STANDARD MOTOR PRODUCTS INC
Form 4
May 22, 2006

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
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(Print or Type Responses)

1. Name and Address of Reporting Person *
WIDMANN ROGER M

(Last) (First) (Middle)

STANDARD MOTOR PRODUCTS, INC., 37-18 NORTHERN BLVD.

(Street)

LONG ISLAND CITY, NY 11101

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
STANDARD MOTOR PRODUCTS INC [SMP]

3. Date of Earliest Transaction (Month/Day/Year)
05/18/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	05/18/2006		A		3,532 (1)	A	$ 7.9	9,257	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Stock	$ 10.53	05/19/2005		A		2,000		05/19/2006	05/19/2015	Common Stcok	2,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WIDMANN ROGER M STANDARD MOTOR PRODUCTS, INC. 37-18 NORTHERN BLVD. LONG ISLAND CITY, NY 11101	X			

Signatures

Roger M. Widmann	05/22/2006
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Consists of 2,532 shares for retainer and 1,000 shares of restricted stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. AMILY: 'Times New Roman'; COLOR: #000000">)
(19,391
)

(21,607
)
Total operating expenses

$
(311,749
)

$
(315,496
)

$
(229,771
)

Operating income

$
43,303

$
40,514

$
135,343

Share of profit from associated companies

15

802

649

467

Interest income

140

66

141

Interest expense

(40,109
)

(35,070
)

(33,637
)
Fair value gain on derivative financial liabilities

2,154

3,235

3,603

Other financial income/(expense)

443

(40
)

(487
)
Profit before tax

$
6,733

$
9,354

$
105,430

Income tax expense

14

(131
)

(95
)

(128
)
Profit for the year

$
6,602

$
9,260

$
105,302

Attributable to the owners of parent

$
6,602

$
9,260

$
105,302

Basic net income per share

$
0.05

$
0.10

$
1.13

Diluted net income per share

$
0.05

$
0.10

$
1.04

Weighted average number of shares (basic)

5

124,536,338

93,382,757

92,793,154

Weighted average number of shares (diluted)

5

124,536,338

93,389,610

112,098,221

DHT Holdings, Inc.
Consolidated Statement of Comprehensive Income

	Note	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
Profit for the year		$6,602	$9,260	$105,302
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation/(loss) net of tax	13	(166)	(49)	(41)
Items that may be reclassified subsequently to profit or loss:				
Exchange gain/(loss) on translation of foreign currency denominated associate and subsidiary		193	28	64
Total comprehensive income for the period net of tax		$6,628	$9,239	$105,325
Attributable to the owners of parent		$6,628	$9,239	$105,325

The footnotes are an integral part of these consolidated financial statements

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DHT Holdings, Inc.
Consolidated Statement of Changes in Stockholders' Equity

(Dollars in thousands, except per share data)		Common Stock Shares	Common Stock Amount	Paid-in Additional Capital	Accumulated Deficit	Translation Differences	Other Reserves*	Total Equity
Balance at January 1, 2015		92,510,086	$ 925	$ 873,522	$ (204,011)	$ (296)	$ 4,712	$ 674,851
Profit for the year		-	-	-	105,302	-	-	105,302
Other comprehensive income		-	-	-	(41)	64	-	23
Total comprehensive income		-	-	-	105,260	64	-	105,325
Cash dividends declared and paid	10	-	-	-	(49,194)	-	-	(49,194)
Compensation related to options and restricted stock	11	399,850	4	4,714	-	-	2,192	6,910
Balance at December 31, 2015		92,909,936	$ 929	$ 878,236	$ (147,945)	$ (232)	$ 6,904	$ 737,893
Balance at January 1, 2016		92,909,936	$ 929	$ 878,236	$ (147,945)	$ (232)	$ 6,904	$ 737,893
Profit for the year		-	-	-	9,260	-	-	9,260
Other comprehensive income		-	-	-	(49)	28	-	(20)
Total comprehensive income		-	-	-	9,211	28	-	9,239
Cash dividends declared and paid	10	-	-	-	(66,365)	-	-	(66,365)
Purchase of treasury shares		(359,831)	(4)	(2,027)	-	-	-	(2,031)
Purchase of convertible bonds		-	-	(1,090)	-	-	-	(1,090)
Compensation related to options and restricted stock	11	883,699	9	5,978	-	-	1,378	7,365
Balance at December 31, 2016		93,433,804	$ 934	$ 881,097	$ (205,099)	$ (203)	$ 8,283	$ 685,011
Balance at January 1, 2017		93,433,804	$ 934	$ 881,097	$ (205,099)	$ (203)	$ 8,283	$ 685,011
Profit for the year		-	-	-	6,602	-	-	6,602
Other comprehensive income		-	-	-	(166)	193	-	27
		-	-	-	6,435	193	-	6,628

Total comprehensive income								
Adjustment					(95)	95		-
Cash dividends declared and paid	10	-	-	-	(23,328)	-	-	(23,328)
Issuance of stock		47,724,395	477	254,367	-	-	-	254,845
Purchase of convertible bonds		-	-	(2,213)	-	-	-	(2,213)
Compensation related to options and restricted stock	11	1,259,208	13	7,543	-	-	(2,607)	4,948
Balance at December 31, 2017		142,417,407	$ 1,424	$ 1,140,794	$ (222,087)	$ 85	$ 5,676	$ 925,892

The footnotes are an integral part of these consolidated financial statements

*Other reserves are related to share-based payments.

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DHT Holdings, Inc.
Consolidated Statement of Cash Flow

(Dollars in thousands)	Note	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
Cash flows from operating activities:				
Profit for the year		$ 6,602	$ 9,260	$ 105,302
Items included in net income not affecting cash flows:				
Depreciation and amortization	6	96,758	84,340	78,698
Impairment charges/(reversal of impairment charges)	6	8,540	84,700	-
Amortization of upfront fees		7,375	7,997	7,521
(Profit)/loss, sale of vessel		3,540	(138)	807
Fair value gain on derivative financial liabilities	8	(2,154)	(3,235)	(3,603)
Compensation related to options and restricted stock	11	4,948	7,365	6,910
(Gain)/loss purchase of convertible bond		(1,035)	-	-
Share of profit in associated companies	15	(802)	(649)	(467)
Unrealized currency translation (gains)/losses		-	(255)	98
Changes in operating assets and liabilities:				
Accounts receivable and accrued revenues	8	(9,869)	7,751	(11,385)
Prepaid expenses	8	430	(1,087)	(1,568)
Accounts payable and accrued expenses	7	5,407	(1,557)	(8,998)
Deferred shipping revenues		(2,154)	(1,422)	1,147
Bunkers, lube oils and consumables		(15,769)	938	7,062
Net cash provided by operating activities		$ 101,817	$ 194,008	$ 181,526
Cash flows from investing activities:				
Investment in vessels	6	(165,649)	(13,260)	(1,987)
Investment in vessels under constuction	6	(132,536)	(222,104)	(142,560)
Proceeds from sale of vessels		111,418	22,233	26,500
Investment in subsidiary, net of cash acquired		-	-	(7,562)
Dividend received from associated company		415	242	120
Investment in property, plant and equipment		(193)	(144)	(419)
Net cash used in investing activities		$ (186,545)	$ (213,033)	$ (125,907)
Cash flows from financing activities				
Cash dividends paid	10	(23,328)	(66,365)	(49,194)
Issuance of long-term debt	8,9	200,452	219,248	99,400
Purchase of treasury shares		-	(2,031)	-
Purchase of convertible bonds		(17,104)	(25,334)	-
Repayment of long-term debt	8,9	(107,295)	(163,972)	(105,734)
Net cash (used in)/provided by financing activities		$ 52,725	$ (38,454)	$ (55,528)
Net (decrease)/increase in cash and cash equivalents		(32,003)	(57,480)	91
Cash and cash equivalents at beginning of period		109,295	166,775	166,684
Cash and cash equivalents at end of period	8,9	$ 77,292	$ 109,295	$ 166,775

Specification of items included in operating activities:

Interest paid	32,253	27,539	26,505
Interest received	140	66	140

The footnotes are an integral part of these consolidated financial statements

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Notes to the Consolidated Financial Statements for year ended December 31, 2017, 2016 and 2015

Note 1 – General information

DHT Holdings, Inc. ("DHT" or the "Company") is a company incorporated under the laws of the Marshall Islands whose shares are listed on the New York Stock Exchange. The Company's principal executive office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

DHT Maritime, Inc. (formerly Double Hull Tankers, Inc.) was incorporated on April 14, 2005 under the laws of the Marshall Islands as a wholly owned indirect subsidiary of Overseas Shipholding Group, Inc. ("OSG"). In October 2005, DHT Maritime, Inc. completed its initial public offering. During the first half of 2007, OSG sold all of its common stock of the DHT Maritime, Inc. Subsequent to a corporate restructuring in March 2010, DHT Maritime, Inc. is now a wholly owned subsidiary of DHT.

The Company has 29 material wholly owned subsidiaries of which 20 are Marshall Island companies, seven are Cayman Islands companies, one is a Singapore company and one is a Norwegian company. Nineteen of the Marshall Islands subsidiaries and the seven Cayman Island subsidiaries are vessel-owning companies (the "Vessel Subsidiaries"). The primary activity of each of the Vessel Subsidiaries is the ownership and operation of a vessel.

Our principal activity is the ownership and operation of a fleet of crude oil carriers. As of December 31, 2017 our fleet of 26 owned vessels consisted of 24 very large crude carriers, or "VLCCs," which are tankers ranging in size from 200,000 to 320,000 deadweight tons, or "dwt," and two Aframax tankers, or "Aframaxes," which are tankers ranging in size from 80,000 to 120,000 dwt. Our fleet principally operates on international routes and had a combined carrying capacity of 7,616,190 dwt.

With regards to amounts in the financial statements, these are shown in USD thousands.

Note 2 – Significant accounting principles

Statement of compliance

The DHT Holdings, Inc. consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of preparation

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company (and its subsidiaries). Unless otherwise specified, all subsequent references to the "Company" refer to DHT and its subsidiaries. Control is achieved where the Company has power over the investee, is exposed or has the rights to variable returns from its investment with an entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries acquired or disposed during the year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany balances and transactions have been eliminated upon consolidation.

Acquisitions made by the Company which do not qualify as a business combination under IFRS 3, "Business Combinations," are accounted for as asset acquisitions.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value, except for non-current assets that are classified as held for sale and are recognized at the lower of carrying amount and fair value less cost to sell, and deferred tax assets and liabilities which are recognized at nominal value.

Goodwill arising on acquisition is recognized as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interest and the amount of any non-controlling interests in the acquiree over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceed the total consideration of the business combination, the excess is recognized in the income statement immediately.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts or circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Investments in associates

An associated company is an entity over which the Company has significant influence and that is not a subsidiary or a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without the ability to have control over those policies. Significant influence normally exists when the Company has 20% to 50% of the voting rights unless other terms and conditions affect the Company's influence.

The investments in associates are accounted for using the equity method. Such investments are initially recognized at cost. Cost includes the purchase price and other costs directly attributable to the acquisition such as professional fees and transaction costs.

Under the equity method the interest in the investment is based on the Company's proportional share of the associate's equity, including any excess value and goodwill. The Company recognizes its share of net income, including depreciation and amortization of excess values and impairment losses, in "Share of profit from associated companies."

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss.

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Cash and cash equivalents

Interest-bearing deposits that are highly liquid investments and have a maturity of three months or less when purchased are included in cash and cash equivalents. Cash and cash equivalents are recorded at their nominal amount on the statement of financial position.

Vessels

Vessels are stated at historical cost, less accumulated depreciation and accumulated impairment losses. For vessels purchased, these costs include expenditures that are directly attributable to the acquisition of these vessels. Depreciation is calculated on a straight-line basis over the useful life of the vessels, taking residual values into consideration, and adjusted for impairment charges or reversal of prior impairment charges, if any.

The estimated useful lives and residual values are reviewed at least at each year end, with the effect of any changes in estimate accounted for on a prospective basis. We assume an estimated useful life of 20 years. Each vessel's residual value is equal to the product of its lightweight tonnage and an estimated scrap rate per ton.

Capitalized drydocking costs are depreciated on a straight-line basis from the completion of a drydocking to the estimated completion of the next drydocking.

Vessels under construction - pre-delivery installments

The initial pre-delivery installments made for vessels ordered in 2017 have been recorded in the statement of financial position as "Advances for vessels under construction" under Non-current assets. No vessels were ordered in 2015 or 2016. Vessels under construction are presented at cost less identified impairment losses, if any. Costs relating to vessels under construction include pre-delivery installments to the shipyard and other vessel costs incurred during the construction period that are directly attributable to construction of the vessels, including borrowing costs, if any, incurred during the construction period.

