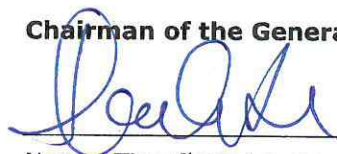


Radisson Cornerstone A/S
Amager Strandvej 60-64
2300 Copenhagen S
Central Business Registration No
17099442

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting



Name: Tina Øster Larsen

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Entity details

Entity

Radisson Cornerstone A/S
Amager Strandvej 60-64
2300 Copenhagen S

Central Business Registration No: 17099442
Registered in: Copenhagen
Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Remy Jean Eddy Merckx, Chairman
Gopal Krishan Sawhney
Lars Gordon Nielsen

Executive Board

Lars Gordon Nielsen, Chief Executive Officer

Entity auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Radisson Cornerstone A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 31.05.2018

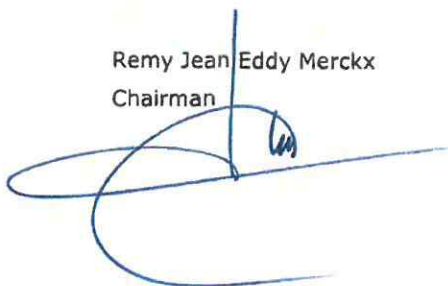
Executive Board



Lars Gordon Nielsen
Chief Executive Officer

Board of Directors

Remy Jean Eddy Merckx
Chairman



Gopal Krishan Sawhney



Lars Gordon Nielsen

Independent auditor's report

To the shareholder of Radisson Cornerstone A/S

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31.12.2017, and of the results of the Company's operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Radisson Cornerstone A/S for the financial year 01.01.2017 - 31.12.2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, in our view, management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in management commentary.

Hellerup, 31.05.2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33771231



Ulrik Ræbild

State-Authorised Public Accountant

Identification number (MNE) mne33262



Steffen Kaj Pedersen

State-Authorised Public Accountant

Identification number (MNE) mne34357

Management commentary

Primary activities

Radisson Cornerstone A/S is an internal marketing service company rendering services to all Radisson hotels and the Radisson central administration in Brussels:

- All kinds of graphic production and printing
- Project management
- Brand protection

Development in activities and finances

Loss for the year amounts to DKK 2.685 thousand, which is considered satisfactory.

Income statement for 2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Revenue		33.192	33.088
Cost of sales		(12.621)	(16.684)
Other external expenses		(5.769)	(3.582)
Gross profit/loss		14.802	12.822
Staff costs	2	(17.868)	(12.600)
Operating profit/loss		(3.066)	222
Other financial income	3	71	45
Other financial expenses	4	(34)	(38)
Profit/loss before tax		(3.029)	229
Tax on profit/loss for the year	5	344	(140)
Profit/loss for the year		(2.685)	89
Proposed distribution of profit/loss			
Retained earnings		(2.685)	89
		(2.685)	89

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> DKK'000	<u>2016</u> DKK'000
Deferred tax		45	60
Fixed asset investments		45	60
Fixed assets		45	60
Raw materials and consumables		0	2.398
Inventories		0	2.398
Trade receivables		1.455	1.327
Contract work in progress		0	102
Receivables from group enterprises		11.784	7.347
Other receivables		845	935
Income tax receivable		527	19
Prepayments		160	86
Receivables		14.771	9.816
Cash		9	4
Current assets		14.780	12.218
Assets		14.825	12.278

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Contributed capital	6	2.400	2.400
Retained earnings		4.729	7.414
Equity		7.129	9.814
Bank loans		0	1
Trade payables		525	346
Other payables		5.701	2.116
Deferred income		1.470	1
Current liabilities other than provisions		7.696	2.464
Liabilities other than provisions		7.696	2.464
Equity and liabilities		14.825	12.278
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Related parties with controlling interest	9		
Group relations	10		

Statement of changes in equity for 2017

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2.400	7.414	9.814
Profit/loss for the year	0	(2.685)	(2.685)
Equity end of year	2.400	4.729	7.129

Notes

1. Events after the balance sheet date

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

	2017	2016
	DKK'000	DKK'000
2. Staff costs		
Wages and salaries	15.559	10.793
Pension costs	1.136	874
Other social security costs	260	205
Other staff costs	913	728
	17.868	12.600
Average number of employees	28	23

	2017	2016
	DKK'000	DKK'000
3. Other financial income		
Financial income arising from group enterprises	71	45
	71	45

	2017	2016
	DKK'000	DKK'000
4. Other financial expenses		
Other financial expenses	34	38
	34	38

	2017	2016
	DKK'000	DKK'000
5. Tax on profit/loss for the year		
Tax on current year taxable income	(527)	29
Change in deferred tax for the year	15	22
Adjustment concerning previous years	168	89
	(344)	140

Notes

	<u>Number</u>	<u>Par value DKK'000</u>	<u>Nominal value DKK'000</u>
6. Contributed capital			
Ordinary shares	2.400	1	2.400
	<u>2.400</u>		<u>2.400</u>

	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
7. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	<u>0</u>	<u>1.781</u>

8. Contingent liabilities

The Company is jointly taxed with all Danish subsidiaries of the Radisson Group and other Danish entities controlled by HNA Group Co., Ltd. The Company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties under the joint taxation scheme.

The Company is jointly and severally liable with the jointly registered group enterprises for the total VAT liability.

9. Related parties with controlling interest

Related parties with a controlling interest in Radisson Cornerstone A/S:

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
Radisson Hospitality Denmark ApS	Copenhagen	Parent
Radisson Hospitality Holding AB	Stockholm	Parent
Radisson Hotel Group AB	Stockholm	Parent
HNA Group Co., Ltd.	Haikou City, China	Ultimate Parent

Notes

10. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

HNA Group Co., Ltd., Haikou City, China

The consolidated financial statements are not published.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Radisson Hotel Group AB, Stockholm, Sweden

Group accounts are available at www.radissonhotelgroup.com

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Accounting policies

Cost of sales

Cost of sales comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses comprise expenses for distribution, sale, administration, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Other financial income

Other financial income comprises, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

The Entity is jointly taxed with all Danish subsidiaries in the Radisson Group and other Danish companies controlled by HNA Group Co., Ltd. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of work in progress consists of direct labour costs.

Accounting policies

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which corresponds to nominal value.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.