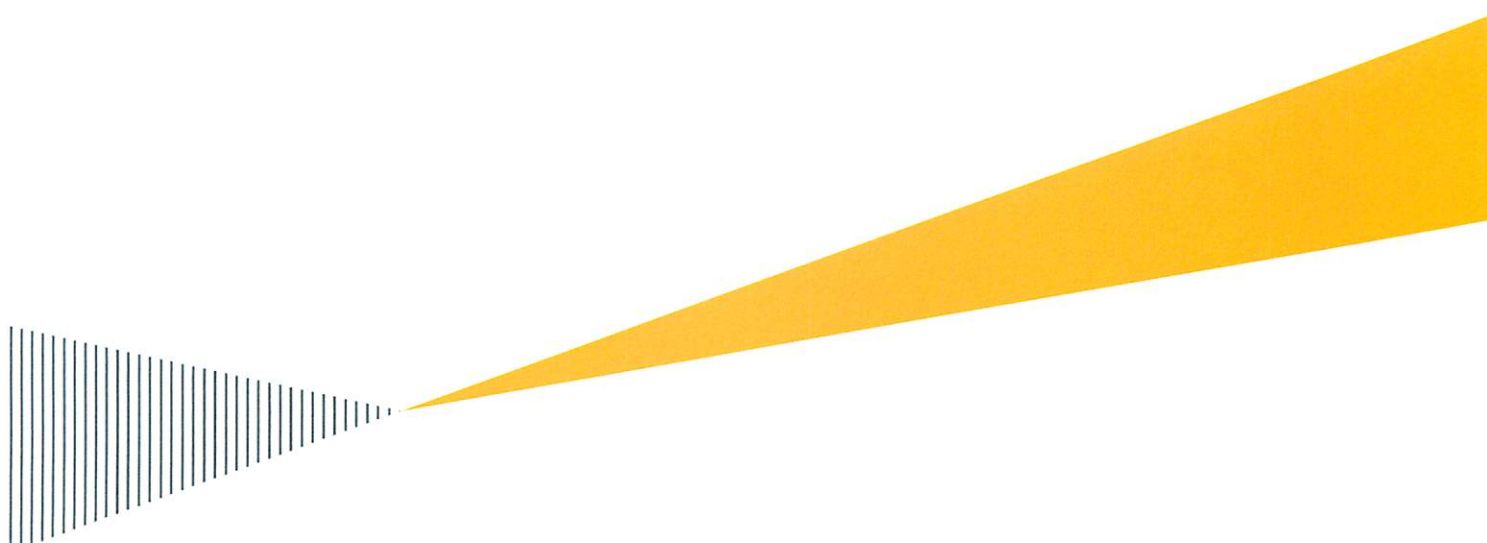


Keh Naval Architects Holding ApS

Claessensvej 1, 3000 Helsingør

CVR no. 34 69 08 55



Annual report 2015

Approved at the annual general meeting of shareholders on 27.05.2016

Chairman:



Building a better
working world



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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Keh Naval Architects Holding ApS for the financial year 1 January - 31 December 2015.

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

In my opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

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

I recommend that the annual report be approved at the annual general meeting.

Helsingør, 24 May 2016
Executive Board:

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a long horizontal stroke.

René Herbert Berkvens



Independent auditors' report

To the shareholders of Keh Naval Architects Holding ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Keh Naval Architects Holding ApS for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors 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 opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 24 May 2016

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR No. 30 70 02 28

Lissen Fagerlin Hammer
state authorised public accountant



Management's review

Company details

Name	Keh Naval Architects Holding ApS
Address, Postal code, City	Claessensvej 1, 3000 Helsingør
CVR No.	34 69 08 55
Registered office	Helsingør kommune
Financial year	1 January - 31 December
Executive Board	René Herbert Berkvens
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark

Operating review

The Company's business review

The Company's primary activities are investments in subsidiaries.

