies

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation is imminent, a provision is recognised that is measured at present of the costs deemed necessary to incur to settle the obligation.

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognised under current assets comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.