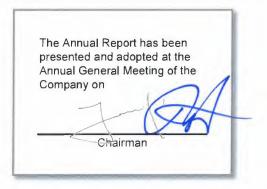
INC SHANGHAI (HOLDING) LIMITED A/S

Rørmosevej 2A, DK-3450 Allerød

CVR-no. 19 67 10 97

Annual Report for 2019



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Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of INC Shanghai (Holding) Limited A/S for the financial year 1 January 2019 to 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

Opinion of the Directors

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

othe

Allerød, 21 August 2020

Executive Board Deniz Ipek

Supervisory Board

Chin Fen Wei Chairman

Deniz Ipok

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Independent auditors' report

To the shareholder of INC Shanghai (Holding) Limited A/S

Opinion

We have audited the financial statements of INC Shanghai (Holding) Limited A/S for the financial year 1 January – 31 December 2019, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 as to 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 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 the financial statements.

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

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

Independent auditors' report

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 note 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review 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 of the Management's review.

Copenhagen, 21 August 2020 EY Godkendt Revisionspartnerselskab CVR no. 30 70 02 28

Søren Skov Larsen

State Authorised Public Accountant mne26797

Allan Nørgaard State Authorised Public Accountant mne35501

Company Information		
The Company	INC Shanghai (Holding) Limited A/S Rørmosevej 2A DK-3450 Allerød	
	CVR no.:	19 67 10 97
	Financial year:	1 January - 31 December
	Municipality of reg. office::	Allerød
Supervisory Board	Chin Fen Wei (Chairman) Jesper Rothe Deniz Ipek	
Executive Board	Deniz Ipek	
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg	
Consolidated Financial Statements	The Company is included in the Group Annual Report of Group Danone S.A.	

The Group Annual Report for Group Danone S.A. may be obtained at the following address:

Group Danone S.A. 17, bd Haussmann Paris France

Group Chart



Management's Review

Business Review

The objective of the company is to hold shares.

INC Shanghai (Holding) Limited A/S is 100% owned by Dumex Nutrition Ltd. A/S, Copenhagen.

Financial Review

The profit of the year is US\$707,028 compared to profit of US\$267,995 last year. The profit is primarily related to an intercompany interest of US\$1,143,744 and exchange gain of US\$61,770.

The profit was being offset by the income tax expense recognized in the profit and loss statement of US\$473,702.

Subsequent Events

There are no subsequent events (including the COVID-19 pandemic) which require adjustment to the accounting estimates and disclosures included in the financial report.

Targets and Expectations for the year ahead

It is expected that the result for 2020 is going to be 0, as all activity in the company has been sold. The result will however be affected by a translation adjustment on the intercompany balances.

Accounting Policies

Basis of Preparation

The Annual Report of INC Shanghai (Holding) Limited A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The financial statements have been prepared in accordance with the same accounting policies as last year.

The Annual Report for 2019 is presented in US dollars.

General recognition and measurement criteria

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the assets 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 there will be an outflow of future economic benefits from the company, and the value of the liability can be measured reliably.

Upon initial recognition, assets and liabilities are measured at historical cost. Subsequently, assets and liabilities are measured as described for each item below.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the transaction date. Gains and losses arising between the exchange rates at the transaction date and the exchange rates at the settlement date are recognised in "Financing expenses and income, net" in the income statement.

Receivables, payables and other monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Differences between the exchange rates at the balance sheet date and the exchange rates at the time of the occurrence of the receivable or the payable are recognised in "Financing expenses and income" in the income statement.

Accounting Policies

INCOME STATEMENT

All substantial profits and costs are accrued.

Administrative Expenses

Administrative expenses comprise expenses for administrative staff, office expenses, audit, etc.

Financing Expenses and Income

Financing expenses and income comprise interest receipts and costs, exchange gains and losses on debt and transactions in foreign currencies.

Corporation Tax and Deferred Tax

For the income year 2019 the company was jointly taxed with Danish Danone Group enterprises. A contribution of 22% of the profit before tax has been set aside for joint taxation.

The tax for the year consists of current tax and movements in deferred tax for the year. The tax relating to the profit for the year is recognised in the income statement, whereas the tax directly relating to items recognised in equity is recognised directly in equity.

The company has no deferred tax liabilities.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realizable value. Provisions for bad debts are made.

As interpretation regarding impairment of financial receivables, the company has applied IAS 39.

