



Norient Product Pool ApS

CVR NO. 28 10 09 73

Strandvejen 52, 2900 Hellerup

Annual Report for 2016

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29/3 2017.

Chairman



NORIENT
PRODUCT POOL



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Management's Statement

The Executive and Board of Directors have today considered and adopted the Annual Report of Norient Product Pool ApS for the financial year 1 January – 31 December 2016.

The Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the EU. Moreover, the Annual Report is prepared in accordance with additional Danish disclosure requirements for annual reports.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2016 of Company and of the results of the Company operations and cash flows for 2016.

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

29 March 2017

Norient Product Pool ApS

Executive Board



Søren Huscher


Board of Directors




Jan Rindbo
Chairman



Klaus Nyborg



Themis Papadopoulos
Vice Chairman



Jan Lissow

Independent Auditor's Report

To the Shareholders of Norient Product Pool ApS

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 and cash flows for the financial year 1 January - 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Norient Product Pool ApS for the financial year 1 January - 31 December 2016, which comprise financial statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("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.

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 International Financial Reporting Standards as adopted by the EU and further requirements in 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 judgement 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.

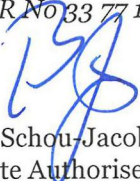
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Hellerup, 29 March 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31


Bo Schou-Jacobsen
State Authorised Public Accountant


Christian Bagi Nordsten
State Authorised Public Accountant

Company Information

The Company

Norient Product Pool ApS
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DK-2900 Hellerup

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Website: www.norientpool.com

CVR No: 28 10 09 73
Financial period: 1 January - 31 December
Financial year: 11th financial year
Municipality of reg. office: Gentofte

Board of Directors

Jan Rindbo, Chairman
Themis Papadopoulos, Vice Chairman
Klaus Nyborg
Jan Lissow

Executive Board

Søren Huscher

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Accounting Policies

Main activities of the Company

The object of the Norient Product Pool ApS (NPPAPS) is to perform commercial management in tanker business. This includes to be commercial manager of Norient Product Pool (NPP).

NPP is a product tank pool for the participants' tonnage in the hand-, medium- and panamax-size segments defined as the range from 25,000 to 75,000 dwt tonnage. Interorient Navigation Co. Ltd. (INC), Dampskibsselskabet NORDEN A/S (NORDEN) and Diamond S Shipping (DSS) are pool participants at the moment.

Basis of Preparation

The Annual Report of NPPAPS for 2016 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

The Annual Report for 2016 is presented in USD, which is the entity's functional currency.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments at fair value.

New standards and interpretations

Norient Product Pool ApS has implemented new standards and interpretations by IASB approved by EU that entered into force in fiscal year 2016. This comprises to the following standards, interpretations and amendments to existing standards relevant to Nordic Product Pool ApS:

- Amendments to IAS 1, Presentation of financial statements
- Annual Improvements 2012-2014 cycles comprising minor amendments to a number of standards

The implementation has not had effect for Norient Product Pool ApS.

New standard (IAS/IFRS) and Interpretations (IFRIC) that are not yet effective

IASB has issued the following new accounting standards and interpretations that could have relevance to Norient Pool Products ApS, however these are not effective yet:

- IFRS 9, Financial instruments, which describes the rules for classification, measurement, including for impairment of financial assets, and hedging. The standard comprises three classes of financial assets and two classes of financial liabilities. The standard has the option to irrevocably recognize fair value adjustment through other comprehensive income, with no impairment model.
- IFRS 15, Revenue from contracts with customers.
- IFRS 16, leases
- Amendments to IAS 7, Cash flow statements
- Amendments to IAS 12, Income taxes
- Annual improvements 2014-2016

Management is assessing the impact/It is management's assessment that the new and amended standard will not have significant impact on the accounting policies.

The remaining standards and interpretations issued, by IASB which are not relevant for Norient Product Pool ApS comprise: IFRS 14, amendments to IFRS 2, amendments to IAS 40, IFRIC 22 and amendments to IAS 28 and IFRS 10.

