

## **Maersk GSC Holding A/S**

Esplanaden 50  
DK -1098 Copenhagen K

CVR-No. 26643015

Annual Report for 2016

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 25 May 2017.

A handwritten signature in black ink, appearing to read 'Frith Brennan', with a long horizontal line extending to the right.

Frith Brennan  
*Chairman*

**Table of contents****Page**

Management's statement	3
Independent Auditor's report	4
Management's review	6
Accounting policies	7
Income statement	8
Balance sheet	9
Notes	11

**Management's statement**

The Executive Board and the Board of Directors have today discussed and approved the annual report for the financial year 1 January 2016 - 31 December 2016 for Maersk GSC Holding A/S.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position as of 31 December 2016 and of the results of its operations for the financial year 1 January 2016 - 31 December 2016.

Further, in our opinion the management review includes a fair review of the matters dealt with.

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

Copenhagen, 25 May 2017

*Executive board*



Casper Munch

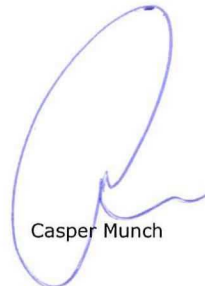
*Board of Directors*



Jakob Stausholm  
Chairman



Søren Toft



Casper Munch

ALL

## Independent Auditor's Report

To the Shareholders of Maersk GSC Holding A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk GSC Holding A/S for the financial year 1 January - 31 December 2016, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("financial statements").

### 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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

### Management's Responsibilities 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.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent Auditor's Report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company'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 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Copenhagen, 25 May 2017  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No. 33 77 12 31

  
Søren Ørjan Jensen  
State Authorised Public Accountant

  
Henrik Mikkelsen  
State Authorised Public Accountant

## **Management's review**

### **The company's main activities**

Maersk GSC Holding A/S operates through its subsidiaries' business, by selling back office services to companies in the transportation industry.

### **Development in activities and financial affairs**

Profit after tax is DKK 181 million. The result has been positively impacted by the reassessment of the expected outcome of tax provisions regarding subsidiaries recognised in prior years. The reversal of the provision has been recognised in Other external expenses, in accordance with the initial recognition of the provision.

The results are considered satisfactory.

### **Subsequent events**

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

## **Annual report 1 January – 31 December 2016**

### **Accounting policies**

The Annual Report of Maersk GSC Holding A/S for 2016 has been prepared in accordance with the provisions under the Danish Financial Statements Act applying to enterprises of reporting Class-B .

According to the Danish Financial Statement Act - section 112 the financial statements are not consolidated.

The company is included in the consolidated financial statements of A.P. Møller - Mærsk A/S, Copenhagen, and A.P. Møller Holding A/S, Copenhagen.

The financial statements are prepared using the same accounting policies as last year.

### **Recognition and measurement**

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company and the asset can be measured reliably. Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow from the company and the liability can be measured reliably. On initial recognition, assets and liabilities are recognized at cost.

Income is recognized in the income statement as it is earned. Moreover, costs incurred to generate the year's earnings are recognised in the income statement.

### **Foreign currency translation**

Transactions in currencies other than the functional currency are translated at the exchange rate prevailing at the date of the transaction. Monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rate as at the balance sheet date. Foreign exchange gains and losses are included in the income statements as financial income or expenses.

### **Income**

Income from investments in subsidiaries are translated into DKK using the year's average exchange rate.

### **External costs**

External costs include costs for administration, etc.

### **Financial income and expenses**

Financial income and expenses include interest, realized and unrealized gains and losses on securities, debt and transactions in foreign currencies, amortization of financial assets and liabilities, etc.

### **Income and deferred taxes**

The Company is jointly taxed with Danish companies in the A.P. Møller - Mærsk Group and A.P. Møller Holding A/S. The current Danish company tax is distributed by allocating joint taxation contributions among the jointly taxed enterprises in proportion to the taxable income of these enterprises.

The tax for the year, which includes the current company tax for the year (the joint taxation contribution), and the change in deferred tax are recognised in the income statement with the share that can be attributed to the results for the year and directly in the equity with the share that can be attributed to entries directly in the equity.

### **Financial assets**

Investments in subsidiaries are valued using the equity method. The share in the subsidiaries' equity is translated into DKK at the closing rate. Exchange differences on translation of net assets of subsidiaries are recognized directly in equity.

### **Receivables**

Receivables are valued after provisions for bad debts.

### **Equity - Dividends**

Proposed dividends are recognized as a liability at the time of declaration at the Annual General Meeting.

### **Liabilities**

Financial liabilities including bank debt, trade payables and liabilities to affiliated companies are recognized initially at cost equal to the proceeds received less transaction costs. In subsequent periods, financial liabilities are measured at amortized cost.

Other liabilities are measured at net realizable value.