Docking and survey expenditure

The Company's vessels are required to be drydocked every 30 to 60 months. The Company capitalizes drydocking costs as part of the relevant vessel and depreciates those costs on a straight-line basis from the completion of a drydocking to the estimated completion of the next drydocking. The residual value of such capital expenses is estimated at nil. Drydock costs include a variety of costs incurred during the drydock project, including expenses related to the drydock preparations, tank cleaning, gas-freeing and re-inerting, purchase of spare parts, stores and services, port expenses at the drydock location, general shipyard expenses, expenses related to hull and outfitting, external surfaces and decks, cargo and ballast tanks, engines, cargo systems, machinery, equipment and safety equipment on board the vessel as well as classification, Condition Assessment Programme ("CAP") surveys and regulatory requirements. Costs related to ordinary maintenance performed during drydocking are charged to the income statement as part of vessel operating expenses for the period which they are incurred.

Vessels held for sale

Vessels are classified separately as held for sale as part of current assets in the statement of financial position when their carrying amount will be recovered through a sale of transaction rather than continuing use. For this to be the case, the asset must be available for immediate sale in its present condition and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification. The probability of shareholders' approval should be considered as part of the assessment of whether the sale is highly probable. Vessels classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

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Impairment of vessels

The carrying amounts of vessels held and used are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less cost of disposal based on third-party broker valuations and its value in use and is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those other assets or groups of assets. The Company views each vessel as a separate CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Such impairment is recognized in the income statement. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company assesses at each reporting date if there is any indication that an impairment recognized in prior period may no longer exist or may have decreased. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however, not to an extent higher than the carrying amount that would have been determined, had no impairment loss been recognized in prior years. Such reversals are recognized in the income statement.

Property, plant and equipment other than vessels

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment charges. Depreciations are calculated on a straight-line basis over the assets expected useful life and adjusted for any impairment charges. Expected useful life is five years for furniture and fixtures and three years for computer equipment and software. Expected useful lives are reviewed annually. Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Major assets with different expected useful lives are reported as separate components. Property, plant and equipment are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The difference between the assets carrying amount and its recoverable amount is recognized in the income statement as impairment. Property, plant and equipment that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Bunkers

Bunkers is stated at the lower of cost and net realizable value. Cost is determined using the FIFO method and includes expenditures incurred in acquiring the bunkers and delivery cost less discounts.

Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific or assets or the arrangement conveys a right to use the asset. Time charters and bareboat charter arrangements are assessed to involve lease arrangements. Leases in which a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating lease. The charter arrangements whereby the Company's vessels are leased are treated as operating leases. Payments received under operating leases are further described in the paragraph discussing revenue.

Revenue and expense recognition

Revenues from time charters and bareboat charters are accounted for as operating leases and are thus recognized on a straight-line basis over the rental periods of such charters. Revenue is recognized from delivery of the vessel to the charterer until the end of the lease term.

For vessels operating in commercial pools, revenues and voyage expenses are pooled and the resulting net pool revenues are allocated to the pool participants according to an agreed formula. The formula used to allocate net revenues to pool participants is done on the basis of the number of days a vessel operates in the pool with weighting adjustments made to reflect differing capacities and performance capabilities. Revenues generated from pools are recorded based on a net basis.

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For vessels operating on spot charters, voyage revenues are recognized ratably over the estimated length of each voyage, calculated on a discharge-to-discharge basis, and, therefore, are allocated between reporting periods based on the relative transit time in each period. We do not begin recognizing voyage revenue until a voyage charter has been agreed to by both the Company and the customer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage.

Voyage expenses are expenses incurred due to a vessel travelling to a destination. For example, port charges are expensed ratably over the estimated length of each voyage over the period from last discharge of cargo to the next estimated discharge of the current cargo. The impact of recognizing voyage expenses ratably over the length of each voyage is not materially different on an annual basis from a method of recognizing such costs as incurred. Bunkers' expenses are expensed as incurred, based on remaining bunkers on board reported from the vessel using the FIFO method.

Charter hire expense is expensed as incurred based on the charter rate stipulated in the charter agreement.

Vessel expenses are expensed when incurred and include crew costs, vessel stores and supplies, lubricating oils, maintenance and repairs, insurance and communication costs.

The Company has entered into time charters where the Company has the opportunity to earn additional hire when vessel earnings exceed the basic hire amounts set forth in the charters. Additional hire, if any, is calculated and paid either monthly or semi-annually in arrears and recognized as revenue in the period in which it was earned.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" (FVTPL) or "other financial liabilities." The FVTPL category comprises the Company's derivatives. Other financial liabilities of the Company are classified as "other financial liabilities."

(a) Other financial liabilities

Other financial liabilities, including debt, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(b) Derivatives

The Company uses interest rate swaps to convert part of the interest-bearing debt from floating to fixed rate.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain and loss is recognized in profit or loss immediately.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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Financial assets – receivables

Trade receivables are measured at amortized cost using the effective interest method, less any impairment. Normally the interest element could be disregarded since the receivables are short term. The Company regularly reviews its accounts receivables and estimates the amount of uncollectible receivables each period and establishes an allowance for uncollectible amounts. The amount of the allowance is based on the age of unpaid amounts, information about the current financial strength of customers and other relevant information.

Derecognition of financial assets and financial liabilities

The Company derecognizes a financial asset only when the contractual rights to cash flows from the asset expire, or when it transfers the financial asset and substantially all risks and reward of ownership of the asset to another entity.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.

Foreign currency

The functional currency of the Company and each of the Vessel Subsidiaries is the U.S. dollar. This is because the Company's vessels operate in international shipping markets, in which revenues and expenses are settled in U.S. dollars, and the Company's most significant assets and liabilities in the form of vessels and related liabilities are denominated in U.S. dollars. For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into U.S. dollar using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

Classification in the Statement of Financial Position

Current assets and current liabilities include items due less than one year from the reporting date, and items related to the operating cycle, if longer, and those primarily held for trading. The current portion of long-term debt is included as current liabilities. Other assets than those described above are classified as non-current assets.

Where the Company holds a derivative as an economic hedge (even if hedge accounting is not applied) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current).

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are related if they are subject to common control or common significant influence. Key management personnel of the Company are also related parties. All transactions between the related parties are recorded at estimated market value.

Taxes

The Company is a foreign corporation that is not subject to United States federal income taxes. Further, the Company is not subject to income taxes or tax reporting requirements imposed by the Marshall Islands, the country in which it is incorporated.

The Norwegian management company is subject to taxation in Norway and the subsidiary in Singapore, DHT Ship Management (Singapore) Pte. Ltd. is subject to taxation in Singapore.

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Income tax expense represents the sum of the taxes currently payable and deferred tax. Taxes payable are provided based on taxable profits at the current tax rate. Deferred taxes are recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Stock Compensation

Employees of the Company receive remuneration in the form of restricted common stock and stock options that are subject to vesting conditions. Equity-settled share-based payment is measured at the fair value of the equity instrument at the grant date.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest.

Pension

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plans or reductions in future contributions to the plans.

Segment information

The Company has only one operating segment, and consequently does not provide segment information, except for the entity-wide disclosures required.

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Areas where significant estimates have been applied are:

Depreciation: As described above, the Company reviews estimated useful lives and residual values each year. Estimated useful lives may change due to changed end-user requirements, costs related to maintenance and upgrades, technological development and competition as well as industry, environmental and legal requirements. In addition, residual value may vary due to changes in market prices on scrap.

Drydock period: The drydock period impacts the depreciation rate applied to capitalized survey cost. The vessels are required by their respective classification societies to go through a dry dock at regular intervals. In general, vessels below the age of 15 years are docked every five years and vessels older than 15 years are docked every 2-1/2 years.

Value in use: As described in note 6, in assessing "value in use," the estimated future cash flows are discounted to their present value. In developing estimates of future cash flows, we must make significant assumptions about future charter rates, future use of vessels, ship operating expenses, drydocking expenditures, utilization rates, fixed commercial and technical management fees, residual value of vessels, the estimated remaining useful lives of the vessels and the discount rate.

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Use of judgment

In the process of applying the Company’s accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the financial statements:

Impairment

Each of the Company’s vessels has been treated as a separate Cash Generating Unit (“CGU”) as the vessels have cash inflows that are largely independent of the cash inflows from other assets and therefore can be subject to a value-in-use analysis.

Judgment has been applied in connection with the assessment of indicators of impairment or reversal of prior impairment.

Acquisition of 11 VLCCs from BW Group

In March 2017, the Company entered into a Vessel Acquisition Agreement (“VAA”) with BW Group Limited (“BW Group”) providing for the acquisition of BW’s VLCC fleet. The fleet consisted of 11 VLCCs, including two newbuildings due for delivery in 2018. All nine vessels in the water were delivered to DHT during the second quarter of 2017. The vessels were delivered without contracts, except for one time-charter agreement lasting for a limited period of time. Ship management was transferred to Goodwood Ship Management Pte Ltd and handled by DHT using the same strategy as used for the rest of the DHT fleet. One vessel had a short term ship management agreement with BW Group until the time-charter agreement expired. None of the other vessels had any open contracts associated with them at the time of delivery to DHT. No employees were transferred to DHT as part of the VAA. On evaluation of the facts and circumstances of the acquisition, management concluded that the acquisition from BW Group did not constitute a business combination (as defined in IFRS 3 Business Combinations), and as such, treated the acquisition of the 11 VLCCs as an asset acquisition in accordance with IAS 16 Property, Plant and Equipment.

Application of new and revised International Financial Reporting Standards (“IFRSs”)

(a) New and revised IFRSs, and interpretations mandatory for the first time for the financial year beginning January 1, 2017. The adoption did not have any material effect on the financial statements.

o Amendments to IAS 7 Disclosure Initiative
o Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses
o Amendments to IFRS 12 included in Annual Improvements to IFRS Standards 2014-2016 Cycle

Amendments to IAS 7 Disclosure Initiative
(Effective for annual periods beginning on or after January 1, 2017)

The Company has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The Company’s liabilities arising from financing activities consists of bank loans and convertible senior notes. A reconciliation between opening and closing balance of these items is provided in note 8. Consistent with the transaction provisions of the amendments, the Company has not disclosed comparative information for the prior period. Apart from the additional disclosure in note 8, the application of these amendments has had no impact on the

Company's consolidated financial statement.

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Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses
(Effective for annual periods beginning on or after January 1, 2017)

The amendments clarify the following:

1) Unrealized losses on a debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay the contractual cash flows.
2) When an entity assesses whether taxable profits will be available against which it can utilize a deductible temporary difference, and the tax law restricts the utilization of losses to deduction against income of a specific type (e.g., capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences.
3) The estimate of probable future taxable profit may include the recovery of some of an entity’s assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.
4) In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively.

Amendments to IFRS 12 included in the 2014-2016 Annual Improvements Cycle
(Effective for annual periods beginning on or after January 1, 2017)

The 2014-2016 Annual Improvements Cycle includes amendments to a number of IFRSs, one of which is effective for annual periods beginning on or after January 1, 2017. See section b) below for a summary of the other amendments included that are not yet effective.

IFRS 12 Disclosure of Interests in Other Entities states that an entity need not provide summarized financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

The amendments apply retrospectively.

(b) New and revised IFRSs that are not mandatorily effective (but allow early application) for the year ending December 31, 2017.

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

o IFRS 9 Financial Instruments
o IFRS 15 Revenue from Contracts with Customers and the related Clarifications
o IFRS 16 Leases
o Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
o Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
o Annual Improvements to IFRS Standards 2014-2016 Cycle

o IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRS 9 Financial Instruments
(Effective for annual periods beginning on or after January 1, 2018)

In July 2014, the IASB finalized the reform of financial instruments accounting and issued IFRS 9 (as revised in 2014), which contains the requirements for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology and c) general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.

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Key requirements of IFRS 9:

- o All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognized in profit or loss.
- o With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- o In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.
- o The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship." Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Company does not anticipate that the application of the IFRS 9 Financial Instruments will have a material impact on the Company's consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers
(Effective for annual periods beginning on or after January 1, 2018)

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretation when it becomes effective.

The core principles of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specially, the Standard introduces a five-step approach to revenue recognition:

- o Step 1: Identify the contract(s) with a customer
- o Step 2: Identify the performance obligations in the contract
- o Step 3: Determine the transaction price
- o Step 4: Allocate the transaction price to the performance obligations in the contract
- o Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

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Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e., when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In April 2016, the IASB issued Clarifications to IFRS 15 in response to feedback received by the IASB FASB Joint Transition Resource Group for Revenue Recognition, which was formed to address potential issues associated with implementation of IFRS 15 and the US GAAP equivalent, ASC Topic 606. The Clarifications to IFRS 15 clarified the following areas:

- Identification of performance obligations
- Principal versus agent considerations
- Licensing application guidance

IFRS 15, together with the clarifications thereto issued in April 2016, is effective for reporting periods beginning on or after January 1, 2018 with early application permitted. Entities can choose to apply the standard retrospectively or to use a modified transition approach, which is to apply the standard retrospectively only to contracts that are not completed contracts at the date of initial application. The Clarifications to IFRS 15 also introduce additional practical expedients for entities transitioning to IFRS 15 on (i) contract modifications that occurred prior to the beginning of the earliest period presented and (ii) contracts that were completed at the beginning of the earliest period presented.

