

**Scandferries Chartering Hull No. 503
ApS**

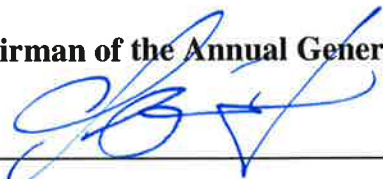
Central Business Registration no: 35658769

**Annual report for the financial period 7
February 2014 to 31 December 2014**

1th financial period

The Annual General Meeting adopted the annual report on

Chairman of the Annual General Meeting



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Company details

Company

Scandferries Chartering Hull No. 503 ApS

Havneholmen 25, 8th floor

1561 Copenhagen V, Denmark

Central Business Registration No: 35 65 87 69

Registered in: City of Copenhagen, Denmark

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Executive Board

Søren Poulsgaard Jensen

Per Johannesen Madsen

Company auditors

Deloitte

Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S, Denmark

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Scandferries Chartering Hull no. 503 ApS for the financial period 7 February 2014 to 31 December 2014.


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

In our opinion, the financial statements give a true and fair view of the financial position and results. Also, we believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 27 April 2015

Executive Board



Søren Poulsgaard Jensen, CEO



Per Johannesen Madsen, CFO

Independent auditor's reports

To the shareholder of Scandferries Chartering Hull No. 503 ApS

Report on the financial statements

We have audited the financial statements of Scandferries Chartering Hull No. 503 ApS for the financial period 07.02.2014 - 31.12.2014, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 under Danish audit regulation. 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 auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 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 audit opinion.

Our audit has not resulted in any qualification.

Independent auditor's reports

Opinion

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2014 and of the results of its operations for the financial period 07.02.2014 - 31.12.2014 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 27 April 2015

Deloitte

Statsautoriseret Revisionspartnerselskab



Kirsten Aaskov Mikkelsen
State Authorised
Public Accountant



Bjarne Iver Jørgensen
State Authorised
Public Accountant

Management commentary

Primary activities

Scandferries Chartering Hull No. 503 ApS primary activity is to own vessels.

Development in activities and finances

The Company was established on 7 February 2014 with the purpose to own one of the two new vessels.

Capital loss and going concern

As at 31 December 2014, the Company's equity is negative. As a result, the Company now falls within the provisions of section 119 of the Danish Companies Act governing loss of capital. Scandferries Chartering A/S has submitted a comfort letter guaranteeing its intention to support the Company, if the Company should become unable to fulfil its obligations, at least until 31 December 2015.

Management has stated that it has entered into a dialogue with the Group with a view to reestablish the share capital by means of a capital increase during 2015.

Events after the balance sheet date

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

Accounting policies

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B.

It is the first financial period for the company.

Income statement

Administrative costs

These expenses comprise expenses incurred for audit and insurance.

Tax on profit for the period

Tax for the period, which consists of current tax for the period and changes in deferred tax, is recognized in the income statement by the portion attributable of the profit for the period and recognized directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Tangible assets

Tangible assets comprise vessels under construction.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

Equity

The Equity belongs to share capital and retained earnings for the period.

Income statement

	7/02-14- 31/12-14
	<u>TEUR</u>
Note	
Administrative expenses	<u>-436,7</u>
Total expenses	<u>-436,7</u>
Result from ordinary activities	<u>-436,7</u>
Tax on result for the period	<u>109,2</u>
Result for the period	<u>-327,5</u>
Proposed distribution of result for the period:	
Retained earnings	<u>-327,5</u>
	<u>-327,5</u>

Balance sheet at 31 December

	Note	2014 TEUR
Property, plant and equipment in progress	1	<u>40.487,9</u>
Tangible assets		<u>40.487,9</u>
Cash		<u>22,7</u>
Current assets		<u>22,7</u>
Assets		<u>40.510,6</u>
	Note	2014 TEUR
Share capital		6,7
Retained earnings		<u>-327,5</u>
Equity		<u>-320,8</u>
Trade payables		1.818,4
Payable to group enterprises		<u>39.013,0</u>
Liabilities		<u>40.831,4</u>
Current liabilities		<u>40.831,4</u>
Equity and liabilities		<u>40.510,6</u>

Statement of changes in equity, TEUR

	Share capital	Retained earnings	Total
Equity at 7 February 2014	<u>6,7</u>	<u>0,0</u>	<u>6,7</u>
Result for the period	<u>0,0</u>	<u>-327,5</u>	<u>-327,5</u>
Equity at 31 December 2014	<u>6,7</u>	<u>-327,5</u>	<u>-320,8</u>

Notes, TEUR

1. Tangible assets

	Property, plant and equipment in pro- gress
Cost at 2 February 2014	0,0
Additions	40.487,9
Disposals	0,0
Cost at 31 December 2014	40.487,9
Depreciation and amortization at 2 February 2014	0,0
Depreciation charge	0,0
Disposals	0,0
Depreciation and amortization at 31 December 2014	0,0
Carrying amount at 31 December 2014	40.487,9

2. Ownership

The following shareholder holds more than 5% of the Company's share capital:

Scandferries Chartering A/S

3. Consolidation

Scandferries Chartering Hull no. 503 ApS are included in the consolidated financial statements of Scandferries ApS, Copenhagen.