Financial review

The income statement for 2015 shows a loss of DKK 416,555 against a loss of DKK 2,945,499 last year, and the balance sheet at 31 December 2015 shows equity of DKK 10,054,971.

Post balance sheet events

No significant events have occurred subsequent to the financial year-end.



Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2015	2014
	Other external expenses	-30,157	-41,093
	Gross profit/loss	-30,157	-41,093
	Income from investments in group entities	-386,349	-2,904,406
	Financial expenses	-49	0
	Profit/loss before tax	-416,555	-2,945,499
	Tax for the year	0	0
	Profit/loss for the year	-416,555	-2,945,499
	 Proposed profit appropriation/distribution of loss		
	Retained earnings/accumulated loss	-416,555	-2,945,499
		-416,555	-2,945,499



Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2015	2014
	ASSETS		
	Non-current assets		
2	Investments		
	Investments in group entities	10,106,221	10,316,777
		10,106,221	10,316,777
	Total non-current assets	10,106,221	10,316,777
	Current assets		
	Cash	43,607	18,956
	Total current assets	43,607	18,956
	TOTAL ASSETS	10,149,828	10,335,733
	EQUITY AND LIABILITIES		
	Equity		
3	Share capital	80,000	80,000
	Net revaluation reserve according to the equity method	0	16,387
	Retained earnings	9,974,971	10,199,346
	Total equity	10,054,971	10,295,733
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Payables to group entities	64,857	10,000
	Other payables	30,000	30,000
		94,857	40,000
	Total liabilities other than provisions	94,857	40,000
	TOTAL EQUITY AND LIABILITIES	10,149,828	10,335,733

1 Accounting policies

4 Collateral

5 Contractual obligations and contingencies, etc.

6 Related parties



Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2015	80,000	16,387	10,199,346	10,295,733
Profit/loss for the year	0	0	-416,555	-416,555
Equity transferred to reserves	0	-16,387	16,387	0
Exchange adjustment	0	0	175,793	175,793
Equity at 31 December 2015	80,000	0	9,974,971	10,054,971

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Keh Naval Architects Holding ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

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

Consolidated financial statements

In accordance with Section 110 of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Reporting currency

The financial statements are presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to administration, etc.

Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

The parent company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The parent company is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax charge is allocated between the jointly taxed enterprises in proportion to their taxable income. Enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current corporation tax, joint taxation contributions for the year and changes in deferred tax for the year - including changes resulting from changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investments in group entities

Investments in subsidiaries are measured, using the equity method, at the parent's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any. Investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment to the extent that the deficit is irrecoverable. Amounts in excess thereof are recognised under 'Provisions' to the extent that the parent has a legal or constructive obligation to cover the deficit.

Impairment of non-current assets

Every year, investments in subsidiaries and associates are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

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 using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent is liable for the subsidiaries' income taxes vis-à-vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivables are recognised in the balance sheet as income tax receivable or payable.

Other payables

Other payables are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

2 Investments

DKK	<u>Domicile</u>	<u>Interest</u>	<u>Equity</u>	<u>Profit/loss</u>
Subsidiaries				
Knud E. Hansen A/S	Helsingør	100.00 %	7,657,912	2,061,961

DKK		<u>2015</u>	<u>2014</u>
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3 Share capital

The share capital consists of the following:

80,000 shares of DKK 1.00 each	<u>80,000</u>	<u>80,000</u>
	<u>80,000</u>	<u>80,000</u>

The Company's share capital has remained DKK 80,000 over the past 4 years.

4 Collateral

No assets had been pledged as collateral or otherwise charged at 31 December 2015.

5 Contractual obligations and contingencies, etc.

Other contingent liabilities

Acting as management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable, together with other jointly taxed group entities, for the payment of income taxes for income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

6 Related parties

Keh Naval Architects Holding ApS' related parties comprise the following:

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent's consolidated financial statements</u>
Damen Shipyard Group NV	Gorinchem, Holland	The consolidated financial statements are available at the company's address.