

OOCL (DENMARK) A/S

Store Torv 3, 3. sal
8000 Aarhus C

Annual report
1 January 2019 - 31 December 2019

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

29/05/2020

Jan Schmahl
Chairman of general meeting

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Company information

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

CVR-nr: 19020703
Reporting period: 01/01/2019 - 31/12/2019

Auditor Deloitte Statsautoriseret Revisionspartnerselskab
Værkmestergade 2, 18
8000 Aarhus C
DK Denmark
CVR-nr: 33963556
P-number: 1017194999

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of OOCL (Denmark) for the financial year 01.01.2019 - 31.12.19.

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 Entity's financial position at 31.12.2019 and of the results of its operation for the financial year 01.01.2019 - 31.12.2019.

We believe 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.

Aarhus, the 28/05/2020

Management

Finn Nielsen

Board of directors

Jan Christof Schmahl
chairman

Finn Nielsen

Erxin Yao

Jianping Ye

Independent Auditor's Report on Extended Review

To the shareholders of OOCL (Denmark) A/S

Opinion

We have performed an extended review of the financial statements of OOCL (Denmark) A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of management 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements

Statement on the management's review

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 extended review 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 extended review 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.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act.

Aarhus,

Michael Bach , mne19691
State Authorized Public Accountant
Deloitte Statsautoriseret Revisionspartnerselskab
CVR: 33963556

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 loss for the year of DKK 592,120 is considered unsatisfactory 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 2019 financial statements”.*

The expected development

The Company expects to break even next year.

Subsequent event

With the increasing market uncertainty regarding the impact of COVID-19 outbreak, the company will pay close attention to the development of the COVID-19 outbreak and evaluate the impact on its future financial position and operating result.

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

Assets are recognised in the balance sheet when it is probable as a result of a prior event 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 the Company 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 Company, 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.

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.

Distribution cost

Distribution cost comprise costs incurred for sale of the Company's services.

Administrative expenses

Administrative expenses comprise cost incurred for the company's administrative function, including 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

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 at amortised cost, usually equalling nominal value writedowns for bad and doubtful debts.

Prepayments

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

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.

Other financial liabilities

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

Income statement 1 Jan 2019 - 31 Dec 2019

	Disclosure	2019 kr.	2018 kr.
Gross profit (loss)		8,732,205	8,135,212
Distribution costs		-246,126	-221,856
Administrative expenses		-9,074,220	-7,420,055
Profit (loss) from ordinary operating activities		-588,141	493,301
Other finance income		2,416	0
Other finance expenses		-6,395	-3,476
Profit (loss) from ordinary activities before tax		-592,120	489,825
Profit (loss)		-592,120	489,825
Proposed distribution of results			
Retained earnings		-592,120	489,825
Gross		-592,120	489,825

Balance sheet 31 December 2019

Assets

	Disclosure	2019 kr.	2018 kr.
Fixtures, fittings, tools and equipment		118,107	58,205
Property, plant and equipment	1	118,107	58,205
Non-current assets		118,107	58,205
Other receivables		354,200	333,218
Deferred income assets		57,335	30,999
Receivables		411,535	364,217
Cash and cash equivalents		185,347	192,747
Current assets		596,882	556,964
Total assets		714,989	615,169

Balance sheet 31 December 2019

Liabilities and equity

	Disclosure	2019 kr.	2018 kr.
Contributed capital		500,000	500,000
Retained earnings		-8,483,392	-7,891,272
Total equity		-7,983,392	-7,391,272
Other payables		321,805	0
Long-term liabilities	2	321,805	0
Trade payables		64,227	69,411
Payables to group enterprises		6,888,631	6,985,477
Other payables		1,423,718	951,553
Short-term liabilities		8,376,576	8,006,441
Liabilities		8,698,381	8,006,441
Liabilities and equity, gross		714,989	615,169

Statement of changes in equity 1 Jan 2019 - 31 Dec 2019

	Contributed capital	Retained earnings	Total
	kr.	kr.	kr.
Equity, beginning balance	500,000	-7,891,272	-7,391,272
Profit (Loss)		-592,120	-592,120
Equity, ending balance	500,000	-8,483,392	-7,983,392

The Company has lost more than half its share capital and is subject to the regulations in §119 of the Companies Act. The Company expects to restore the capital through capital contribution or restructuring of the Company.

Disclosures

1. Property, plant and equipment

	Fixtures, fittings, tools and equipment kr.
Cost, beginning of year	808,614
Increase	97,810
Cost, end of year	906,424
Depreciation and Impairment losses, beginning of year	-750,409
Depreciation for the year	-37,908
Depreciation and impairment losses, end of year	-788.317
Carrying value, end of year	118,107

2. Long-term liabilities

	Total debt, end of year kr.	Outstanding debt after 5 years kr.
Other payables	321,805	321,805
	321,805	321,805

3. Additional information about activities

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

4. Disclosure of contingent liabilities

	2019 DKK	2018 DKK
Rental and lease within 1 year	357,582	298,514
Rental and lease between 1 and 5 year	360,787	5.166
	718,369	303,680

5. 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

6. Information on average number of employees

	2019
Average number of employees	16