
Penta Shipping A/S

Birkerød Kongevej 150, DK-3460 Birkerød

Annual Report for 1 January - 31 December 2015

CVR No 15 28 81 91

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
26/4 2016

Ulf Svejgaard Poulsen
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Penta Shipping A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations and cash flows for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Birkerød, 26 April 2016

Executive Board

Jan Timmermann

Shiwu Zhou

Board of Directors

Ulf Svejgaard Poulsen
Chairman

Jan Timmermann

Kaj D. Skibelund

Shiwu Zhou

Erik Lund Eriksen

Independent Auditor's Report on the Financial Statements

To the Shareholder of Penta Shipping A/S

Report on the Financial Statements

We have audited the Financial Statements of Penta Shipping A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, cash flow statement, notes and summary of significant accounting policies. 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit 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 misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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 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 financial position of the Company at 31 December 2015 and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Copenhagen, 26 April 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Poul Madsen

statsautoriseret revisor

Company Information

The Company

Penta Shipping A/S
Birkerød Kongevej 150
DK-3460 Birkerød

Telephone: + 45 +45 45 160 160

Facsimile: + 45 +45 45 160 161

CVR No: 15 28 81 91

Financial period: 1 January - 31 December

Financial year: 25th financial year

Municipality of reg. office: Rudersdal

Board of Directors

Ulf Svejgaard Poulsen, Chairman
Jan Timmermann
Kaj D. Skibelund
Shiwu Zhou
Erik Lund Eriksen

Executive Board

Jan Timmermann
Shiwu Zhou

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Lawyers

Svejgaard - Galst Advokater
Gammel Strand 44
DK-1202 København K

Bankers

Jyske Bank
Strandvejen 112
DK-2900 Hellerup

Management's Review

The Annual Report of Penta Shipping A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Main activity

The Company carries on shipping activities.

Development in the year

The income statement of the Company for 2015 shows a profit of DKK 8,330,944, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 16,038,331.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Gross profit/loss		23.771.907	20.422.920
Staff expenses	1	-12.777.597	-10.386.111
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-177.692	-158.268
Profit before financial income and expenses		10.816.618	9.878.541
Financial income	2	574.997	480.472
Financial expenses	3	-356.766	-249.575
Profit before tax		11.034.849	10.109.438
Tax on profit for the year	4	-2.703.905	-2.742.725
Net profit/loss for the year		8.330.944	7.366.713

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	12.000.000	7.000.000
Retained earnings	-3.669.056	366.713
	8.330.944	7.366.713

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Other fixtures and fittings, tools and equipment		224.903	78.740
Leasehold improvements		76.826	196.301
Tangible assets	5	301.729	275.041
Other receivables		382.710	434.843
Fixed asset investments		382.710	434.843
Fixed assets		684.439	709.884
Trade receivables		1.694.682	1.677.628
Receivables from group enterprises		27.861.384	31.527.158
Other receivables		243.225	4.559
Deferred tax asset	7	839.470	1.243.425
Receivables		30.638.761	34.452.770
Cash at bank and in hand		17.961.553	19.547.653
Currents assets		48.600.314	54.000.423
Assets		49.284.753	54.710.307

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		500.000	500.000
Retained earnings		3.538.331	7.207.387
Proposed dividend for the year		12.000.000	7.000.000
Equity	6	<u>16.038.331</u>	<u>14.707.387</u>
Trade payables		7.615.457	7.440.665
Payables to group enterprises		19.738.130	22.235.184
Other payables		5.892.835	10.327.071
Short-term dept		<u>33.246.422</u>	<u>40.002.920</u>
Debt		<u>33.246.422</u>	<u>40.002.920</u>
Liabilities and equity		<u>49.284.753</u>	<u>54.710.307</u>
Contingent assets, liabilities and other financial obligations	8		
Related parties and ownership	9		

Cash Flow Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Net profit/loss for the year		8.330.944	7.366.713
Adjustments	10	2.663.366	2.658.196
Change in working capital	11	-417.439	-7.183.002
Cash flows from operating activities before financial income and expenses		10.576.871	2.841.907
Financial income		574.997	480.472
Financial expenses		-356.763	-249.575
Cash flows from ordinary activities		10.795.105	3.072.804
Corporation tax paid		-4.131.630	-2.830.700
Cash flows from operating activities		6.663.475	242.104
Purchase of property, plant and equipment		-204.380	0
Fixed asset investments made etc		0	9.034
Sale of fixed asset investments etc		52.133	287.277
Cash flows from investing activities		-152.247	296.311
Repayment of loans from credit institutions		0	-333.920
Repayment of payables to group enterprises		-1.097.328	0
Raising of loans from group enterprises		0	9.807.242
Dividend paid		-7.000.000	-5.000.000
Cash flows from financing activities		-8.097.328	4.473.322
Change in cash and cash equivalents		-1.586.100	5.011.737
Cash and cash equivalents at 1 January		19.547.653	14.535.916
Cash and cash equivalents at 31 December		17.961.553	19.547.653
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		17.961.553	19.547.653
Cash and cash equivalents at 31 December		17.961.553	19.547.653