Accounting Policies

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.

Consolidation

The Company has not prepared consolidated financial statements in accordance with the provisions in the Danish Financial Statements act section 110.

Accounting Policies

Income Statement

Revenue

Revenue comprises income from commercial management.

Revenue comprises the fair value of the consideration received or receivable for the management service delivered. Revenue is shown net of value-added tax and rebates.

Commercial management income is recognised upon delivery of the service in accordance with the management agreement entered into.

Other external expenses

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

Staff expenses

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

Other income and expenses

Other income and expenses comprises of dividend income and impairment of available-for-sale financial assets.

Dividend income is recognised when it is declared.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

On the sale of an item of property, plant and equipment the difference between the sales proceeds and the carrying amount of the asset is recognised in the profit or loss statement.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, as well as extra interests under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement. The tax attributable to income and expenses recognised in Other Comprehensive Income is recognised along with these items.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Accounting Policies

Balance Sheet

Property, plant and equipment

Property, plant and equipment 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:

Other fixtures and fittings, tools and equipment	3-7 years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Impairment of property, plant and equipment

The carrying amounts of 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.

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.

Available for sale financial assets

Available for sale financial assets comprises listed shares. The shares are initially recognised at fair value plus transaction costs. They are subsequently carried at fair value. Changes in the fair value are recognised in other comprehensive income and classified as a separate reserve in equity. Upon sale, the cumulative gain or loss is re-cycled to profit or loss.

The fair value is based on the current listed bid price.

The company assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exist the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement.

Accounting Policies

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Dividend income is recognized when declared. If an indication exists that the investment has been impaired, such as declaration of dividend from the subsidiary in excess of the subsidiary's comprehensive income for the period, an impairment test is performed. The investment is written down to a lower recoverable amount.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest. Prepayments are measured at the amount paid.

Equity

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividend

Dividend distribution is recognised as a deduction in equity in the period where the dividend is declared.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

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 related deferred income tax asset is expected to be realised or the deferred income tax liability is expected to be settled.

To the extent that the manner in which the entity recovers the carrying amount of an asset or a liability affects the tax implications, the measurement of the deferred tax liability or asset is based on how the entity expects to recover the asset or liability.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised to the extent that deferred tax liabilities are available or it is probable that future taxable profit will be available.

Accounting Policies

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Financial debts are recognised initially at fair value, net of transaction costs incurred. Subsequently they are measured at amortised cost, substantially corresponding to nominal value.

Long term employee benefit obligations

Long term employee benefits obligations consists of liabilities under incentive programmes whereby the Company has an obligation to deliver shares in Dampskibsselskabet NORDEN A/S to the key personnel of the company at a determinable price. Alternatively to make a cash settlement of the difference between the pre-fixed price and the current market price.

The liability is recognised in the profit or loss statement over the vesting period. The liability is measured at the present value of the expected difference between the market price and the exercise price of the shares at the expected exercise date. It is calculated on the basis of an option pricing model.

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 at the beginning and end of the year. The cash flow statement cannot be immediately derived from the published financial records.

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".

Income Statement

	Note	2016 USD	2015 USD
Revenue		12.303.695	13.827.314
Other external expenses		-7.451.644	-7.494.018
Gross profit/loss		4.852.051	6.333.296
Staff expenses	1	-3.015.405	-4.752.225
Other income and expenses	2	0	-1.681.430
Depreciation and impairment of other fixtures and fittings, tools and equipment	3	-12.717	-12.407
Profit/loss before financial income and expenses		1.823.929	-112.766
Financial income	4	1.806	208
Financial expenses	5	-196.136	-190.002
Profit/loss before tax		1.629.599	-302.560
Tax on profit/loss for the year	6	-397.575	42.146
Net profit/loss for the year		1.232.024	-260.414
Proposed distribution of profit			
Retained earnings		1.232.024	-260.414
		1.232.024	-260.414