Dividends

Dividends are recognised as a liability at the time of adoption at the Annual General Meeting. Dividends proposed for the year are shown as a separate equity item.

Financial Liabilities

Other liabilities comprising trade payables, payables to subsidiaries and associated undertakings and other liabilities are measured at amortised cost.

Income Statement 1 January - 31 December

	Note	2019 USD	2018 USD
Administrative expenses Profit/(loss) before financial income and expenses	1	<u>(24,784)</u> (24,784)	(34,284) (34,284)
Financial income Result before tax	2	<u> 1,205,514 </u> 1,180,730	<u>1,542,575</u> 1,508,291
Tax on profit/(loss) for the year Net result for the year	3	(473,702) 707,028	(1,240,296) 267,995
Distribution of profit			
Proposed distribution of profit			
Retained earnings Proposed dividend for the year		707,028 - 707,028	(76,732,005) 77,000,000 267,995

Balance Sheet at 31 December

Assets

	Note	2019	2018
	_	USD	USD
Current assets			
Receivables from group entities		3,578,814	79,514,114
Other Receivables		-	112,842
Receivables	_	3,578,814	79,626,956
Assets		3,578,814	79,626,956

Liabilities and equity

	Note	2019	2018
		USD	USD
Equity			
Share capital	4	1,418,689	1,418,689
Retained earnings		1,513,172	806,144
Proposed Dividend		-	77,000,000
	_	2,931,861	79,224,833
Current Liabilities			
Corporate tax	3	399,300	196,484
Payables to group enterprises		231,554	205,639
Other Payable		16,099	-
	_	646,953	402,123
Liabilities and equity	_	3,578,814	79,626,956
Staff	1		
Related Parties and Ownership Contingent assets, liabilities and other financial	6		
obligations	7		

Statement of Changes in Equity

			Proposed dividend for the	
2019	Share capital	Retained earnings	year	Total
	USD	USD	USD	USD
Equity at 1 January 2019	1,418,689	806,144	77,000,000	79,224,833
Net profit/(loss) for the year		707,028	-	707,028
Dividend paid, during the year		-	(77,000,000)	(77,000,000)
Equity at 31 December 2019	1,418,689	1,513,172	-	2,931,861

Notes to the Annual Report

1 Staff

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No fees have been paid to the executive board and the supervisory board. There were no employees in the company in 2019 and 2018.

2 Financial Items

	2019	2018
	USD	USD
Exchange rate gain	61,770	241,275
Interest from Danone Finance International	1,143,744	1,301,300
	1,205,514	1,542,575
Tax on profit/(loss) for the year		
	2019	2018
	USD	USD
Current tax for the year	259,754	1,240,296
Withholding Tax on Dividend	213,948	
	473,702	1,240,296

4 Share capital

The share capital comprises :

	2019	2018
	USD	USD
1 class A share of DKK 8,000,000, and 1 class A share of DKK 2,010,000	1,418,689	1,418,689
	1,418,689	1,418,689

The shares are denominated in DKK amounting to DKK 10,010,000.

Every class A share carries 1 voting right. The share capital has remained unchanged for the past five years.

The Company owns no treasury shares at the balance sheet date. Nor did it purchase or sell any treasury shares in the financial year.

5 Proposed profit appropriation

	2019	2018
	USD	USD
Retained earnings	707,028	267,995
	707,028	267,995

6 Related parties and ownership

Address	Basis
Groupe Danone S.A. Boulevard Haussmann 75009 Paris France	Owns through ownership in other companies 100% of the share capital in Dumex Nutrition Ltd. A/S
Dumex Nutrition Ltd. A/S Rørmosevej 2A 3450 Allerød	Owns 100% of the share capital in INC Shanghai (Holding) Limited A/S

Dumex Nutrition Ltd A/S is included in the consolidated Financial Statements of the ultimate parent company 'Groupe Danone S.A. in which INC Shanghai (Holding) Limited A/S also enter into as a subsidiary company. The consolidated Financial Statements may be obtained on application to Groupe Danone S.A.

7 Contingent liability

The Company is jointly taxed with other Danish companies in the Danone Group. The Danish companies of the Group are jointly and severally liable to tax of the Group's jointly taxed income etc. Furthermore, the Danish companies of the Group are jointly and severally liable to the Danish withholding taxes in form of dividend tax, royalty tax and interest tax. Any future corrections to corporate taxes and withholding taxes can result in a larger amount of the Company's liability.