DHT shall apply IFRS 15 for annual reporting periods beginning January 1, 2018 and is planning on adopting the standard retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The cumulative effect will be an adjustment to the opening balance of retained earnings and will apply retrospectively only to contracts that are not completed contracts at the date of initial application.

For vessels operating on spot charters, under the current revenue standard, voyage revenues have been recognized ratably over the estimated length of each voyage, calculated on a discharge-to-discharge basis. Under IFRS 15, revenue will be recognized only when it satisfies a performance obligation by transferring a promised good or services to a customer. Under IFRS 15, revenues will be recognized on a load-to-discharge basis, since this reflects the period over which the charterer is obtaining benefit. Compared to current practice, revenue will be deferred and will be recognized over a shorter period. The total revenues from spot charters will remain unchanged, but the change will impact key performance measures, such as Time Charter Equivalents ("TCE").

IFRS 15 also specifies the accounting treatment for costs an entity incurs to obtain and fulfil a contract to provide goods and services to customers. DHT incurs costs related to the transportation of the vessel to the load port from its previous destination. It has not yet been concluded whether these expenses, either in full or partially, meet the criteria of fulfilment costs eligible for capitalization under IFRS 15. DHT is currently assessing whether these costs should be expensed as incurred, or capitalized and amortized over the transportation period (load to discharge). We expect to conclude on this matter in the first quarter of 2018.

The implementation of IFRS 15 will have a transition effect on the opening balance of retained earnings as of January 1, 2018. We expect a total of $7.4 million recognized as shipping revenue in 2017, to be reversed and recognized in the first quarter of 2018. This also represents the maximum transition effect on the opening balance of retained earnings. Depending on the outcome of the assessment around fulfillment cost, the impact on operating income/profit for the year might be significantly lower.

IFRS 16 Leases
(Effective for annual periods beginning on or after January 1, 2019)

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance, including IAS 17 Leases and the related interpretations when it becomes effective.

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IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognized for all leases by lessees (i.e., all on balance sheet) except for short-term leases and leases of low-value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows, respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at December 31, 2017, the Company does not have any bareboat charters or pool arrangements which will typically meet the new definition of a lease. Voyage charters are not likely to meet the new definition, as the charterer typically does not have the right to direct the use of the vessel and similarly, contracts of affreightment are unlikely to meet the definition of a lease, since they are contracts for the provision of a service rather than the use of an identified asset. Management anticipates that the implementation of IFRS 16 will not have a material impact on the Company's consolidated financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

(Effective for annual periods beginning on or after January 1, 2018)

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e., the share-based payment arrangement has a "net settlement feature," such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.
3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

i. the original liability is derecognized;

ii. the equity-settled share-based payment is recognized at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and

iii. any difference between the carrying amount of the liability at the modification date and the amount recognized in equity should be recognized in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after January 1, 2018 with earlier application permitted. Specific transition provisions apply. The Company does not anticipate that the application of the amendments in the future will have a significant impact on the Company's consolidated financial statements as the Company does not have any cash-settled share-based payment arrangements or any arrangements with net settlement feature.

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Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
(Effective for annual periods beginning on or after a date to be determined)

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 and IFRS 10 are amended, as follows:

IAS 28 has been amended to reflect the following:

- Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognized to the extent of unrelated investors' interest in the associate or joint venture.
- Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognized in full in the investor's financial statements.

IFRS 10 has been amended to reflect the following:

- Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the measurement of investments retained in any former subsidiary (that become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Earlier application of these amendments is still permitted. The Company does not anticipate that the application of the amendments in the future will have a significant impact on the Company's consolidated financial statements.

Annual Improvements to IFRSs 2014-2016 Cycle
(Effective for annual periods beginning on or after January 1, 2018)

The Annual Improvements include amendments to a number of IFRSs, which have been summarized below. The package also includes amendments to IFRS 12 Disclosure of Interests in Other Entities, which is effective for annual periods beginning on or after 1 January 2017 (see section a) above for details).

- IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendments delete certain short-term exemptions in IFRS 1 because the reporting period to which the exemptions applied have already passed. As such, these exemptions are no longer applicable.
- IAS 28 Investments in Associates and Joint Ventures. The amendments clarify that the option for a venture capital organization and other similar entities to measure investments in associates and joint venture at FVTPL is available separately for each associate or joint venture, and that election should be made at initial recognition of the associate or joint venture. In respect of the option for an entity that is not an investment entity (IE) to retain the fair value measurement applied by its associates and joint ventures that are IEs when applying the equity method, the amendments make a similar clarification that this choice is available for each IE associate or IE joint venture. The amendments apply retrospectively with earlier application permitted.

The Company does not anticipate that the application of the annual improvements in the future will have a significant impact on the Company’s consolidated financial statements.

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IFRIC 22 Foreign Currency Transactions and Advance Consideration
(Effective for annual periods beginning on or after January 1, 2018)

IFRIC 22 addresses how to determine the "date of transaction" for the purpose of determining the exchange rate to use on initial recognition of an asset, expenses or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (for example, a non-refundable deposit or deferred revenue).

The Interpretation specifies that the date of transaction is the date on which the entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The Interpretation is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. Entities can apply the Interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application. The Company does not anticipate that the application of IFRIC 22 will have a significant impact on the Company's consolidated financial statements.

Note 3 – Segment information

Operating Segments:

Since DHT's business is limited to operating a fleet of crude oil tankers, management has organized and manages the entity as one segment based upon the service provided. The Company's chief operating decision maker ("CODM"), being the Chief Executive Officers, reviews the Company's operating results on a consolidated basis as one operating segment as defined in IFRS 8, Operating Segments.

Entity-wide disclosures:

Information about major customers:

As of December 31, 2017, the Company had 26 vessels in operation of which six were on time charters and twenty were vessels operating in the spot market.

For the period from January 1, 2017 to December 31, 2017, five customers represented $48,192 thousand, $39,488 thousand, $36,109 thousand, $32,252 thousand and $18,855 thousand, respectively, of the Company's revenues. For the period from January 1, 2016 to December 31, 2016, five customers represented $69,521 thousand, $39,471 thousand, $35,209 thousand, $30,422 thousand and $25,685 thousand, respectively, of the Company's revenues. For the period from January 1, 2015 to December 31, 2015, five customers represented $83,929 thousand, $39,224 thousand, $30,745 thousand, $30,582 thousand and $25,916 thousand, respectively, of the Company's revenues.

Note 4 – Charter arrangements

The below table details the Company's shipping revenues:

(Dollars in thousands)	2017	2016	2015
Time charter revenues	$100,310	$118,997	$122,882
Voyage charter revenues	254,742	234,646	241,679

Other shipping revenues	-	2,366	553
Shipping revenues	$355,052	$356,010	$365,114

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The following summarizes the Company's vessel employment as of December 31, 2017:

Vessel	Type of Employment	Expiry
VLCC		
DHT Amazon	Time Charter	Q4 2018
DHT Bauhinia	Spot	
DHT China	Time Charter	Q2 2021
DHT Condor	Spot	
DHT Edelweiss	Spot	
DHT Europe	Time Charter	Q1 2019
DHT Falcon	Spot	
DHT Hawk	Spot	
DHT Jaguar	Spot	
DHT Lake	Spot	
DHT Leopard	Spot	
DHT Lion	Spot	
DHT Lotus	Spot	
DHT Opal	Spot	
DHT Panther	Spot	
DHT Peony	Time Charter	Q4 2018
DHT Puma	Spot	
DHT Raven	Spot	
DHT Redwood	Time Charter	Q1 2018
DHT Scandinavia	Spot	
DHT Sundarbans	Spot	
DHT Taiga	Spot	
DHT Tiger	Spot	
DHT Utik	Spot	
Aframax		
DHT Cathy	Time Charter	Q2 2018
DHT Sophie	Spot	

Future charter payments:

The future revenues expected to be received from the time charters (not including any potential profit sharing) for the Company's vessels on existing charters as of the reporting date are as follows:

(Dollars in thousands) Year	Amount
2018	52,457
2019	16,061
2020	14,979
2021	7,417
2022	-
Thereafter	-
Net charter payments:	$90,915

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Any extension periods, unless already exercised as of December 31, 2017, are not included. Revenues from a time charter are not received when a vessel is off-hire, including time required for normal periodic maintenance of the vessel. In arriving at the minimum future charter revenues, an estimated time for off-hire to perform periodic maintenance on each vessel has been deducted, although there is no assurance that such estimate will be reflective of the actual off-hire in the future.

Deferred Shipping Revenues:

Relates to next month charter hire payment paid in advance amounting to $2,154 thousand as of December 31, 2016 and $3,575 thousand as of December 31, 2015. No deferred shipping revenues were included as of December 31, 2017.

Concentration of risk:

As of December 31, 2017, six of the Company's 26 vessels were chartered to four different counterparties and 20 vessels were operated in the spot market. As of December 31, 2016, nine of the Company's 21 vessels were chartered to five different counterparties and 12 vessels were operated in the spot market. As of December 31, 2015, nine of the Company's 18 vessels were chartered to four different counterparties and nine vessels were operated in the spot market. The Company believes that the concentration of risk is limited and can be adequately monitored.

Note 5 – Earnings per share ("EPS")

The computation of basic earnings per share is based on the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the exercise of all dilutive stock options and restricted shares using the treasury stock method.

For the year ended December 31, 2017, the Company had an increase in earnings per share resulting from the assumption that convertible instruments are converted, thus any effect of common stock equivalents outstanding would be antidilutive. Antidilutive potential common shares are disregarded in the calculation of diluted EPS. The following potential ordinary shares are antidilutive and therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per shares: convertible instruments: 17,282,925 shares.

The components of the calculation of basic EPS and diluted EPS are as follows:

(Dollars in thousands):	2017	2016	2015
Profit/(loss) for the period used for calculation of EPS - basic	$6,602	$9,260	$105,302
Interest and amortization on the convertible notes	$-		$11,340
Profit/(loss) for the period used for calculation of EPS - dilutive	$6,602	$9,260	$116,641
Basic earnings per share:			
Weighted average shares outstanding - basic	124,536,338	93,382,757	92,793,154
Diluted earnings per share:			
Weighted average shares outstanding - basic	124,536,338	93,382,757	92,793,154
Dilutive equity awards	-	6,853	92,827
Dilutive shares related to convertible notes	-	-	19,212,240
Weighted average shares outstanding - dilutive	124,536,338	93,389,610	112,098,221

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Note 6 – Vessels and subsidiaries

The Vessels are owned by companies incorporated in the Marshall Islands or Cayman Islands. The Vessel Subsidiaries are wholly owned directly by the Company or indirectly through the wholly owned subsidiary DHT Maritime. The primary activity of each of the Vessel Subsidiaries is the ownership and operation of a Vessel. In addition, the Company has a vessel chartering subsidiary and two subsidiaries, DHT Management AS (Norway) and DHT Ship Management (Singapore) Pte. Ltd., which perform management services for DHT and its subsidiaries. The following table sets out the details of the Vessel Subsidiaries included in these consolidated financial statements:

Company	Vessel name	Dwt	Flag State	Year Built
DHT Tiger Limited	DHT Tiger	299,900	Hong Kong	2017
DHT Puma Limited	DHT Puma	299,900	Hong Kong	2016
DHT Panther Limited	DHT Panther	299,900	Hong Kong	2016
DHT Lion Limited	DHT Lion	299,900	Hong Kong	2016
DHT Leopard Limited	DHT Leopard	299,900	Hong Kong	2016
DHT Jaguar Limited	DHT Jaguar	299,900	Hong Kong	2015
DHT Opal Inc	DHT Opal	320,105	IOM	2012
Samco Theta Ltd	DHT Sundarbans	314,240	Hong Kong	2012
Samco Iota Ltd	DHT Taiga	314,240	Hong Kong	2012
DHT Peony Inc	DHT Peony	320,142	IOM	2011
DHT Lotus Inc	DHT Lotus	320,142	IOM	2011
Samco Eta Ltd	DHT Amazon	314,240	RIF	2011
Samco Kappa Ltd	DHT Redwood	314,240	Hong Kong	2011
DHT Edelweiss Inc	DHT Edelweiss	301,021	Hong Kong	2008
Samco Epsilon Ltd	DHT China	317,794	RIF	2007
Samco Delta Ltd	DHT Europe	317,260	RIF	2007
DHT Bauhinia Inc	DHT Bauhinia	301,019	IOM	2007
DHT Hawk Limited	DHT Hawk	298,923	Hong Kong	2007
Samco Gamma Ltd	DHT Scandinavia	317,826	Hong Kong	2006
DHT Falcon Limited	DHT Falcon	298,971	Hong Kong	2006
DHT Lake Inc	DHT Lake	298,564	IOM	2004
DHT Raven Inc	DHT Raven	298,563	IOM	2004
DHT Condor, Inc.	DHT Condor	320,050	Hong Kong	2004
DHT Eagle, Inc.	DHT Eagle *	309,064	Hong Kong	2002
DHT Utah, Inc	DHT Utah *	299,498	IOM	2001
DHT Utik, Inc	DHT Utik *	299,450	IOM	2001
Chris Tanker Corporation	DHT Chris **	309,285	Hong Kong	2001
Ann Tanker Corporation	DHT Ann ***	309,327	Hong Kong	2001
DHT Phoenix, Inc.	DHT Phoenix ****	307,151	Hong Kong	1999
Cathy Tanker Corporation	DHT Cathy	115,000	Marshall Islands	2004
Sophie Tanker Corporation	DHT Sophie	115,000	Marshall Islands	2003

* The DHT Eagle, DHT Utah and DHT Utik were sold to one buyer in November 2017. The DHT Eagle and DHT Utah were delivered to the buyer during the fourth quarter of 2017 and the DHT Utik was delivered to the buyer in January 2018.
** The DHT Chris was sold and delivered to new owners in January 2017.
*** The DHT Ann was sold and delivered to new owners in May 2017.
**** The DHT Phoenix was sold and delivered to new owners in June 2017.

