

OOCL (DENMARK) A/S

Store Torv 3
8000 Aarhus C

Annual report
1 January 2018 - 31 December 2018

**The annual report has been presented and
approved on the company's general meeting the**

12/03/2019

Jan Schmahl
Chairman of general meeting

Content**Company informations**

Company informations	3
----------------------------	---

Reports

Statement by Management	4
-------------------------------	---

Management's Review

Management's Review	5
---------------------------	---

Financial statement

Accounting Policies	6
---------------------------	---

Income statement	9
------------------------	---

Balance sheet	10
---------------------	----

Statement of changes in equity	12
--------------------------------------	----

Disclosures	13
-------------------	----

Company information

Reporting company OOCL (DENMARK) A/S
Store Torv 3
8000 Aarhus C

Phone number: 86762880

CVR-nr: 19020703

Reporting period: 01/01/2018 - 31/12/2018

Statement by Management

The Executive and Supervisory Boards have today considered and adopted the Annual Report of OOCL (Denmark) A/S for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies applied appropriate and the estimates made reasonable. Furthermore, we consider the overall annual report presentation true and fair. Therefore, in our opinion the Annual Report gives a true and fair view of the financial position and the results of operations of the Company.

In our opinion, Management's Review includes a true and fair account in accordance with the Danish Financial Statements Act.

The company has deselected external audit for the accounting year 2018, as it is considered that the company meets the criteria for deselection

Aarhus, the 11/03/2019

Management

Jan Christof Schmahl
Managing Director

Board of directors

Finn Nielsen

Jan Christof Schmahl

Kwok Wah Fung
Chairman

Management's Review

Main activity

The purpose of the Company is to conduct business in Denmark as Liner Shipping Agent and Freight forwarder as well as activities related hereto.

The Company manages the Danish shipping agency for Orient Overseas Container Line Limited and OOCL (Europe) limited.

Development in the financial year

The profit for the year of DKK 489,825 is considered satisfactory by Management.

The Company has lost more than half its share capital. The Company expects to restore the capital through capital contribution or restructuring of the Company.

To ensure sufficient liquid resources for the next 12 months the Company will receive a Letter of Support from its indirect Parent Company, Orient Overseas (International) Limited with the following wording: *“This is to confirm that it is our intention to provide financial support for the continuing operations of your company so as to enable it to meet its liabilities as they fall due, and to carry on its business without a significant curtailment of operations in the 12 months from the date of signing each company’s 2018 financial statements”.*

The expected development

Based on expectations of similar level of activity the Company expects a profit for the next year.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B. There have been options of certain rules in reporting class C.

The accounting policies applied remain unchanged from previous years.

Recognition and measurement

The financial statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income Statement

Gross profit/Loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue is recognised in the income statement provided that delivery and transfer of risk have been made to the purchaser by year end. Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Administrative expenses

Administrative expenses comprise remuneration of Management, administrative staff, office expenses, advertising and marketing expenses, operation of motor vehicles, depreciation, etc.

Financial income and expenses

Financial income and expenses comprise interest and realised and unrealised exchange adjustments.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items, respectively. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The company is in a joint taxation unit with sisterunits in Denmark. Current danish company tax is distributed between the danish units pro rata to the taxable income (full distribution with reimbursement from tax losses).

Balance Sheet*Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 3-10 years

Assets costing less than DKK 12,300 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and financial fixed assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

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.

Prepayments

Prepayments comprise prepaid expenses concerning leasing, insurance premiums and subscriptions.

Deferred tax assets and liabilities

In capacity of an administrative company in a joint taxation unit OOCL (Denmark) A/S is liable for the corporate income tax of the joint taxation unit.

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions -

where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Income statement 1 Jan 2018 - 31 Dec 2018

	Disclosure	2018 kr.	2017 kr.
Gross profit (loss)		8,135,212	6,302,127
Distribution costs		-221,856	-260,369
Administrative expenses		-7,420,055	-6,273,931
Profit (loss) from ordinary operating activities		493,301	-232,173
Other finance income		0	1,425
Other finance expenses		-3,476	-1,581
Profit (loss) from ordinary activities before tax		489,825	-232,329
Tax expense		0	0
Profit (loss)		489,825	-232,329
Proposed distribution of results			
Retained earnings		489,825	-232,329
Gross		489,825	-232,329

Balance sheet 31 December 2018

Assets

	Disclosure	2018 kr.	2017 kr.
Fixtures, fittings, tools and equipment		58,205	59,226
Property, plant and equipment	1	58,205	59,226
Total non-current assets		58,205	59,226
Other receivables		203,022	194,799
Deferred income assets		161,195	179,703
Receivables		364,217	374,502
Cash and cash equivalents		192,747	202,420
Current assets		556,964	576,922
Total assets		615,169	636,148

Balance sheet 31 December 2018

Liabilities and equity

	Disclosure	2018 kr.	2017 kr.
Paid contributed capital		500,000	500,000
Retained earnings		-7,891,272	-8,381,097
Total equity		-7,391,272	-7,881,097
Trade payables		35,060	8,728
Payables to group enterprises		6,985,477	7,490,013
Other payables, including tax payables, liabilities other than provisions		985,904	1,018,504
Short-term liabilities other than provisions, gross		8,006,441	8,517,245
Liabilities other than provisions, gross		8,006,441	8,517,245
Liabilities and equity, gross		615,169	636,148

Statement of changes in equity 1 Jan 2018 - 31 Dec 2018

	Contributed capital	Retained earnings	Total
	kr.	kr.	kr.
Equity, beginning balance	500,000	-8,381,097	-7,881,097
Profit (Loss)		489,825	489,825
Equity, ending balance	500,000	-7,891,272	-7,391,272

Disclosures

1. Property, plant and equipment

	Fixtures, fittings, tools and equipment kr.
Cost, beginning of year	791,409
Increase	33,249
Decrease	-16,044
Cost, end of year	808,614
Impairment losses and amortisation, beginning of year	-732,183
Depreciation	-34,270
Reversal on disposal	16,044
Impairment losses and amortisation, end of year	-750,409
Carrying value, end of year	58,205

2. Disclosure of contingent liabilities

	2018 DKK	2017 DKK
Rental and lease within 1 year	298,514	322,913
Rental and lease between 1 and 5 year	5,166	74,824
	303,680	397,737

3. Disclosure of mortgages and collaterals

The company and OOCL Logistics (Europe) Limited, Filial Danmark is jointly liable for the taxable income of the unit

4. Disclosure of ownership

Group relations

Included in the consolidated financial statements of:
Orient Overseas (International) Limited, incorporated in Bermuda and listed on the Stock Exchange of Hong Kong (Stock code 316).

The consolidated accounts can be obtained on
www.ooilgroup.com

5. Information on average number of employees

	2018
Average number of employees	16