

Rederiaktieselskabet Kuling

Esplanaden 50
DK - 1098 Copenhagen K

(CVR. No. 49 80 10 17)

Annual Report for 2017

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31 May 2018.



Frith Brennan
Chairman

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Company Information:

Rederiaktieselskabet Kuling (CVR. No 49 80 10 17)
Esplanaden 50, 1098 København K, Danmark

**Rederiaktieselskabet Kuling
Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Rederiaktieselskabet Kuling for the financial year 1 January - 31 December 2017.

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

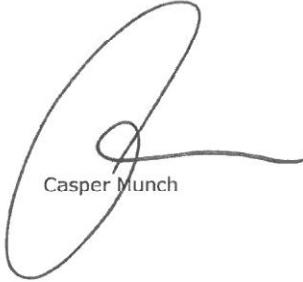
In our opinion the Financial Statements give true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

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, 31 May 2018

Executive Board



Casper Munch

Board of Directors



Anne Pindborg



Caroline Pontoppidan
Chairman



Casper Munch

Rederiaktieselskabet Kuling

Independent Auditor's Report

To the Shareholders of Rederiaktieselskabet Kuling

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Rederiaktieselskabet Kuling A/S for the financial year 1 January - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet 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.

Rederiaktieselskabet Kuling

Independent Auditor's Report

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.

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:

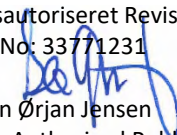
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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, 31. maj 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No: 33771231


Søren Ørjan Jensen
State Authorised Public Accountant
mne 33226



Jacob Brinch
State Authorised Public Accountant
mne 35447

Rederiaktieselskabet Kuling Management's Statement

Management's review

The company's main activities

The purpose of the Company are to carry on shipping, chartering and related business, but it shall be a further purpose to engage in other transport business, commercial and industrial activities at home and abroad, including via investments in shares.

Development in activities and financial affairs

Profit after tax is negative with DKK -126 thousands. The result is considered unsatisfactory. Next year a positive result is expected.

Subsequent events

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

Significant events during the year

No significant events during the year has impacted the annual report.

Rederiaktieselskabet Kuling Accounting Policies

The Annual Report of Rederiaktieselskabet Kuling has been prepared in accordance with the provisions under the Danish Financial Statements Act applying to enterprises of Reporting Class - B.

Under Section 112 of the Danish Financial Statements Act, consolidated financial statements are not presented. Accounting policies remain unchanged from last year.

Translation of Foreign Currency

The functional and reporting currency is DKK.

Transactions in foreign currencies are translated at the rate on the date of transaction. Any exchange difference arising between the rate on the date of transaction and the rate on the date of payment are recognised as an item under financial income and expense, as net item in the income statement.

Receivables, debts and other monetary items in foreign currencies are translated at the exchange rate on the date of the balance sheet. The difference between the exchange rate on the balance sheet date and the rate at the time of recognition of receivables or debt is included in the income statement under financial income and expenses.

Financial income and expenses

Financial income includes interest, dividends, gains and losses on foreign currency items and fair value adjustment of securities and investments.

Company Tax

The Company is jointly taxed with Danish Companies in the A.P.Møller - Mærsk A/S 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 the entries directly in the equity.

Investments

Investments in subsidiaries and other securities and investments (not traded in an active market) are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are recognised at amortised cost, equal to nominal value. Provisions for bad debts are determined based on an individual assessment.

Equity

Proposed dividends are recognized as a liability at the time of adoption at the general meeting. The expected dividend payments for the year is shown as a separate item under equity.

Liabilities

Liabilities are measured at amortised cost, equal to nominal value.

Rederiaktieselskabet Kuling

Income Statement 1 January - 31 December 2017

Amount in DKK 1,000

Note	2017	2016
1 Other External Expenses	-17	-17
Profit Before Financial Items	-17	-17
5+6 Impairment of Equity Investments	4	-100
2 Financial Income from Group Companies	378	1.016
3 Financial Expenses	-899	0
Profit Before Tax	-534	899
4 Income Tax Expense	408	-140
Profit for the Year	-126	759
Distribution of Profit:		
Dividends	0	0
Retained Earnings	-126	759
	-126	759

Rederiaktieselskabet Kuling
Balance Sheet 31 December 2017

Amount in DKK 1,000

<i>Note</i>	2017	2016
Assets		
5 Investment in Subsidiaries	0	0
6 Other Investments	56	52
Total Financial Fixed Assets	56	52
Receivables from Group Companies	5.166	5.820
Total Current Assets	5.166	5.820
Total Assets	5.221	5.872
Liabilities and Equity		
Share Capital	1.500	1.500
Retained Earnings	3.667	3.793
7 Total Equity	5.167	5.293
Trade Payables	17	17
Payable to Group Companies	37	562
Total Liabilities	54	579
Total Liability and Equity	5.221	5.872
8 Guarantees		

Rederiaktieselskabet Kuling Balance Sheet 31 December 2017

Amount in DKK 1,000

1 Other External Expenses

The Company has no employees (2016: 0 employees).

2 Financial Income

Financial Income 378 TDKK, (2016: 1,016 TDKK). All Financial incomes (Dividends and Interest) is Intercompany.

3 Financial Expenses

Financial Expenses 899 TDKK in 2017 (2016: 0 DKK).

4 Income Tax

The Company is taxed jointly with A.P. Møller - Mærsk A/S and A.P. Møller - Holding A/S

	<u>2017</u>	<u>2016</u>
Joint Income Tax Expense	143	-140
Prior years adjustments	<u>265</u>	<u>0</u>
	<u>408</u>	<u>-140</u>

5 Investment in Subsidiaries

Name	Ownership	<u>2017</u> Equity	<u>2017</u> Earnings
Safmarine Egypt S.A.E., Egypt	78%	-1.069	-0,19

	<u>2017</u>	<u>2016</u>
Cost Price		
1. January	<u>166</u>	<u>166</u>
31. December	<u>166</u>	<u>166</u>
Impairment		
1. January	<u>166</u>	<u>166</u>
31. December	<u>166</u>	<u>166</u>
Book Value 31 December 2017	<u>0</u>	<u>0</u>

The company does not have an obligation to re-establish the negative equity.

Rederiaktieselskabet Kuling
Balance Sheet 31 December 2017

Amount in DKK 1,000

6 Other Investments

Cost Price	2017	2016
1. January	182	182
Additions	0	0
Disposals	0	0
31. December	182	182
Impairment		
1. January	130	30
Additions	25	100
Disposals	29	0
31. December	126	130
Book Value 31 December	56	52

7 Equity

	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Proposed Dividends</u>	<u>Total</u>
1. January 2017	1.500	3.793	-	5.293
Net Profit/Loss of the Year	0	-126	0	-126
31. December 2017	1.500	3.667	0	5.167

Share Capital

Total Share Capital of 1,500,000 DKK:

1500 shares of a nominal value of 1000 DKK.

No Shares have special rights.

Shareholders under Section 55 of the Danish Companies Act:

Mærsk Line A/S, Copenhagen, holds 100% of the share capital. A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond Til Almene Formaal is the ultimate controlling shareholder.

Rederiaktieselskabet Kuling is included in the Consolidated Financial Statements for A.P. Møller - Mærsk A/S, Copenhagen (CVR. No. 22756214) and A.P. Møller - Holding A/S, Copenhagen (CVR. No. 25679288).

8 Guarantees

As a general partner for Maersk Deutschland A/S & Co. KG and partner for Seago Line Deutschland A/S & Co. KG the Company is unlimited liable for the obligations of the entities.