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Vessels and time charter contracts

(Dollars in thousands)	Vessels	Drydock	Time charter contracts	Total
Cost				
As of January 1, 2017	1,534,496	27,632	6,600	1,568,729
Additions	366,064	24,406	-	390,471
Transferred from vessels under construction	91,264	1,700	-	92,964
Transferred to asset held for sale	(21,585)	(1,736)	-	(23,321)
Disposals	(203,123)	(15,562)	-	(218,684)
As of December 31, 2017	1,767,117	36,441	6,600	1,810,158
Accumulated depreciation and impairment				
As of January 1, 2017	(384,520)	(4,451)	(2,237)	(391,209)
Charge for the period	(84,893)	(10,497)	(978)	(96,367)
Impairment charges	(8,540)	-	-	(8,540)
Transferred to asset held for sale	2,014	556	-	2,570
Disposals	116,873	10,661	-	127,534
As of December 31, 2017	(359,066)	(3,731)	(3,215)	(366,013)
Net book value				
As of December 31, 2017	1,408,051	32,710	3,385	1,444,146
Cost				
As of January 1, 2016	1,312,363	19,516	9,700	1,341,581
Additions		11,093	-	11,093
Transferred from vessels under construction	376,751	8,500	-	385,251
Transferred to asset held for sale	(62,275)	-	-	(62,275)
Disposals	(92,344)	(11,477)	(3,100)	(106,920)
As of December 31, 2016	1,534,496	27,632	6,600	1,568,729
Accumulated depreciation and impairment				
As of January 1, 2016	(343,403)	(7,462)	(4,118)	(354,985)
Charge for the period	(74,385)	(8,465)	(1,219)	(84,069)
Impairment charge	(78,200)	-	-	(78,200)
Transferred to asset held for sale	39,059	-	-	39,059
Disposals	72,409	11,477	3,100	86,985
As of December 31, 2016	(384,520)	(4,451)	(2,237)	(391,209)
Net book value				
As of December 31, 2016	1,149,976	23,181	4,363	1,177,521

Vessels under construction				
Cost				
As of January 1, 2017	43,638	-	-	43,638
Additions	164,085	-	-	164,085

Transferred to vessels	(92,964)	-	-	(92,964)
As of December 31, 2017	114,759	-	-	114,759
Cost				
As of January 1, 2016	215,401	-	-	215,401
Additions	219,988	-	-	219,988
Impairment charge	(6,500)	-	-	(6,500)
Transferred to vessels	(385,251)	-	-	(385,251)
As of December 31, 2016	43,638	-	-	43,638

In March 2017, the Company acquired 11 VLCCs, including two newbuildings due for delivery in 2018.

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Vessels under construction

As of December 31, 2017, we had four VLCCs under construction. We had two VLCCs under construction with HHI for a total purchase price of $164.7 million, of which $32.9 million was paid as of that date. The final payment at delivery of the vessels totaling $115.3 million is due in 2018 and is planned to be funded with debt financing which has been secured with cash at hand. We had two VLCCs under construction with Daewoo. The contracts were acquired from BW Group Limited ("BW Group") in connection with DHT's acquisition of BW Group's VLCCs in March 2017. The remaining payment at delivery of the vessels totaling $86.8 million which is due in 2018 is planned to be funded with debt financing which has been secured. The initial pre-delivery installments have been recorded in the statement of financial position as "Advances for vessels under construction" under Non-current assets. Costs relating to vessels under construction include pre-delivery installments to the shipyard and other vessel costs incurred during the construction period that are directly attributable to construction of the vessels, including borrowing costs incurred during the construction period. We had one VLCC under construction with HHI as of December 31, 2016, for a purchase price of $97.3 million, of which $48.65 million was paid as of that date. The final payment at delivery of the vessel totaling $48.65 million was paid in January 2017 and was funded with debt financing. In 2017, 2016 and 2015 we capitalized $3,576, $615 thousand and $712 thousand, respectively, in borrowing costs related to the vessel under construction. In addition to installments and borrowing costs, $1,042 thousand is capitalized as other vessel costs related to the construction period. The amount does not include start-up cost.

Depreciation

We have assumed an estimated useful life of 20 years for our vessels. Depreciation is calculated taking residual value into consideration. Each vessel's residual value is equal to the product of its lightweight tonnage and an estimated scrap rate per ton. Estimated scrap rate used as a basis for depreciation is $300 per ton. Capitalized drydocking costs are depreciated on a straight-line basis from the completion of a drydocking to the estimated completion of the next drydocking.

Impairment

A vessel's recoverable amount is the higher of the vessel's fair value less cost of disposal and its value in use. The carrying values of our vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of constructing new vessels. Historically, both charter rates and vessel values have been cyclical. The carrying amounts of vessels held and used by us are reviewed for potential impairment or reversal of prior impairment charges whenever events or changes in circumstances indicate that the carrying amount of a particular vessel may not accurately reflect the recoverable amount of a particular vessel. Each of the Company's vessels have been viewed as a separate Cash Generating Unit (CGU) as the vessels have cash inflows that are largely independent of the cash inflows from other assets and therefore can be subject to a value in use analysis. In assessing "value in use," the estimated future cash flows are discounted to their present value. In developing estimates of future cash flows, we must make significant assumptions about future charter rates, future use of vessels, ship operating expenses, drydocking expenditures, utilization rate, fixed commercial and technical management fees, residual value of vessels, the estimated remaining useful lives of the vessels and the discount rate. These assumptions are based on current market conditions, historical trends as well as future expectations. Estimated outflows for ship operating expenses and drydocking expenditures are based on a combination of historical and budgeted costs and are adjusted for assumed inflation. Utilization, including estimated off-hire time, is based on historical experience. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are subjective.

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In the fourth quarter of 2017, we adjusted the carrying value of our fleet through a non-cash impairment charge totaling $7.9 million and a reversal of prior impairment totaling $7.4 million. The impairment test was performed on each individual vessel using an estimated weighted average cost of capital, or "WACC," of 8.57%. As DHT operates in a non-taxable environment, the WACC is the same on a before- and after-tax basis. The rates used for the impairment testing are as follows: (a) the current Freight Forwards Agreements ("FFA") for the first two years and (b) the 25-year historical average spot earnings as reported by Clarksons Shipping Intelligence thereafter. The time charter equivalent FFA rates used for the impairment test as of December 31, 2017 for the VLCCs was $15,154 per day for the first year and $21,349 per day for the second year. Thereafter, the time charter equivalent rate used for the VLCCs was $40,347. The time charter equivalent FFA rates used for the impairment test as of December 31, 2017 for the Aframaxes was $1,368 per day for the first year and $6,363 per day for the second year. Thereafter, the time charter equivalent rates used for the Aframaxes was $24,705 per day. The above rates are reduced by 20% for vessels above the age of 15 years. Also, reflecting the lower fuel consumption for modern vessels, $4,000 per day has been added through 2025 for VLCCs built 2015 and later and $1,400 per day has been added through 2021 for VLCCs built between 2011 and 2014. For vessels on charter we assumed the contractual rate for the remaining term of the charter. If the estimated WACC had been 1% higher, the impairment charge would have been $55.8 million. If the estimated future net cash flows after the expiry of fixed charter periods had been 10% lower, the impairment charge would have been $104.5 million. Had we used the one-, five-, and ten-year historical average for the average spot rate from year three for the expected life of the vessels, the impairment charge would have been $166.4 million, $124.8 million and $85.5 million, respectively. Also, had we used the three-year historical average for the average spot rate from year three for the expected life of the vessels, the reversal of prior impairment charge would have been $17.1 million.

In the first quarter of 2017, we recorded an impairment charge of $7.5 million related to the sale of DHT Ann and DHT Phoenix which was agreed to be sold. The impairment charge reflected the difference between the carrying value of the vessel and the estimated net sales price. The vessels were delivered to the buyers in May 2017 and June 2017, respectively.

In the third quarter of 2016, we adjusted the carrying value of our fleet through a non-cash impairment charge totaling $76.6 million due to the decline in values for second-hand tankers. The impairment test was performed on each individual vessel using an estimated weighted average cost of capital, or "WACC," of 8.26%. As DHT operates in a non-taxable environment, the WACC is the same on a before- and after-tax basis. The rates used for the impairment testing are as follows: (a) the estimated current one-year time charter rate for the first three years and (b) the 10-year historical average one-year time charter rate thereafter with both (a) and (b) reduced by 20% for vessels above the age of 15 years. The time charter equivalent rates used for the impairment test as of September 30, 2016 for the first three years were $31,000 per day and $16,000 per day (being the current one-year time charter rate estimated by brokers), for VLCC and Aframax, respectively, and reduced by 20% for vessels above the age of 15 years. Thereafter, the time charter equivalent rates used were $39,409 per day and $22,014 per day (being the 10-year historical average one-year time charter rate), for VLCC and Aframax, respectively and reduced by 20% for vessels above the age of 15 years. For vessels on charter we assumed the contractual rate for the remaining term of the charter. If the estimated WACC had been 1% higher, the impairment charge would have been $136,300 thousand. If the estimated future net cash flows after the expiry of fixed charter periods had been 10% lower, the impairment charge would have been $178,900 thousand. Also, had we used the one-, three-, five-, and ten-year historical average for the one-year time charter rates for the expected life of the vessels reduced by 20% (those vessels being above the age of 15 years), the impairment charge would have been $7,600 thousand, $70,400 thousand, $200,800 thousand and $20,800 thousand, respectively.

In the first quarter of 2016, we recorded an impairment charge of $8.1 million related to the DHT Target which was agreed to be sold. The impairment charge reflected the difference between the carrying value of the vessel and the estimated net sales price. The vessel was delivered to the buyers in May 2016.

In 2015, we did not perform an impairment test because we concluded that there were no indicators of impairment or reversal of prior impairment. The key factors evaluated included the development in estimated values for our tankers, market conditions (including time charter rates for tankers), our estimated WACC and the carrying amount of our net assets compared to our market capitalization as of December 31, 2015.

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Intangible assets

Time charter contracts:

(Dollars in thousands)	Expected useful life	Carrying amount 2017	Carrying amount 2016
DHT China charter	Finite	3,385	4,363
Total		3,385	4,363

Intangible assets with a finite expected useful life are as a general rule amortized on a straight-line basis over the expected useful life. The amortization period of the intangible assets are 3.5 years. Time charter contracts are presented on the same line as vessels in the statement of financial position.

Pledged assets

All of the Company's vessels have been pledged as collateral under the Company's secured credit facilities.

Technical Management Agreements

The Company has entered into agreements with technical managers which are responsible for the technical operation and upkeep of the vessels, including crewing, maintenance, repairs and dry-dockings, maintaining required vetting approvals and relevant inspections, and to ensure DHT's fleet complies with the requirements of classification societies as well as relevant governments, flag states, environmental and other regulations. Under the ship management agreements, each vessel subsidiary pays the actual cost associated with the technical management and an annual management fee for the relevant vessel.