Statement of Comprehensive Income

Net profit/loss for the year	1.232.024	-260.414
Items that may be subsequently reclassified to profit or loss:		
Fair value adjustments on available-for-sale financial assets	-226.546	-365.035
Deferred tax of above	49.840	80.308
Impairment of available-for-sale financial assets	0	1.681.430
Deferred tax related to impairment	0	-369.915
Other comprehensive income	-176.706	1.026.788
Comprehensive Income for the year net of tax	1.055.318	766.374

Balance Sheet at 31 December

Assets

	Note	2016	2015
		USD	USD
Other fixtures and fittings, tools and equipment	7	34.918	47.017
Available-for-sale financial assets	8	1.592.733	1.819.279
Deferred tax asset	9	347.867	623.214
Investments in subsidiaries	10	0	150.000
Non-current assets		1.975.518	2.639.510
Trade receivables from pool participants	11	1.095.741	1.254.793
Corporation tax		0	65.215
Other receivables		320.655	382.615
Receivables		1.416.396	1.702.623
Cash at bank and in hand		11.866.408	19.387.352
Current assets		13.282.804	21.089.975
Assets		15.258.322	23.729.485

Balance Sheet at 31 December

Liabilities and equity

	Note	2016 USD	2015 USD
Share capital		91.190	91.190
Revaluation reserve available-for-sale financial assets		-176.706	0
Retained earnings		2.626.326	2.594.302
Proposed dividends for the year		0	1.000.000
Equity	12	2.540.810	3.685.492
Other long-term employee benefit obligations	8	0	0
Non-current liabilities		0	0
Other short-term employee benefit obligations	8	0	0
Trade payables		358.242	230.299
Payables to shareholders and pool participants		11.227.657	16.556.567
Payables to subsidiaries		0	59.924
Corporation tax		3.075	0
Other payables		1.128.539	3.197.203
Current liabilities		12.717.513	20.043.993
Liabilities		12.717.513	20.043.993
Liabilities and equity		15.258.322	23.729.485
Financial risks	13		
Capital management	14		
Classification of financial instruments	15		
Contingent assets, liabilities and other financial obligations	16		
Related parties and ownership	17		
Cash flow statement - adjustments	18		
Cash flow statement - change in working capital	19		
Subsequent events	20		

Statement of Changes in Equity

	Share capital	Revaluation reserve available for sale financial assets	Retained earnings	Proposed dividends	Total
	USD	USD	USD	USD	USD
Equity at 1 January 2016	91.190	0	2.594.302	1.000.000	3.685.492
Net profit/loss for the year	0	0	1.232.024	0	1.232.024
Fair value adjustments on available-for-sale financial assets	0	-226.546	0	0	-226.546
Deferred tax of fair value adjustment on available-for-sale financial assets	0	49.840	0	0	49.840
Other comprehen- sive income for the year	0	-176.706	1.232.024	0	1.055.318
Dividends to shareholders	0	0	-1.200.000	-1.000.000	-2.200.000
Proposed dividends	0	0	0	0	0
Equity at 31 December 2016	91.190	-176.706	2.626.326	0	2.540.810
Equity at 1 January 2015	91.190	-1.026.788	5.254.716	0	4.319.118
Net profit/loss for the year	0	0	-260.414	0	-260.414
Fair value adjustments on available-for-sale financial assets	0	-365.035	0	0	-365.035
Deferred tax of fair value adjustment on available-for-sale financial assets	0	80.308	0	0	80.308
Impairment charged to income statement	0	1.311.515	0	0	1.311.515
Total income for the year	0	1.026.788	-260.414	0	766.374
Dividends to shareholders	0	0	-1.400.000	0	-1.400.000
Proposed dividends	0	0	-1.000.000	1.000.000	0
Equity at 31 December 2015	91.190	0	2.594.302	1.000.000	3.685.492

