

LAURITZEN REEFERS A/S

Tuborg Havnevej 15
2900 Hellerup

Annual report
1 January 2016 - 31 December 2016

**The annual report has been presented and
approved on the company's general meeting the**

04/05/2017

Erik Bierre
Chairman of general meeting

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Company information

Reporting company LAURITZEN REEFERS A/S

Tuborg Havnevej 15

2900 Hellerup

Phone number: 33968424

CVR-nr: 28118600

Reporting period: 01/01/2016 - 31/12/2016

Auditor

ERNST & YOUNG GODKENDT REVISIONSPARTNERSELSKAB

Osvald Helmuths Vej 4

2000 Frederiksberg

DK Danmark

CVR-nr: 30700228

P-number: 1013415044

Statement by Management

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

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 Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, the 03/05/2017

Management

Mads Peter Zacho

Board of directors

Erik Bierre
Chairman

Dorte Rolff

Mads Peter Zacho

The independent auditor's report on financial statements

To the shareholder of Lauritzen Reefers A/S

Opinion

We have audited the financial statements of Lauritzen Reefers A/S for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are 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 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management 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 responsibility

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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 conclusion is 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 note 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.

Statement on the management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 03/05/2017

Kim Nicolajsen
State Authorised Public Accountant
ERNST & YOUNG GODKENDT REVISIONSPARTNERSELSKAB
CVR: 30700228

Management's Review

Operating review

The Company's business review

The Company has no activities.

Financial review

The income statement for 2016 shows a loss of USD 96 thousand against a profit of USD 84 thousand last year, and the balance sheet at 31 December 2016 shows equity of USD 17,872 thousand.

Post balance sheet events

No events have occurred after the balance sheet date that materially affect the Company's future financial position.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B. The annual report of Lauritzen Reefers A/S for 2016 has been presented in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies applied by the Company are consistent with those of last year.

Recognition and measurement in general

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All costs, including depreciation, amortisation and impairment losses, are also recognised in the income statement.

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Reporting currency

The financial statements are presented in USD as the Company's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 705,28.

Income statement

Other external expenses

Other external costs comprise costs for distribution, sale, advertising, administration, premises, bad debt losses, operating leases, etc.

Financial expenses

Financial income and expenses comprise interest income and expense, charges in respect of finance leases, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the onaccount tax scheme, etc.

Tax

Tax for the year comprises income tax on shipping activities calculated in accordance with the provisions of the Danish Tonnage Tax Act, income tax on other activities calculated in accordance with ordinary tax rules and adjustments of deferred tax. Income tax is recognized in the income statement except for the tax expense relating to amounts directly recognized in equity, which, accordingly, are recognized in equity. Lauritzen Reefers A/S is jointly taxed with the other Danish subsidiaries of the Lauritzen Foundation.

Balance sheet

Receivables

Receivables are measured at amortised cost, which is in general equal to the nominal value. Writedown is made of the value for anticipated bad debt losses.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured on temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carryforwards, are measured at the expected value of their realisation; either as a setoff against tax on future income or as a setoff against deferred tax liabilities in the same legal tax entity.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. A tax rate of 22% was used for the current year.

Liabilities

Liabilities are measured at amortised cost, corresponding to the nominal value.

Income statement 1 Jan 2016 - 31 Dec 2016

	Disclosure	2016 USD	2015 USD
External expenses		-1,049	-736
Gross Result		-1,049	-736
Profit (loss) from ordinary operating activities		-1,049	-736
Other finance expenses	1	-5,439	-54,068
Profit (loss) from ordinary activities before tax		-6,488	-54,804
Tax expense	2	-89,181	138,536
Profit (loss)		-95,669	83,732
Proposed distribution of results			
Retained earnings		-95,669	83,732
Proposed distribution of profit (loss)		-95,669	83,732

Balance sheet 31 December 2016

Assets

	Disclosure	2016	2015
		USD	USD
Receivables from group enterprises		17,858,596	17,858,596
Tax receivables		39,638	134,258
Receivables		17,898,234	17,992,854
Current assets		17,898,234	17,992,854
Total assets		17,898,234	17,992,854

Balance sheet 31 December 2016

Liabilities and equity

	Disclosure	2016 USD	2015 USD
Contributed capital	3	12,964,026	12,964,026
Retained earnings		4,908,159	5,003,828
Total equity		17,872,185	17,967,854
Other payables		26,049	25,000
Short-term liabilities		26,049	25,000
Liabilities		26,049	25,000
Liabilities and equity, gross		17,898,234	17,992,854

Disclosures

1. Other finance expenses

	2016 kr.	2015 kr.
Other financial expenses	5,439	54,068
	<u>5,439</u>	<u>54,068</u>

2. Tax expense

	2016 kr.	2015 kr.
Estimated tax charge for the year	-	-28,882
Prior year adjustments	89,181	-109,654
	<u>89,181</u>	<u>-138,536</u>

3. Contributed capital

The authorised and issued share capital consist of shares of DKK 1,000 or multiples of this.

The share capital has not been changed within the last 5 years.

4. Disclosure of contingent liabilities

Other contingent liabilities

The company is jointly taxed with Danish subsidiaries to Lauritzen Fonden. Together with the other companies included in the joint taxation, the company has joint an several unlimited liability for Danish withholding taxes on dividends, interests and royalties.

The company has no other contingent assets or contingent liabilities.

5. Disclosure of collaterals and assets pledges as security

The company has not placed any assets or other as security for loans at 31 December 2016.

6. Disclosure of ownership

Related parties

Lauritzen Reefers A/S related parties comprise the following:

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Lauritzen Fonden	Tranegårdsvej 20, 2900 Hellerup	http://datacvr.virk.dk/data
J. Lauritzen A/S	Tuborg Havnevej 15, 2900 Hellerup	http://datacvr.virk.dk/data