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Note 7 – Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of the following:

(Dollars in thousands)	2017	2016
Accounts payable	$8,883	$3,565
Accrued interest	3,026	2,942
Accrued voyage expenses	2,274	224
Accrued employee compensation	2,566	4,812
Other	679	835
Total accounts payable and accrued expenses	$17,427	$12,378

Note 8 – Financial instruments

Classes of financial instruments

(Dollars in thousands)	Carrying amount	
Financial assets	2017	2016
Cash and cash equivalents*	77,292	109,295
Accounts receivable and accrued revenues	42,212	34,461
Total	$ 119,504	$143,756
Financial liabilities	2017	2016
Accounts payables and accrued expenses	17,427	$12,378
Derivative financial liabilities, current	545	2,257
Current portion long-term debt	65,053	57,521
Long-term debt	721,151	643,974
Derivative financial liabilities, non-current	-	442
Total financial liabilities	$ 804,177	$716,572

*Cash and cash equivalents include $322 thousand in restricted cash in 2017 and $48,936 thousand in 2016, including employee withholding tax. Cash and cash equivalents as of December 31, 2016 also includes $48,650 thousand relating to the financing of DHT Tiger which was drawn on the Credit Agricole Credit Facility in advance of the delivery of the DHT Tiger on January 16, 2016.

Categories of financial instruments

(Dollars in thousands)	Carrying amount	
Financial assets	2017	2016
Cash and cash equivalents	77,292	109,295
Loans and receivables	42,212	34,461
Total	$119,504	$143,756

(Dollars in thousands)		
Financial liabilities	2017	2016
Fair value through profit or loss	$545	$2,699
Financial liabilities at amortized cost	803,631	713,873

Total	804,177	716,572

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Fair value of financial instruments

It is assumed that fair value of financial instruments is equal to the nominal amount for all financial assets and liabilities. With regards to trade receivables, the credit risk is not viewed as significant. With regards to the credit facilities, these are floating rate with terms and conditions considered to be according to market terms and no material change in credit risk; consequently, it is assumed that carrying value has no material deviation from fair value.

Measurement of fair value

It is only derivatives that are classified within a fair value measurement category and recognized at fair value in the statement of financial position. Fair value measurement is based on Level 2 in the fair value hierarchy as defined in IFRS 13. Such measurement is based on techniques for which all inputs that have a significant effect on the recorded fair value are observable. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

Derivatives - interest rate swaps

		Notional amount		Fair value	
(Dollars in thousands)	Expires	2017	2016	2017	2016
Swap pays 2.7775%, receive floating	Jun. 16, 2017	$-	21,438	-	171
Swap pays 3.0275%, receive floating	Oct. 24, 2017	$-	22,458	-	340
Swap pays 3.315%, receive floating	Jun. 29, 2018	$19,396	21,438	156	608
Swap pays 3.565%, receive floating	Jun. 29, 2018	$20,417	22,458	187	708
Swap pays 2.865%, receive floating	Jun. 29, 2018	$35,729	39,813	202	872
Total carrying amount		$75,542	127,604	545	2,699

Interest-bearing debt

		Remaining	Carrying amount	
(Dollars in thousands)	Interest	notional	2017	2016
Nordea Samco Credit Facility	LIBOR + 2.50 %	220,207	217,921	256,166
Credit Agricole Credit Facility	LIBOR + 2.19 %	69,315	68,591	75,601
Danish Ship Finance Credit Facility	LIBOR + 2.25 %	44,200	43,937	46,432
Nordea/DNB Credit Facility	LIBOR + 2.25 %	45,000	44,647	47,012
Nordea/DNB Credit Facility	LIBOR + 2.75 %	9,988	9,884	37,579
ABN Amro Credit Facility	LIBOR + 2.60 %	121,268	119,844	128,790
Nordea BW VLCC Acquisition Credit Facility	LIBOR + 2.40 %	185,346	183,119	-
Convertible Senior Notes	4.50%	105,826	98,262	109,916
Total carrying amount		801,150	786,204	701,495

Interest on all our credit facilities is payable quarterly in arrears except the Danish Ship Finance Credit Facility and the Convertible Notes which have interest payable semi-annual in arrears. The credit facilities are principally secured by the first-priority mortgages on the vessels financed by the credit facility, assignments of earnings, pledge of shares in the borrower, insurances and the borrowers' rights under charters for the vessels, if any, as well as a pledge of the borrowers' bank account balances.

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Reconciliation of liabilities arising from financing activities

The table below details changes in liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes				
	As of January 1, 2017	Financing cash flows(1)	Repurchase convertible notes	Amortization	Equity component of convertible notes	Other changes(2)	As of December 31, 2017
Bank loans	591,579	93,157		3,206			687,942
Convertible Senior Notes	109,916		(17,104)	4,170	2,213	(932)	98,262
Total (3)	701,495	93,157	(17,104)	7,375	2,213	(932)	786,204

(1) The cash flows from bank loans make up the net amount of issuance of long-term debt and repayment of long-term debt in the statement of cash flows.
(2) Other changes include (gain)/loss from repurchase of convertible notes.
(3) The reconciliation does not include interest swaps, which are described in note 8.

Note 9 – Financial risk management, objectives and policies

Financial risk management

The Company's principal financial liabilities consist of long-term debt, and, when applicable, current portion of long-term debt and derivatives. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets mainly comprise cash.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk. Financial instruments affected by market risk are debt, deposits and derivative financial instruments.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's long-term debt with floating interest rates. To manage this risk, the Company has at times entered into interest rate swaps in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As of December

31, 2017, the Company had three interest rate swaps with a total aggregate notional amount of $75,542 thousand as discussed in Note 8.

Interest rate risk sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and floating rate long-term debt. For floating rate long-term debt, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

2017: If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

profit for the year ended December 31, 2017 would decrease/increase by $3,099 thousand
other comprehensive income would not be affected.

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2016: If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

profit for the year ended December 31, 2016 would decrease/increase by $2,355 thousand
other comprehensive income would not be affected.

2015: If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

profit for the year ended December 31, 2015 would decrease/increase by $1,824 thousand
other comprehensive income would not be affected.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has only immaterial currency risk since all revenue and major expenses, including all vessel expenses and financial expenses, are in US dollars. Consequently, no sensitivity analysis is prepared.

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Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risks related to receivables

During 2017, the Company's vessels were either trading in the spot market or on short to medium term time charters to different counterparties. As of December 31, 2017, six of the Company's 26 vessels are chartered to four different counterparties and 20 vessels are operated in the spot market.

During 2016, the Company's vessels were either trading in the spot market or on short to medium term time charters to different counterparties. As of December 31, 2016, nine of the Company's 21 vessels are chartered to five different counterparties and 12 vessels are operated in the spot market.

During 2015, the Company's vessels were either trading in the spot market or on short to medium term time charters to different counterparties. As of December 31, 2015, nine of the Company's 18 vessels are chartered to four different counterparties and nine vessels are operated in the spot market.

See Note 5 for further details on employment of the Company's vessels. Time charter hire is paid to DHT monthly in advance.

Credit risk related to cash and cash equivalents and accounts receivables

The Company seeks to diversify credit risks on cash by holding the majority of the cash in four financial institutions, namely, DNB, Nordea, Credit Agricole and ABN Amro.

As of December 31, 2017, five customers represented $6,529 thousand, $4,741 thousand, $4,008 thousand, $3,715 thousand and $1,411 thousand, respectively, of the Company's accounts receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting dates was:

(Dollars in thousands)	2017	2016
Cash and cash equivalents	$77,292	$109,295
Accounts receivable and accrued revenues	42,212	34,461
Maximum credit exposure	$119,504	$143,756

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Liquidity risk

The Company manages its risk of a shortage of funds by continuously monitoring maturity of financial assets and liabilities, and projected cash flows from operations such as charter hire, voyage revenues and vessel operating expenses. Certain of our credit agreements contain financial covenants requiring that at all times the borrowings under the credit facilities plus the actual or notional cost of terminating any of their interest rates swaps not exceed a certain percentage of the charter-free market value of the vessels that secure each of the credit facilities. Vessel values are volatile and a decline in vessel values could result in prepayments under the Company's credit facilities.

The following are contractual maturities of financial liabilities, including estimated interest payments on an undiscounted basis. Swap payments are the net effect from paying fixed rate/ receive LIBOR. The LIBOR interest spot rate at December 31, 2017 (and spot rate at December 31, 2016 for comparatives) is used as a basis for preparation.

As of December 31, 2017				
		2 to 5	More than	
(Dollars in thousands)	1 year	years	5 years	Total
Interest bearing loans	$91,232	$636,059	$130,148	$857,439
Interest rate swaps	550	-	-	550
Total	$91,782	$636,059	$130,148	$857,989

As of December 31, 2016				
(Dollars in thousands)				
Interest bearing loans	$84,866	$671,939	$45,121	$801,926
Interest rate swaps	2,308	803	-	3,111
Total	$87,174	$672,742	$45,121	$805,037

Capital management

A key objective in relation to capital management is to ensure that the Company maintains a strong capital structure in order to support its business. The Company evaluates its capital structure in light of current and projected cash flow, the relative strength of the shipping markets, new business opportunities and the Company's financial commitments. In order to maintain or adjust the capital structure, the Company may adjust or eliminate the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Company is within its financial covenants stipulated in its credit agreements.

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The Credit Agricole Credit Facility

On June 22, 2015, we entered into the Credit Agricole Credit Facility with Credit Agricole to refinance the outstanding amount under a credit agreement with Credit Agricole that financed the DHT Scandinavia ("Tranche A") as well as a financing commitment of up to $50 million to fund the acquisition of one VLCC from HHI ("Tranche B"). The Credit Agricole Credit Facility is between and among Credit Agricole, as lender, the Credit Agricole Borrowers, and us, as guarantor. Samco Gamma Ltd. was permitted to borrow the full amount of Tranche A. In 2016, in advance of the delivery of the DHT Tiger from HHI on January 16, 2017, we borrowed $48.7 million under Tranche B. Borrowings bear interest at a rate equal to LIBOR + 2.1875%. Tranche A is repayable in 34 consecutive quarterly installments of $1.1 million from September 2015 to December 2023. Subsequent to a voluntary prepayment of $5.0 million in June 2016, Tranche A is repayable with quarterly installments of $1.0 million each. Tranche B is repayable in 28 quarterly installments of $0.7 million from March 2017 to December 2023 and a final payment of $29.7 million in December 2023. The Credit Agricole Credit Facility contains a covenant requiring that at all times the charter-free market value of the vessels that secure the Credit Agricole Credit Facility be no less than 135% of borrowings. Also, DHT covenants that, throughout the term of the Credit Agricole Credit Facility, DHT, on a consolidated basis, shall maintain a value adjusted tangible net worth of $200 million, the value adjusted tangible net worth shall be at least 25% of the value adjusted total assets, unencumbered consolidated cash shall be at least the higher of (i) $20 million and (ii) 6% of our gross interest-bearing debt and DHT, on a consolidated basis shall have working capital greater than zero. "Value adjusted" is defined as an adjustment to reflect the difference between the carrying amount and the market valuations of the Company's vessels (as determined quarterly by an approved broker). The Credit Agricole Credit Facility is secured by, among other things, a first-priority mortgage on the DHT Scandinavia and the DHT Tiger, a first-priority assignment of earnings, insurances and intercompany claims, a first-priority pledge of the balances of the Borrowers' bank accounts and a first-priority pledge over the shares in the Borrowers. The Credit Agricole Credit Facility contains covenants that prohibit the Borrowers from, among other things, incurring additional indebtedness without the prior consent of the lender, permitting liens on assets, merging or consolidating with other entities or transferring all or any substantial part of their assets to another person.

The Nordea Samco Credit Facility

In December 2014, we entered into a credit facility in the amount of $302,000 thousand with Nordea, DNB and DVB as lenders, and DHT Holdings, Inc. as guarantor for the re-financing of the DHT Europe, DHT China, DHT Amazon, DHT Redwood, DHT Sundarbans and DHT Taiga as well as the financing of the DHT Condor (the "Nordea Samco Credit Facility"). Borrowings bear interest at a rate equal to LIBOR + 2.50% and are repayable in 20 quarterly installments of $5.1 million from March 2015 to December 2019 and a final payment of $199.8 million in December 2019. The Nordea Samco Credit Facility is secured by, among other things, a first-priority mortgage on the vessels financed by the Nordea Samco Credit Facility, a first-priority assignment of earnings, insurances and intercompany claims, a first-priority pledge of the balances of each of the borrower's bank accounts and a first-priority pledge over the shares in each of the borrowers. The Nordea Samco Credit Facility contains covenants that prohibit the borrowers from, among other things, incurring additional indebtedness without the prior consent of the lender, permitting liens on assets, merging or consolidating with other entities or transferring all or any substantial part of their assets to another person.

The Nordea Samco Credit Facility contains a covenant requiring that at all times the charter-free market value of the vessels that secure the Nordea Samco Credit Facility be no less than 135% of borrowings. Also, we covenant that, throughout the term of the Nordea Samco Credit Facility, DHT on a consolidated basis shall maintain a value adjusted tangible net worth of $200,000 thousand, the value adjusted tangible net worth shall be at least 25% of the value adjusted total assets and unencumbered consolidated cash shall be at least the higher of (i) $20,000 thousand and (ii) 6% of our gross interest-bearing debt. "Value adjusted" is defined as an adjustment to reflect the difference between the carrying amount and the market valuations of the Company’s vessels (as determined quarterly by one approved broker).