Cash Flow Statement

	Note	2016 USD	2015 USD
Net profit/loss for the year		1.232.024	-260.414
Adjustments	18	673.183	1.841.485
Change in working capital	19	-1.830.351	1.964.229
Cash flows from operating activities before financial income and expenses		74.856	3.545.300
Financial income		1.806	208
Financial expenses		-196.136	-40.002
Cash flows from ordinary activities		-119.474	3.505.506
Corporation tax paid/returned		46.002	-79.525
Cash flows from operating activities		-73.472	3.425.981
Purchase of property, plant and equipment		0	-2.409
Liquidation of subsidiary		81.438	0
Sale of property, plant and equipment		0	0
Cash flows from investing activities		81.438	-2.409
Change in payable from shareholders		-5.328.910	4.437.467
Distributed dividend		-2.200.000	-1.400.000
Cash flows from financing activities		-7.528.910	3.037.467
Change in cash and cash equivalents		-7.520.944	6.461.039
Cash and cash equivalents at 1 January		19.387.352	12.926.313
Cash and cash equivalents at 31 December		11.866.408	19.387.352
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		11.866.408	19.387.352
Cash and cash equivalents at 31 December		11.866.408	19.387.352

Notes to the Financial Statements

	<u>2016</u>	<u>2015</u>
	USD	USD
1 Staff expenses		
Salaries	2.756.886	4.461.023
Adjustment, other long- and short-term benefits	0	-18.445
Pensions	224.923	270.285
Other social security expenses	33.596	39.362
	<u>3.015.405</u>	<u>4.752.225</u>
Average number of employees	<u>24</u>	<u>27</u>
Remuneration of the Management consists of:		
Salaries	363.873	319.605
Bonus	74.264	297.287
Pensions	33.865	29.431
Other long- and short-term benefits, cf. note 8	0	-5.202
	<u>472.002</u>	<u>641.121</u>
Part of other long- and short-term benefits to Management includes reversal of previously recognized costs of USD 0 (2015: USD 5k).		
2 Other income and expenses		
Impairment of available-for-sale financial assets	0	-1.681.430
	<u>0</u>	<u>-1.681.430</u>
3 Depreciation and impairment of other fixtures and fittings, tools and equipment		
Other fixtures and fittings, tools and equipment	12.717	12.407
	<u>12.717</u>	<u>12.407</u>

Notes to the Financial Statements

	<u>2016</u>	<u>2015</u>
	USD	USD
4 Financial income		
Interest income	1.806	208
	<u>1.806</u>	<u>208</u>
5 Financial expenses		
Interest expenses	567	6.716
Impairment of investments in subsidiaries, cf. note 10	68.561	150.000
Other financial expenses	127.008	33.286
	<u>196.136</u>	<u>190.002</u>
6 Tax on profit/loss for the year		
Current tax for the year	10.379	103
Adjustments in respect of previous years	62.009	0
Deferred tax related to impairment	0	-369.915
Deferred tax for the year	325.187	327.666
Tax of profit/loss for the year	<u>397.575</u>	<u>-42.146</u>
Tax on profit/loss for the year is calculated as follows:		
Calculated tax on profit/loss for the year before tax	358.512	-66.563
Tax effect of:		
Adjustments in respect of previous years	62.009	0
Tax on non-deductible expenses and non-taxable income	21.339	45.617
Tax of fair value adjustment on available-for-sale financial assets		-80.308
Exchange rate adjustment, basis for deferred tax	7.349	94.152
Higher/lower tax rate on income of foreign permanent establishment	-51.635	-35.044
	<u>397.575</u>	<u>-42.146</u>

Notes to the Financial Statements

	<u>2016</u>	<u>2015</u>
	USD	USD
7 Other fixtures and fittings, tools and equipment		
Cost at 1 January	401.834	399.425
Additions for the year	618	2.409
Disposals for the year	0	0
Cost at 31 December	<u>402.452</u>	<u>401.834</u>
Impairment losses and depreciation at 1 January	-354.817	-342.410
Depreciation for the year	-12.717	-12.407
Reversal of impairment and depreciation of sold assets	0	0
Impairment losses and depreciation at 31 December	<u>-367.534</u>	<u>-354.817</u>
Carrying amount at 31 December	<u>34.918</u>	<u>47.017</u>
Depreciated over	3-7 years	3-7 years

Notes to the Financial Statements

8 Other long-term employee benefit obligations

The obligation comprises an obligation under incentive programmes to deliver shares in Dampskibsselskabet NORDEN A/S at a determinable price to the entity's key personnel. Alternatively the Company can make a cash settlement of the difference between the pre-fixed price and the market price.