Notes to the Annual Report

	2015	2014
	DKK	DKK
1 Staff expenses		
Wages and salaries	10.864.518	8.566.934
Pensions	1.370.055	1.360.910
Other social security expenses	543.024	458.267
	<u>12.777.597</u>	<u>10.386.111</u>
Average number of employees	<u>20</u>	<u>21</u>
2 Financial income		
Interest received from group enterprises	41.414	98.358
Other financial income	2.301	1.566
Exchange adjustments	531.282	380.548
	<u>574.997</u>	<u>480.472</u>
3 Financial expenses		
Other financial expenses	9.315	17.760
Exchange adjustments	347.451	231.815
	<u>356.766</u>	<u>249.575</u>
4 Tax on profit for the year		
Current tax for the year	2.299.950	2.830.700
Deferred tax for the year	403.955	-87.975
	<u>2.703.905</u>	<u>2.742.725</u>

Notes to the Annual Report

5 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	1.678.678	1.194.726
Additions for the year	204.380	0
Disposals for the year	-1.169.335	0
Cost at 31 December	<u>713.723</u>	<u>1.194.726</u>
Impairment losses and depreciation at 1 January	1.599.938	998.425
Depreciation for the year	58.217	119.475
Reversal of impairment and depreciation of sold assets	-1.169.335	0
Impairment losses and depreciation at 31 December	<u>488.820</u>	<u>1.117.900</u>
Carrying amount at 31 December	<u>224.903</u>	<u>76.826</u>
Depreciated over	<u>3-5 years</u>	<u>10 years</u>

6 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	500.000	7.207.387	7.000.000	14.707.387
Ordinary dividend paid	0	0	-7.000.000	-7.000.000
Net profit/loss for the year	0	-3.669.056	12.000.000	8.330.944
Equity at 31 December	<u>500.000</u>	<u>3.538.331</u>	<u>12.000.000</u>	<u>16.038.331</u>

The share capital consists of 500 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes to the Annual Report

	2015 DKK	2014 DKK
7 Provision for deferred tax		
Property, plant and equipment	7.131	28.277
Trade receivables	-110.000	-117.500
Provisions	-736.601	-1.154.202
Transferred to deferred tax asset	839.470	1.243.425
	0	0

Deferred tax has been provided at 22% corresponding to the current tax rate.

Deferred tax asset

Calculated tax asset	839.470	1.243.425
Carrying amount	839.470	1.243.425

8 Contingent assets, liabilities and other financial obligations

Contingent liabilities

Penta Shipping A/S has provided security for Penta Holding A/S' commitments towards the Group's bank.

The Company's total rent and leasing obligation amounts to DKK 964k (2014: DKK 2,222k)

Penta Shipping A/S is jointly and severally liable for the corporation tax in other Group enterprises under the joint taxation.

Notes to the Annual Report

9 Related parties and ownership

Basis

Controlling interest

Penta Holding A/S, Birkerød Kongevej 150,
DK-3460 Birkerød, Danmark

Controlling shareholder

Transactions

Sales and purchases of goods and services to group enterprises have been effected on an arm's length basis. For competitive reasons, amounts and related revenue are not disclosed.

Apart from the above, there have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated Financial Statements

The Company is included in the Group Annual Report of Penta Holding A/S, Birkerød, Denmark, CVR-nr. 10 70 25 77.

The Group Annual Report of Penta Holding A/S may be obtained at the following address:

Penta Holding A/S
Birkerød Kongevej 150
DK-3460 Birkerød

Notes to the Annual Report

	<u>2015</u>	<u>2014</u>
	DKK	DKK
10 Cash flow statement - adjustments		
Financial income	-574.997	-480.472
Financial expenses	356.766	249.575
Depreciation, amortization and impairment losses, including losses and gains on sales	177.692	158.268
Tax on profit for the year	2.703.905	2.742.725
Other adjustments	0	-11.900
	<u>2.663.366</u>	<u>2.658.196</u>
11 Cash flow statement - change in working capital		
Change in receivables	3.410.053	-8.874.043
Change in trade payables, etc.	<u>-3.827.492</u>	<u>1.691.041</u>
	<u>-417.439</u>	<u>-7.183.002</u>

Accounting Policies

Basis of Preparation

Financial Statements of Penta Shipping A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Accounting Policies

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income Statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of transport and services is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Logistics and transport expenses

Logistics and transport expenses comprise the cost consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Accounting Policies

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Tax on profit for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the Danish holding Company. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

IT equipment	3 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	10 years

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. Such impairment test is performed on an annual basis for development projects in progress irrespective of whether or not there is any indication of impairment.

Accounting Policies

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Accounting Policies

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Current asset investments". "Current asset investments" consist of short-term securities with an insignificant risk of value changes that can readily be turned into cash.

The cash flow statement cannot be immediately derived from the published financial records.