In July 2016, the credit facility was amended whereby the DHT Amazon and the DHT Europe were replaced by DHT Hawk, DHT Falcon and DHT Eagle and the quarterly installments changed to $5.8 million with a final payment of $190.4 million in December 2019.

Subsequent to the repayment of $16.4 million in connection with the sale of the DHT Eagle in December 2017, the quarterly installments are $5.0 million with a final payment of $180.1 million in December 2019.

The ABN AMRO Credit Facility

In July 2014, we executed a credit facility to fund the acquisition of three VLCCs to be constructed at HHI through a secured term loan facility between and among ABN AMRO, DVB and Nordea as lenders, three vessel-owning companies as borrowers, and us as guarantor. The borrowers are permitted to borrow up to $141.0 million across three tranches under the ABN AMRO Credit Facility. The ABN AMRO Credit Facility will be for a five-year term from the date of the first drawdown, but in any event the final maturity date shall be no later than December 31, 2021, subject to earlier repayment in certain circumstances. Borrowings will bear interest at a rate equal to LIBOR + 2.60% and each tranche is repayable in 20 quarterly installments totaling approximately $2.0 million and a final payment of $31.3 million in the first quarter of 2021 and $60.2 million in the third quarter of 2021 (assuming no additional repayments discussed below). In addition, each of the three borrowers shall the first three years make additional repayments of a variable amount equal to free cash flow in the prior quarter capped at $0.3 million per quarter to be applied against the balloon. Free cash flow is defined as an amount calculated as of the last day of each quarter equal to the positive difference, if any, between (a) the sum of the earnings of the vessels during the quarter and (b) the sum of ship operating expenses, voyage expenses, estimated capital expenses for the following two quarters, general & administrative expenses, interest expenses and change in working capital.

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The ABN AMRO Credit Facility is secured by, among other things, a first-priority mortgage on the vessels financed by the ABN AMRO Credit Facility, a first-priority assignment of earnings, insurances and intercompany claims, a first-priority pledge of the balances of each of the borrower's bank accounts and a first-priority pledge over the shares in each of the borrowers. The ABN AMRO Credit Facility contains covenants that prohibit the borrowers from, among other things, incurring additional indebtedness without the prior consent of the lender, permitting liens on assets, merging or consolidating with other entities or transferring all or any substantial part of their assets to another person.

The ABN AMRO Credit Facility contains a covenant requiring that at all times the charter-free market value of the vessels that secure the ABN AMRO Credit Facility be no less than 135% of borrowings. Also, we covenant that, throughout the term of the ABN AMRO Credit Facility, DHT, on a consolidated basis, shall maintain value adjusted tangible net worth of $300 million, value adjusted tangible net worth shall be at least 25% of value adjusted total assets and unencumbered consolidated cash shall be at least the higher of (i) $30 million and (ii) 6% of our gross interest-bearing debt. "Value adjusted" is defined as an adjustment to reflect the difference between the carrying amount and the market valuations of the company's vessels (as determined quarterly by an approved broker).

The Danish Ship Finance Credit Facility

In November 2014, we entered into a credit facility to fund the acquisition of one of the VLCCs to be constructed at HHI through a secured term loan facility between and among Danish Ship Finance A/S, as lender, a vessel-owning company, as borrower, and us, as guarantor. The borrower is permitted to borrow up to $49.4 million under the Danish Ship Finance Credit Facility. The Danish Ship Finance Credit Facility is for a five-year term from the date of the first drawdown in November 2015, subject to earlier repayment in certain circumstances. Borrowings bear interest at a rate equal to LIBOR + 2.25% and are repayable in 10 semiannual installments of $1.3 million each commencing six months after drawdown and a final payment of $36.4 million at final maturity.

The Danish Ship Finance Credit Facility is secured by, among other things, a first-priority mortgage on the vessel financed by the Danish Ship Finance Credit Facility, a first-priority assignment of earnings, insurances and intercompany claims, a first-priority pledge of the balances of the borrower's bank accounts and a first-priority pledge over the shares in the borrower. The Danish Ship Finance Credit Facility contains covenants that prohibit the borrower from, among other things, incurring additional indebtedness without the prior consent of the lender, permitting liens on assets, merging or consolidating with other entities or transferring all or any substantial part of its assets to another person.

The Danish Ship Finance Credit Facility contains a covenant requiring that at all times the charter-free market value of the vessel that secures the Danish Ship Finance Credit Facility be no less than 130% of borrowings. Also, we covenant that, throughout the term of the Danish Ship Finance Credit Facility, DHT, on a consolidated basis, shall maintain a value adjusted tangible net worth of $300 million, the value adjusted tangible net worth shall be at least 25% of value adjusted total assets and unencumbered consolidated cash shall be at least the higher of (i) $30 million and (ii) 6% of our gross interest-bearing debt. "Value adjusted" is defined as an adjustment to reflect the difference between the carrying amount and the market valuations of the Company's vessels (as determined quarterly by an approved broker).

The Nordea/DNB Credit Facility

In October 2015, we entered into the Nordea/DNB Credit Facility, which allowed borrowings up to $50.0 million to fund the acquisition of one of the VLCCs to be constructed at HHI. The Nordea/DNB Credit Facility is between and among Nordea Bank Norge ASA and DNB Bank ASA, as lenders, a vessel-owning company, as borrower, and us, as guarantor. The full amount of the Nordea/DNB Credit Facility was borrowed in December 2015. The Nordea/DNB Credit Facility has a five-year term from the date of the first drawdown, subject to earlier repayment in certain circumstances. Borrowings bear interest at a rate equal to LIBOR + 2.25% and are repayable in 10 semiannual installments of $0.6 million, each commencing three months after drawdown and a final payment of $37.5 million at final maturity.

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The Nordea/DNB Credit Facility is secured by, among other things, a first-priority mortgage on the vessel financed by the Nordea/DNB Credit Facility, a first-priority assignment of earnings, insurances and intercompany claims, a first-priority pledge of the balances of the borrower's bank accounts and a first-priority pledge over the shares in the borrower. The Nordea/DNB Credit Facility contains covenants that prohibit the borrower from, among other things, incurring additional indebtedness without the prior consent of the lender, permitting liens on assets, merging or consolidating with other entities or transferring all or any substantial part of its assets to another person. The Nordea/DNB Credit Facility contains a covenant requiring that at all times the charter-free market value of the vessel that secures the Nordea/DNB Credit Facility be no less than 135% of borrowings. Also, we covenant that, throughout the term of the Nordea/DNB Credit Facility, DHT, on a consolidated basis, shall maintain a value adjusted tangible net worth of $300 million, the value adjusted tangible net worth shall be at least 25% of value adjusted total assets, unencumbered consolidated cash shall be at least the higher of (i) $30 million and (ii) 6% of our gross interest-bearing debt and the borrower and DHT, on a consolidated basis, shall have working capital greater than zero. "Value adjusted" is defined as an adjustment to reflect the difference between the carrying amount and the market valuations of the Company's vessels (as determined quarterly by an approved broker).

In September 2016, the remaining four vessels financed under the RBS Credit Facility (DHT Ann, DHT Chris, DHT Cathy and DHT Sophie) were included in the Nordea/DNB Credit Facility as a separate tranche totaling $40.0 million. Borrowings under the $40.0 million tranche bear interest at a rate equal to Libor + 2.75% and are repayable in 11 quarterly installments of $2.1 million from December 2016 to June 2019 and a final payment of $17.3 million in August 2019. Subsequent to the sale of DHT Chris and DHT Ann in 2017, the separate tranche is repayable in quarterly installments of $0.4 million with a final payment of $6.9 million in August 2019.

The ABN AMRO Revolving Credit Facility

In November 2016, the Company entered into a secured five-year revolving credit facility with ABN Amro totaling $50.0 million to be used for general corporate purposes including security repurchases and acquisition of ships (the "ABN AMRO Revolving Credit Facility") between and among ABN AMRO Bank N.V. Oslo Branch ("ABN AMRO") or any of their affiliates, as lender, Samco Delta Ltd. and Samco Eta Ltd. as borrowers (each, a direct wholly owned subsidiary of us, collectively, the "Borrowers"), and us, as guarantor. The financing bears interest at a rate equal to Libor + 2.50%. As of December 31, 2017, there were no amounts outstanding under the ABN AMRO Revolving Credit Facility. The facility reduces by $1.3 million quarterly. The credit facility contains a covenant requiring that at all times the charter-free market value of the vessels that secure the credit facility be no less than 135% of borrowings. Also, DHT covenants that, throughout the term of the credit facility, DHT, on a consolidated basis, shall maintain a value adjusted tangible net worth of $300 million, the value adjusted tangible net worth shall be at least 25% of value adjusted total assets, unencumbered consolidated cash shall be at least the higher of (i) $30 million and (ii) 6% of our gross interest-bearing debt and the borrower and DHT, on a consolidated basis, shall have working capital greater than zero. "Value adjusted" is defined as an adjustment to reflect the difference between the carrying amount and the market valuations of the company's vessels (as determined quarterly by an approved broker).

The Nordea/DNB Newbuilding Credit Facility

In June 2017, we entered into the Nordea/DNB Newbuilding Credit Facility, which allows borrowings up to $82.5 million to fund the acquisition of two VLCCs to be constructed at HHI. The Nordea/DNB Newbuilding Credit Facility is between and among Nordea Bank Norge ASA and DNB Bank ASA, as lenders, two vessel-owning companies, as borrowers, and us, as guarantor. The full amount of the Nordea/DNB Newbuilding Credit Facility is expected to be borrowed in 2018. The Nordea/DNB Newbuilding Credit Facility has a five-year term from the date of the first drawdown, subject to earlier repayment in certain circumstances. Borrowings bear interest at a rate equal to LIBOR + 2.50% and are repayable in 20 quarterly installments of $1.0 million each commencing three months after drawdown and a final payment of $61.9 million at final maturity.

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The Nordea/DNB Newbuilding Credit Facility is secured by, among other things, a first-priority mortgage on the vessels financed by the Nordea/DNB Newbuilding Credit Facility, a first-priority assignment of earnings, insurances and intercompany claims, a first-priority pledge of the balances of the borrower's bank accounts and a first-priority pledge over the shares in the borrower. The Nordea/DNB Newbuilding Credit Facility contains covenants that prohibit the borrower from, among other things, incurring additional indebtedness without the prior consent of the lender, permitting liens on assets, merging or consolidating with other entities or transferring all or any substantial part of its assets to another person. The Nordea/DNB Newbuilding Credit Facility contains a covenant requiring that at all times the charter-free market value of the vessels that secure the Nordea/DNB Newbuilding Credit Facility be no less than 135% of borrowings. Also, we covenant that, throughout the term of the Nordea/DNB Credit Facility, DHT, on a consolidated basis, shall maintain a value adjusted tangible net worth of $300 million, the value adjusted tangible net worth shall be at least 25% of value adjusted total assets, unencumbered consolidated cash shall be at least the higher of (i) $30 million and (ii) 6% of our gross interest-bearing debt and the borrower and DHT, on a consolidated basis, shall have working capital greater than zero. "Value adjusted" is defined as an adjustment to reflect the difference between the carrying amount and the market valuations of the Company's vessels (as determined quarterly by an approved broker).

The Nordea BW VLCC Acquisition Credit Facility

In April 2017, we entered into a six-year credit facility in the amount of $300 million with Nordea, DNB, ABN Amro, Danish Ship Finance, ING, SEB and Swedbank as lenders, and DHT Holdings, Inc. as guarantor for the financing of the cash portion of the acquisition of BW's VLCC fleet as well as the remaining installments under the two newbuilding contracts. $204 million of the $300 million credit facility was borrowed during the second quarter of 2017 in connection with delivery of the nine VLCCs in water from BW. The final $96 million is expected to be borrowed in connection with the delivery of the two VLCC newbuildings from DSME in the second quarter of 2018. Borrowings bear interest at a rate equal to LIBOR + 2.40%.

The Nordea BW VLCC Acquisition Credit Facility is secured by, among other things, a first-priority mortgage on the vessels financed by the credit facility, a first-priority assignment of earnings, insurances and intercompany claims, a first-priority pledge of the balances of each of the borrower's bank accounts and a first-priority pledge over the shares in each of the borrowers. The credit facility contains covenants that prohibit the borrowers from, among other things, incurring additional indebtedness without the prior consent of the lender, permitting liens on assets, merging or consolidating with other entities or transferring all or any substantial part of their assets to another person.