The programmes were established in the following years and comprise the following number of shares Dampskibsselskabet NORDEN A/S:

	2016	2015	2014	2013	2012	2011
Outstanding 1 January	-	47.960	47.960	44.457	41.705	38.037
Granted during the period	55.000	-	-	-	-	-
Exercised during the period	-	-	-	-	-	-
Expired during the period	-	-	-	-	-	-
Forfeited during the period	(2.500)	(11.096)	(11.317)	(7.615)	(14.065)	(11.148)
Outstanding 31 December	<u>52.500</u>	<u>36.864</u>	<u>36.643</u>	<u>36.842</u>	<u>27.640</u>	<u>26.889</u>
Exercisable 31 December	-	-	36.643	36.842	27.640	26.889

The vesting period is 3 years for the 2011 - 2016 programmes. The exercise price is dependant upon the exercise date. The 2011 - 2012 programmes have an addition on 20 percent to the quoted price at grant date and the 2013 - 2016 programmes have an addition on 10 percent to the quoted price at grant date. All programmes have deduction of dividend payments. The exercise period is 3-6 years from grant date for the 2011 - 2016 programmes.

With the view of hedging the obligation, the Company has acquired 101,682 shares in Dampskibsselskabet NORDEN A/S. The shares comprise the company's portfolio of available for sale financial assets.

	2016	2015
	USD	USD
9 Deferred tax asset		
Property, plant and equipment	1.321	1.660
Employee benefit obligations	0	0
Tax loss carry-forward	346.545	621.554
Carrying amount	<u>347.866</u>	<u>623.214</u>

Deferred tax has been provided at 22% corresponding to the tax rate in 2016.

Due to the fact that taxable income is expected the deferred tax asset is expected to be utilized.

Notes to the Financial Statements

	<u>2016</u>	<u>2015</u>
	USD	USD
10 Investments in subsidiaries		
Cost at 1 January	300.000	300.000
Disposals for the year	-300.000	
Cost at 31 December	<u>0</u>	<u>300.000</u>
Value adjustment at 1. January	-150.000	0
Value adjustment for the year	150.000	-150.000
Value adjustment at 31. December	<u>0</u>	<u>-150.000</u>
Carrying amount at 31 December	<u>0</u>	<u>150.000</u>

11 Trade receivables from pool participants

Receivables from pool participants, of which two participants are also shareholders, comprise trade receivables. The receivables therefore constitute common commercial receivables effected on an arm's length basis and are consequently not subject to the Danish Private Companies Act's prohibition of loans etc to shareholders.

12 Equity

The share capital amounts to DKK 506.000 and consists of 506 shares of a nominal value of DKK 1.000. No shares carry any special rights.

Notes to the Financial Statements

13 Financial risk

Currency risk

The Company incurs the main part of its costs, among these salaries, in DKK. All the revenue is denominated in USD, and consequently, a change in the DKK rate will have an impact on the profit or loss statement. The Company has no significant receivables or liabilities in foreign currency as of 31 December 2016 and 2015.

Interest rate risk

The majority of cash equivalents is held to pay of debt towards pool participants and are not receiving material interest. Therefore, changes in interest rates are not expected to have any significant impact on profit/loss.

Share price risk

Revaluations of shares are recognised in other comprehensive income and do therefore not affect profit/loss. A 10% increase or decrease in either the listed share-price, the DKK exchange rate or a combination of the two will affect equity positive or negative with USD 159k (2015: USD 181k) before tax.