**MAERSK GSC Holding A/S**  
**Income statement for the period 1.1.2016 - 31.12.2016**  
*(Amounts in DKK'000.)*

<i>Note</i>	<u>2016</u>	<u>2015</u>
1 Other external expenses	77,386	27,049
<b>Result before Depreciation, interest and tax</b>	<u>77,386</u>	<u>27,049</u>
2 Income from investments in subsidiaries	106,187	63,246
<b>Result before financial items</b>	<u>183,573</u>	<u>90,295</u>
4 Financial income	575	8,782
4 Financial expenses	-1,511	-2,251
<b>Result before tax</b>	<u>182,637</u>	<u>96,826</u>
Tax on profit/loss for the year	-1,511	-1,372
<b>Result of the year</b>	<u><b>181,126</b></u>	<u><b>95,454</b></u>
<b>Distribution</b>		
Net revaluation under equity method	183,704	63,246
Retained earnings	-2,578	32,208
	<u><b>181,126</b></u>	<u><b>95,454</b></u>



**MAERSK GSC Holding A/S**  
**Balance sheet at 31 December 2016**  
*(Amounts in DKK'000.)*

<i>Note</i>	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
2 Investments in subsidiaries	236,384	131,816
<b>Total financial assets</b>	<u>236,384</u>	<u>131,816</u>
Receivables from affiliated companies	58,870	243,655
<b>Total receivables</b>	<u>58,870</u>	<u>243,655</u>
Liquid funds	0	0
<b>Total current assets</b>	<u>58,870</u>	<u>243,655</u>
<b>Total assets</b>	<u>295,254</u>	<u>375,471</u>

**MAERSK GSC Holding A/S**  
**Balance sheet at 31 December 2016**  
*(Amounts in DKK'000.)*

	<u>2016</u>	<u>2015</u>
<b>Liabilities</b>		
Share capital	795	795
Net revaluation under equity method	225,409	33,675
Dividends distributed	0	0
Retained earnings	68,925	81,152
3 <b>Total equity</b>	<u><b>295,129</b></u>	<u><b>115,622</b></u>
Provisions regarding subsidiaries	0	77,517
<b>Total non-current liabilities</b>	<u><b>0</b></u>	<u><b>77,517</b></u>
Other payables	125	82
Payables to affiliated companies	0	182,250
<b>Total current liabilities</b>	<u><b>125</b></u>	<u><b>182,332</b></u>
<b>Total Liabilities</b>	<u><b>295,254</b></u>	<u><b>375,471</b></u>
5 <b>Contingent Assets, Liabilities and Other Financial Obligations</b>		
6 <b>Related parties</b>		

**MAERSK GSC Holding A/S**  
**Notes to the financial statements**  
*(Amounts in DKK'000.)*

	<u>2016</u>	<u>2015</u>
<b>1 Other External Expenses</b>		
External Expenses	-131	-99
Adjustment, Provision for Negative Equity	77,517	27,148
	<u>77,386</u>	<u>27,049</u>
<b>2 Investments in subsidiaries</b>		
Cost price:		
1 January	10,975	10,975
Disposals	0	0
Additions	0	0
31 December	<u>10,975</u>	<u>10,975</u>
Value adjustments:		
1 January	120,841	87,166
Subsidiaries' result of the year	183,704	63,246
Provision for negative equity (adj)	-77,517	-27,148
Currency adjustment	-1,619	-2,423
31 December	<u>225,409</u>	<u>120,841</u>
<b>Balance carry forward at 31 December</b>	236,384	131,816
<b>Shares in Subsidiaries</b>		
<b>Name</b>	<b>Country</b>	<b>Ownership</b>
Maersk Global Service Centres (India) Pvt. Ltd.	India	100%
Maersk Global Service Centres (Philippines) Limited	Hong Kong	100%
Maersk Global Service Centre (Chengdu) Ltd.	China	100%

**MAERSK GSC Holding A/S**  
**Notes to the financial statements**  
(Amounts in DKK'000.)

3	<b>Statement of changes in equity</b>	Share capital	Net valuation Under equity		Dividends	Retained Earnings	Total
			Method				
	Balance at 1 January 2016	795	33,675	0	81,152	115,622	
	Currency Adjustment	0	-1,619	0	0	-1,619	
	Reversal of provision	0	-77,517	0	77,517	0	
	Transfer	0	87,166	0	-87,166	0	
	Result of the year	0	183,704	0	-2,578	181,126	
	Balance at 31 December 2016	<u>795</u>	<u>225,409</u>	<u>0</u>	<u>68,925</u>	<u>295,129</u>	

The share capital hasn't changed over the past 5 years

**4 Financial income and expenses**

All financial income of the year are revaluation gains on the In-House-Cash receivables the entity has with A.P. Møller - Mærsk A/S. Financial expenses of the year are interest expense related to group loan payable.

**5 Contingent Assets, Liabilities and Other Financial Obligations**

**Contingent Liabilities**

The Danish group enterprises are jointly and separately liable for tax on the jointly taxed income of the Group and for Danish taxes at source such as dividend tax, tax on royalty payments and withholding tax. The total payable corporation tax is disclosed in the Annual Report of A.P.Møller Holding A/S, which is the management company of the joint taxation.

**6 Related parties**

Shareholders under Section 55 of the Danish Companies Act:

Maersk A/S Owns 100% of the share capital and voting rights. The company is included in the consolidated financial statements of A.P. Møller - Mærsk A/S, Copenhagen and A.P. Møller Holding A/S, Copenhagen