The Nordea BW VLCC Acquisition Credit Facility contains a covenant requiring that at all times the charter-free market value of the vessels that secure the credit facility be no less than 135% of borrowings. Also, we covenant that, throughout the term of the credit facility, DHT, on a consolidated basis, shall maintain a value adjusted tangible net worth of $300 million, the value adjusted tangible net worth shall be at least 25% of the value adjusted total assets and unencumbered consolidated cash shall be at least the higher of (i) $30 million and (ii) 6% of our gross interest-bearing debt. "Value adjusted" is defined as an adjustment to reflect the difference between the carrying amount and the market valuations of the Company's vessels (as determined quarterly by one approved broker).

Subsequent to the sale of the DHT Utah in November 2017 and the DHT Utik in January 2018, the quarterly installments are $4.2 million with a final payment of $84.3 million in the second quarter of 2023. When the credit facility is fully drawn, the quarterly installments will be $5.4 million with a final payment of $156.3 million in the second quarter of 2023.

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Convertible Senior Notes

In September 2014, in connection with the acquisition of the shares in Samco, we issued $150,000 thousand principal amount of convertible senior notes in a private placement. We pay interest at a fixed rate of 4.50% per annum, payable semiannually in arrears. The convertible senior notes are convertible into common stock of DHT at any time until one business day prior to their maturity. The initial conversion price for the convertible senior notes is $8.125 per share of common stock (equivalent to an initial conversion rate of 123.0769 shares of common stock per $1,000 thousand aggregate principal amount of convertible senior notes), subject to customary anti-dilution adjustments. The conversion price is subject to adjustment based on cash dividends paid on our common stock and as of December 31, 2017 the conversion price was $6.3282. We received net proceeds of approximately $145,500 thousand (after placement agent expenses, but before other transaction expenses). The convertible senior notes were initially recognized at fair value, but are carried at amortized cost. The value of the conversion option is being calculated using a Black & Scholes model. Fees related to the issue of the convertible senior notes are amortized over the life of the convertible senior notes. In 2016, we acquired in the open market $27.0 million of our convertible senior notes at an average price of 91.7% of par and in 2017 we acquired in the open market $17.2 million of our convertible senior notes at an average price of 99.0% of par. The outstanding amount subsequent to the repurchases is $105.8 million.

Note 10 – Stockholders' equity and dividend payment

Stockholders' equity:

(Dollars in thousands, except per share data)	Common stock	Preferred stock
Issued at December 31, 2015	92,909,936	
Restricted stock issued	883,699	
Purchase of treasury shares	(359,831)	
Issued at December 31, 2016	93,433,804	
Restricted stock issued	1,259,208	
New shares issued *	47,724,395	
Issued at December 31, 2017	142,417,407	
Par value	$ 0.01	$ 0.01
Shares to be issued assuming conversion of convertible notes**	20,904,879	
Number of shares authorized for issue at December 31, 2017	250,000,000	

* On March 23, 2017, we announced that we entered into the VAA, to acquire nine VLCCs and newbuild contracts for two VLCCs due for delivery in 2018 from BW Group, in exchange for aggregate cash consideration in an amount equal to $177,360,000 and an aggregate equity consideration consisting of 32,024,395 shares of the Company's common stock and 15,700 shares of the Series D Preferred Stock. Subsequent to the conversion of each share of the Series D Preferred Stock into 1,000 shares of Company common stock in 2017, a total of 47,724,395 shares of common stock were issued.

** Assuming the maximum fundamental change conversion rate.

Common stock

Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders.

Convertible Notes Offering

Please see note 9 for information on the convertible senior notes.

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Preferred stock:

Terms and rights of preferred shares will be established by the board when or if such shares would be issued.

Series C Participating Preferred stock

In January 2017, our board of directors adopted a shareholder rights plan ("Rights Plan") and declared a dividend of one preferred share purchase right (a "Right") for each outstanding share of common stock, par value $0.01 per share, of DHT to purchase from DHT one ten-thousandth of a share of Series C Junior Participating Preferred Stock, par value $0.01 per share, of DHT at a price of $22.00 per one ten-thousandth of a share of Series C Junior Participating Preferred Stock, subject to adjustment as provided in the Rights Agreement dated as of January 29, 2017 (as the same may be amended from time to time, the "Rights Agreement"), between DHT and American Stock Transfer & Trust Company, LLC, as Rights Agent. The description and terms of the Rights are set forth in the Rights Agreement. The Rights Plan and the preferred share purchase rights expired on January 28, 2018 in accordance with its and their terms, and have not been replaced or renewed.

Series D Junior Participating Preferred stock

In connection with the Company's acquisition of BW Group's VLCC fleet by DHT announced on March 23, 2017, the Company agreed to 15,700 shares of Series D Junior Participating Preferred stock that were mandatorily convertible into 15.7 million shares of DHT common stock subject to DHT shareholder approval. All outstanding shares of Series D Junior Participating Preferred stock were mandatorily converted into 15.7 million shares of DHT common stock during the second quarter of 2017.

Dividend payment:

Dividend payment as of December 31, 2017: Payment date:	Total payment	Per Share Common
February 22, 2017	$ 7.6 million	$ 0.08
May 31, 2017	$ 10.1 million	$ 0.08
August 31, 2017	$ 2.8 million	$ 0.02
December 6, 2017	$ 2.8 million	$ 0.02
Total payment as of December 31, 2017:	$ 23.3 million	$ 0.20
Dividend payment as of December 31, 2016: Payment date:		
February 24, 2016	$ 19.7 million	$ 0.21
May 25, 2016	$ 23.3 million	$ 0.25
August 31, 2016	$ 21.5 million	$ 0.23
November 23, 2016		$ 0.02

	$ 1.9 million	
Total payment as of December 31, 2016:	$ 66.4 million	$ 0.71

<u>Dividend payment as of December 31, 2015:</u>

Payment date:		
February 19, 2015	$ 4.6 million	$ 0.05
May 22, 2015	$ 13.9 million	$ 0.15
August 20, 2015	$ 13.9 million	$ 0.15
November 25, 2015	$ 16.7 million	$ 0.18
Total payment as of December 31, 2015:	$ 49.2 million	$ 0.53

On February 28, 2018, DHT paid a dividend of $0.02 per common share to shareholders of record as of February 20, 2018, resulting in a total dividend payment of approximately $2.8 million.

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Note 11 – General & Administrative Expenses

General and Administrative Expenses:

(Dollars in thousands)	2017	2016	2015
Total Compensation to Employees and Directors	$11,655	$15,998	$17,626
Office and Administrative Expenses	2,147	2,213	2,407
Audit, Legal and Consultancy	3,377	1,180	1,573
Total General and Administrative Expenses	$17,180	$19,391	$21,607

Stock Compensation

The Company has an Incentive Compensation Plan (“Plan”) for the benefit of Directors and senior management. Different awards may be granted under this Plan, including stock options, restricted shares/restricted stock units and cash incentive awards.

Stock Options

The exercise price for options cannot be less than the fair market value of a common stock on the date of grant.

Restricted shares

Restricted shares can neither be transferred nor assigned by the participant.

Vesting conditions

Awards issued vest subject to continued employment or office. The awards have graded vesting. For some of the awards there is an additional vesting condition requiring certain market conditions to be met.

The Plan may allow for different criteria for new grants.

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Stock Compensation Series

	Number of shares/ options	Vesting Period	Fair value at grant date
(1) Granted October 2005, stock options *	965	10 years	$ 144.00
(2) Granted March 2012, restricted shares	14,515	3 years	13.80
(3) Granted June 2013, restricted shares	155,000	4 years	4.15
(4) Granted June 2013, stock options**	155,000	5 years	1.31
(5) Granted June 2013, stock options**	155,000	5 years	0.97
(6) Granted February 2014, restricted shares	29,333	3 years	6.92
(7) Granted February 2014, restricted shares	29,333	3 years	6.33
(8) Granted February 2014, restricted shares	29,333	3 years	5.63
(9) Granted February 2014, restricted shares	88,000	3 years	7.61
(10) Granted June 2014, restricted shares	95,666	3 years	6.41
(11) Granted June 2014, restricted shares	95,666	3 years	5.74
(12) Granted June 2014, restricted shares	95,666	3 years	5.13
(13) Granted June 2014, restricted shares	287,000	3 years	7.15
(14) Granted January 2015, restricted shares	850,000	3 years	8.81
(15) Granted January 2016, restricted shares	824,000	2 years	6.65
(16) Granted January 2017, restricted shares	900,000	2 years	$ 4.61

* The stock options in item (1) above expired in September 2015.
** The exercise price for the options in items (4) and (5) above is $7.75 and $10.70, respectively, to be adjusted for dividends declared and paid subsequent to the grant date.

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The following reconciles the number of outstanding restricted common stock and share options:

	Restricted common stock	Share options	Weighted average exercise price **
Outstanding at December 31, 2013	493,523	310,965	9.64
Granted	750,000		
Exercised*	324,008		
Forfeited			
Outstanding at December 31, 2014	919,515	310,965	9.64
Outstanding at December 31, 2014	919,515	310,965	9.64
Granted	850,000		
Exercised*	383,683		
Forfeited		965	
Outstanding at December 31, 2015	1,385,832	310,000	$ 9.64
Outstanding at December 31, 2015	1,385,832	310,000	9.64
Granted	824,000		
Exercised*	833,012		
Forfeited		-	
Outstanding at December 31, 2016	1,376,820	310,000	$ 9.64
Outstanding at December 31, 2016	1,376,820	310,000	9.64
Granted	900,000		
Exercised*	1,132,988		
Forfeited	57,501		
Outstanding at December 31, 2017	1,086,331	310,000	$ 9.64

*Does not include shares in lieu of dividends
**To be adjusted for dividends declared and paid subsequent to the respective grant dates.

Stock Compensation Expense

(Dollars in thousands)	2017	2016	2015
Expense recognized from stock compensation	4,806	6,936	7,436

The fair value on the vesting date for shares that vested in 2017 was $4.83 for 1,189,100 shares and $3.68 for 70,108 shares. The fair value on the vesting date for shares that vested in 2016 was $5.67 for 285,362 shares, $5.78 for 530,594 shares and $3.86 for 67,744 shares. The fair value on the vesting date for shares that vested in 2015 was $7.35 for 318,264 shares, $6.90 for 13,750 shares and $7.82 for 51,669 shares. All share-based compensation is equity-settled and no payments were made for the vested shares. The weighted average contractual life for the outstanding stock compensation series was 0.38 years as of December 31, 2017.

Valuation of Stock Compensation

For the year 2016, a total of 900,000 shares of restricted stock were awarded to management and the board of directors in January 2017, vesting in equal amounts on February 4, 2017, 2018 and 2019, respectively, subject to continued employment or office, as applicable. The calculated fair value at grant date was equal to the share price at grant date.

For the year 2015, a total of 824,000 shares of restricted stock were awarded to management and the board of directors in January 2016, vesting in equal amounts on February 4, 2016, 2017 and 2018, respectively, subject to continued employment or office, as applicable. The calculated fair value at grant date was equal to the share price at grant date. The grants of restricted stock to management and the board of directors described above were generally granted in the beginning of the year following the year to which they relate.

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In January 2015, the vesting criteria for all restricted shares awarded for the year 2013 that vest subject to continued employment or office with us, as applicable, and certain market conditions was changed to be subject to continued employment or office, as applicable, only. The change resulted in an increase in the fair value of the restricted shares totaling $387, which is recognized over the remaining vesting period in a manner similar to the original amount.

Compensation of Executives and Directors

Remuneration of Executives and Directors as a group:

(Dollars in thousands)	2017	2016	2015
Cash compensation	$4,171	$4,162	$5,434
Pension cost	155	158	167
Share compensation *	4,107	6,227	6,223
Total remuneration	$8,433	$10,547	$11,823

*Share compensation reflects the expense recognized.

Shares held by Executives and Directors:

	2017	2016	2015
Executives and Directors as a group*	2,729,680	2,416,385	1,967,768

*Includes 906,666 (2016: 1,184,155, 2015: 1,234,166) shares of restricted stock subject to vesting conditions.

In connection with termination of an Executive's employment, the Executives of the Company may be entitled to an amount equal to 18 months' base salary and any unvested equity awards may become fully vested in certain circumstances.

Note 12 – Related parties

Related party transactions relate to the Company's subsidiaries, associated company, employees and members of the board of directors.

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Subsequent to DHT's acquisition of the shares in Samco, the Company owns 50% of Goodwood. As of December 31, 2017, Goodwood is the technical manager for 22 of the Company's vessels. In 2017, total technical management fees paid to Goodwood were $3,031 thousand. In 2016, total technical management fees paid to Goodwood were $2,234 thousand. In 2015, total technical management fees paid to Goodwood were $1,943 thousand.

Further, DHT has issued certain guarantees for certain of its subsidiaries. This mainly relates to the Company's credit facilities, which are all guaranteed by DHT Holdings.

Note 13 – Pensions

The Company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon") for the employees in DHT Management AS. The company's pension scheme satisfies the requirements of this law and comprises a closed defined benefit scheme. At the end of the year, there were 15 participants in the benefit plan.