Credit risk

The Company collects the pool participants' freight receivables and sets off its fee against these amounts. Consequently, no significant credit risks arise in the ordinary course of business.

Bank balances are associated with a credit risk. The bank balances are only placed with a financial institution with a high credit rating, and the risk is therefore assessed to be limited. Cash is placed in a major Danish bank in which deposits up to kDKK 750 are guaranteed by the Danish government.

Liquidity risk

Financial liabilities, USD 12.718k fall due within 1 year. It is the Company's assessment that cash and cash equivalents of USD 11.866k and the cash generated from operations is sufficient to meet the obligations.

14 Capital management

Management monitors on an ongoing basis whether the capital resources are sufficient in relation to the operations of the Company. Management considers the capital resources for sufficient.

Notes to the Financial Statements

	2016	2015
	USD	USD
15 Classification of financial instruments		
Available-for-sale financial assets	1.592.733	1.819.279
Trade receivables from pool participants	1.095.741	1.254.793
Receivables from subsidiaries	0	0
Other receivables	320.655	382.615
Cash and cash equivalents	11.866.408	19.387.352
Loans and receivables	13.282.804	21.024.760
Trade payables	358.242	230.299
Payables to pool participants	11.227.657	16.556.567
Payables to subsidiaries	0	59.924
Other payables	1.128.539	3.197.203
Financial liabilities at amortised cost	12.714.438	20.043.993

Financial assets are measured at fair value based on the share price in an active market (category 1)

16 Contingent assets, liabilities and other financial obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	75.085	84.240
Between 1 and 5 years	101.857	151.812
	176.942	236.052

Liabilities under service agreements within 1 year in the event of termination is estimated not to exceed:

	6.148.282	5.677.640
	6.148.282	5.677.640

Guarantee deposits

Norient Product Pool ApS has made a total of USD 1.001k of guarantee deposits, which is presented under cash at bank and in hand

Notes to the Financial Statements

17 Related parties and ownership

	<u>Basis</u>
Other related parties	
Dampskibsselskabet NORDEN A/S, Copenhagen, Denmark	Significant shareholder
Interorient Navigation CO. Ltd., Limassol, Cyprus	Significant shareholder
Company Management and group enterprises of the shareholders of the Company.	

Transactions

Revenue for the year relates to the Company's shareholders.

Refund to shareholder concerning staff expenses, rent and administrative expenses totals USD 4.956k (2015: USD 5.611kk).

Trade receivables from shareholders of USD 779k (2015: USD 1.041k), payables to shareholders of USD 11.228k (2015: USD 15,893k), payables to subsidiaries of USD 0 (2015: 60k) and receivables from affiliates USD 118k (2015: USD 110k) on ordinary commercial terms. The accounts carry no interest.

Apart from the above transactions and management remuneration as stipulated in note 1, there have been no transactions with Company Management, senior officers, significant shareholders and their group enterprises or other related parties.

Transactions have been effected at arm's length.

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Dampskibsselskabet NORDEN A/S, Strandvejen 52, DK-2900 Hellerup, Denmark

Interorient Navigation CO. Ltd., 142 Franklin Roosevelt, PO Box 51309, Limassol 3504, Cyprus.

Notes to the Financial Statements

	<u>2016</u>	<u>2015</u>
	USD	USD
18 Cash flow statement - adjustments		
Financial income	-1.806	-208
Financial expenses	196.136	190.002
Impairment of available-for-sale financial assets	68.561	1.681.430
Depreciation, amortisation and impairment losses	12.717	12.407
Tax on profit/(loss) for the year	397.575	-42.146
	<u>673.183</u>	<u>1.841.485</u>
19 Cash flow statement - change in working capital		
Change in receivables	170.912	-75.595
Change in other provisions	0	-18.445
Change in payables, etc.	-2.001.263	2.058.269
	<u>-1.830.351</u>	<u>1.964.229</u>
20 Subsequent events		

No material events have occurred after the balance sheet day.