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Defined benefit pension

The Company established a defined benefit plan for qualifying employees in 2010. Under the plan, the employees, from the age 67, are entitled to 70% of the base salary at retirement date. Parts of the pension are covered by payments from the National Insurance Scheme in Norway. The defined benefit plan is insured through an insurance company.

(Dollars in thousands)

Calculation of this year's pension costs:	2017	2016	2015
Current service cost	329	344	289
Financial costs	6	6	6
Pension costs for the year	335	350	296

The amounts recognised in the statement of financial position at the reporting date are as follows:

	2017	2016	2015
Present value of the defined benefit obligation	1,481	1,128	949
Fair value of plan assets	1,266	963	801
Net pension obligation	215	165	148
Remeasurement loss	211	60	48
Net balance sheet recorded pension liability December 31	425	225	196

	2017	2016	2015
Change in gross pension obligation:			
Gross obligation January 1	1,111	945	706
Current service cost	325	360	285
Interest charge on pension liabilities	31	27	24
Past service cost - curtailment/plan amendment	-	(19)	-
Settlement (gain)	-	(128)	-
Social security expenses	(44)	(48)	(43)
Remeasurements loss/(gain)	227	(18)	(27)
Exchange rate differences	58	(8)	(20)
Gross pension obligation December 31	1,708	1,111	925

	2017	2016	2015
Change in gross pension assets:			
Fair value plan asset January 1	886	744	511
Interest income	20	17	24
Settlement	-	(128)	-
Employer contribution	313	338	303
Remeasurements (loss)/gain	16	(79)	(79)
Exchange rate differences	47	(7)	(30)
Fair value plan assets December 31	1,282	886	728

The Company expects to contribute $305 thousand to its defined benefit pension plan in 2018.

Assumptions	2017	2016	2015

Discount rate	2.40 %	2.60 %	2.70%
Yield on pension assets	2.40 %	2.60 %	2.70%
Wage growth	2.50 %	2.50 %	2.50%
G regulation*	2.25 %	2.25 %	2.25%
Pension adjustment	0.50 %	0.00 %	0.00%
Average remaining service period	18	19	18

* Increase of social security base amount ("G") as per Norwegian regulations.

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Note 14 – Tax

The Company is a foreign corporation that is not subject to United States federal income taxes. Further, the Company is not subject to income taxes imposed by the Marshall Islands, the country in which it is incorporated. The Norwegian management company, DHT Management AS, is subject to income taxation in Norway and the subsidiary in Singapore, DHT Ship Management Pte Ltd, is subject to income taxation in Singapore. The tax effects for the Companies are disclosed below.

Specification of income tax:

(Dollars in thousands)	2017	2016	2015
Income tax payable	$132	$100	$119
Tax expenses related to previous year	8	(10)	3
Change in deferred tax	(8)	4	7
Total income tax expense	$131	$95	$128

Specification of temporary differences and deferred tax:

(Dollars in thousands)	December 31, 2017	December 31, 2016	December 31, 2015
Property, plant and equipment	$ (164)	$ (89)	$ (74)
Pensions	(425)	(225)	(196)
Total basis for deferred tax	(590)	(314)	(270)
Deferred tax liability 1) 2)	$ (136)	$ (75)	$ (68)

1)Due to materiality, not recognized on a separate line in the statements of financial position

2) The general income tax rate is reduced from 24% to 23%, effective from fiscal year 2018, reduced from 25% to 24%, effective from fiscal year 2017 and reduced from 27% to 25%, effective from fiscal year 2016.

Reconciliation of effective tax rate:

(Dollars in thousands)	2017	2016	2015
Profit/(loss) before income tax	$6,733	$9,354	$105,430
Expected income tax assessed at the tax rate for the Parent company (0%)	-	-	-
Adjusted for tax effect of the following items:			
Income in subsidiary, subject to income tax	131	95	128
Total income tax expense	$131	$95	$128

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Note 15 – Investment in associate company

(Dollars in thousands)	2017	2016
Investment in associate company	$3,992	$3,412

Details of associate are as follows:

Name of associate	Principal activities	Place of incorporation and business	Effective equity interest	
			2017	2016
Goodwood Ship Management Pte. Ltd.	Ship management	Singapore	50 %	50 %

The following summarizes the share of profit of the associate that are accounted for using the equity method:

(Dollars in thousands)	2017	2016
Company's share of		
- Profit after taxation	$ 802	$ 649
- Other comprehensive income for the year, net of tax	$ 193	$ 28
- Total comprehensive income for the year	$ 995	$ 677

Note 16 – Condensed Financial Information of DHT Holdings, Inc. (parent company only)

SEC Rule 5-04 Schedule I of Regulation S-X requires DHT to disclose condensed financial statements of the parent company when the restricted net assets of consolidated subsidiaries exceeds 25% of consolidated net assets as of the end of the most recently completed fiscal year. For purposes of the test, restricted net assets of consolidated subsidiaries shall mean that amount of the registrant's proportionate share of net assets of consolidated subsidiaries (after intercompany eliminations), which as of the end of the most recent fiscal year may not be transferred to the parent company by subsidiaries in the form of loans, advances or cash dividends without the consent of a third party (i.e., lender, regulatory agency, foreign government, etc.).

The restricted net assets of consolidated subsidiaries exceeded 25% of the consolidated net assets of the parent company as of December 31, 2017, 2016, and 2015. The restricted assets mainly relate to assets restricted by covenants in our secured credit agreements entered into by the Company's vessel-owning subsidiaries.

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FINANCIAL POSITION

(Dollars in thousands)

ASSETS	December 31, 2017	December 31, 2016	December 31, 2015
Current assets			
Cash and cash equivalents	$ 11,540	$ 6,043	$ 53,645
Accounts receivable and prepaid expenses	249	4,554	406
Deposit for vessel acquisition	114,759	50,138	214,905
Amounts due from related parties	7,992	-	-
Total current assets	$ 134,540	$ 60,735	$ 268,956
Investments in subsidiaries	$ 521,801	$ 527,149	$ 439,955
Loan to subsidiaries	481,012	357,776	201,312
Investment in associate company	201	201	-
Total non-current assets	$ 1,003,014	$ 885,127	$ 641,266
Total assets	$ 1,137,555	$ 945,862	$ 910,222
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued expenses	$ 1,454	$ 1,848	$ 1,996
Amounts due to related parties	-	125,870	3,469
Total current liabilities	$ 1,454	$ 127,718	$ 5,465
Non-current liabilities			
Long-term debt	98,262	109,916	129,179
Total non-current liabilities	$ 98,262	$ 109,916	$ 129,179
Total liabilities	$ 99,716	$ 237,634	$ 134,644
Stockholders' equity			
Stock	$ 1,424	$ 934	$ 929
Paid-in additional capital	1,096,793	839,008	834,769
Accumulated deficit	(60,379)	(131,714)	(60,121)
Total stockholders' equity	$ 1,037,838	$ 708,228	$ 775,578
Total liabilities and stockholders' equity	$ 1,137,555	$ 945,862	$ 910,222

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INCOME STATEMENT

(Dollars in thousands)	Jan. 1 - Dec. 31, 2017	Jan. 1 - Dec. 31, 2016	Jan. 1 - Dec. 31, 2015
Revenues	$ -	$ 6,770	$ 4,894
Impairment charge	(4,948)	(18,132)	(9,500)
Dividend income	25,415	16,900	125,400
General and administrative expense	(13,764)	(14,525)	(12,769)
Operating income	$ 6,703	$ (8,987)	$ 108,025
Interest income	$ 21,798	$ 14,559	$ 10,692
Interest expense	(9,229)	(11,494)	(11,340)
Other financial income/(expenses)	1,020	693	403
Profit for the year	$ 20,293	$ (5,228)	$ 107,780

Statement of Comprehensive Income

	Jan. 1 - Dec. 31, 2017	Jan. 1 - Dec. 31, 2016	Jan. 1 - Dec. 31, 2015
Profit for the year	$20,293	$(5,228)	$107,780
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:	-	-	-
Items that may be reclassified subsequently to profit or loss:	-	-	-
Total comprehensive income for the period	$20,293	$(5,228)	$107,780
Attributable to the owners	$20,293	$(5,228)	$107,780

In the condensed financial statement of parent company, the parent company’s investments in subsidiaries were recorded at cost less any impairment. An assessment for impairment was performed when there was an indication that the investment had been impaired or the impairment losses recognized in prior years no longer existed.

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CASH FLOW

(Dollars in thousands)	Jan. 1 - Dec. 31, 2017	Jan. 1 - Dec. 31, 2016	Jan. 1 - Dec. 31, 2015
Cash Flows from Operating Activities:			
Profit for the year	$ 20,293	$ (5,228)	$ 107,780
Items included in net income not affecting cash flows:			
Amortization	4,170	4,982	4,571
Impairment charge	4,948	18,132	-
Compensation related to options and restricted stock	4,948	7,365	6,911
(Gain)/loss purchase convertible bond	(1,035)	-	-
Changes in operating assets and liabilities:			
Accounts receivable and prepaid expenses	4,305	(4,148)	(7)
Accounts payable and accrued expenses	(291)	(148)	(1,980)
Amounts due to related parties	11,782	122,401	358
Net cash provided by operating activities	$ 49,119	$ 143,357	$ 117,632
Cash flows from Investing Activities			
Investments in subsidiaries	$ -	$ (1,022)	$ (9,486)
Loan to subsidiaries	82,814	(63,985)	(47,564)
Investment in vessels under construction	(86,004)	(32,219)	(40,409)
Net cash used in investing activities	$ (3,191)	$ (97,227)	$ (97,458)
Cash flows from Financing Activities			
Cash dividends paid	(23,328)	(66,365)	(49,194)
Purchase of treasury shares	-	(2,031)	-
Purchase of convertible bonds	(17,104)	(25,334)	-
Net cash used in financing activities	$ (40,431)	$ (93,731)	$ (49,194)
Net increase/(decrease) in cash and cash equivalents	$ 5,497	$ (47,602)	$ (29,019)
Cash and cash equivalents at beginning of period	6,043	53,645	82,664
Cash and cash equivalents at end of period	$ 11,540	$ 6,043	$ 53,645

The condensed financial information of DHT Holdings Inc. has been prepared using the same accounting policies as set out in the accompanying consolidated financial statements except that the cost method has been used to account for investments in its subsidiaries.

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A reconciliation of the profit/(loss) and equity of the parent company only between cost method of accounting and equity method of accounting for investments in its subsidiaries are as follows:

(Dollars in thousands)	Jan. 1 - Dec. 31, 2017	Jan. 1 - Dec. 31, 2016	Jan. 1 - Dec. 31, 2015
Profit/(Loss) Reconciliation			
Profit/(loss) of the parent company only under cost method off accounting	$ 20,293	$ (5,228)	$ 107,780
Additional profit/(loss) if subsidiaries had been accounted for using equity method of accounting as opposed to cost method of accounting	(13,664)	14,467	(2,456)
Profit of the parent company only under equity method of accounting	$ 6,628	$ 9,239	$ 105,325

(Dollars in thousands)	December 31, 2017	December 31, 2016
Equity Reconciliation		
Equity of the parent company only under cost method of accounting	$ 1,037,838	$ 708,228
Additional profit if subsidiaries had been accounted for using equity method of accounting as opposed to cost method of accounting	(16,253)	(2,588)
Equity of the parent company only under equity method of accounting	$ 1,021,586	$ 705,640

Dividends from subsidiaries are recognized when they are authorized. During the year ended December 31, 2017, the parent company recorded dividend income from its subsidiaries of $25,000 thousand. During the year ended December 31, 2016, the parent company recorded dividend income from its subsidiaries of $16,900 thousand. During the year ended December 31, 2015, the parent company recorded dividend income from its subsidiaries of $125,400 thousand.

During the year ended December 31, 2017, the parent company was a guarantor for all of its credit facilities. Please refer to Notes 8 and 9 for a listing and summary of the credit facilities.

Note 17 – Events after the reporting date

Restricted Shares

In February 2018, for the year 2017, a total of 567,000 shares of restricted stock were awarded to management and the board of directors pursuant to the Plan, of which 264,000 shares vested in February 2018 and 91,000 shares will vest in February 2019. The remaining 212,000 shares will vest subject to certain market conditions prior to February 8, 2021. The above vesting is subject to continued employment or office, as applicable, as of the relevant vesting date. The estimated fair value at grant date was equal to the share price at grant date for 355,000 shares and $1.68 per share for 212,000 shares.

Dividend

On February 6, 2018, DHT announced that it would pay a dividend of $0.02 per common share on February 28, 2018, to shareholders of record as of February 20, 2018. This resulted in a total dividend payment of $2.8 million.

Approval of financial statements

The financial statements were approved by the board of directors on April 17, 2018, and authorized for issue.