

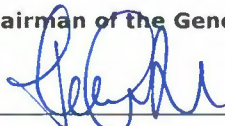
**Hotel Development S. Africa
A/S**

Amager Strandvej 60 - 64, 3.
2300 Copenhagen S
Business Registration No
21772682

Annual report 2018

The Annual General Meeting adopted the annual report on 31.05.2019

Chairman of the General Meeting



Name: Tina Øster Larsen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018	7
Balance sheet at 31.12.2018	8
Statement of changes in equity for 2018	10
Notes	11
Accounting policies	13

Entity details

Entity

Hotel Development S. Africa A/S
Amager Strandvej 60 - 64, 3.
2300 Copenhagen S

Central Business Registration No (CVR): 21772682

Registered in: Copenhagen

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Knut Jan Kleiven

Lars Gordon Nielsen

Sven Gösta Andreas Fondell

Inigo Capell Arrieta

Eva-Maria Margaretha Erauw

Executive Board

Gopal Krishan Sawhney, 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 Hotel Development S. Africa A/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 31.05.2019

Executive Board



Gopal Krishan Sawhney
Chief Executive Officer

Board of Directors


Knut Jan Kleiven
Inigo Capell Arrieta
Lars Gordon Nielsen
Eva-Maria Margaretha Erauw
Sven Gösta Andreas Fondell

Independent auditor's report

To the shareholder of Hotel Development S. Africa A/S

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31.12.2018, and of the results of the Company's operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Hotel Development S. Africa A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the 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 scepticism 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 content 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 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 of the management commentary.

Hellerup, 31.05.2019

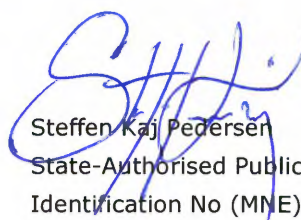
PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33771231



Ulrik Ræbild

State-Authorised Public Accountant
Identification No (MNE) mne33262



Steffen Kaj Pedersen

State-Authorised Public Accountant
Identification No (MNE) mne34357

Management commentary

Primary activities

The Company's activities consist in shareholding and interests in hotel projects.

Development in activities and finances

Profit for the year amounts to DKK 5.612 thousand, which is considered satisfactory.

Income statement for 2018

	<u>Notes</u>	<u>2018</u> DKK'000	<u>2017</u> DKK'000
Gross loss		(37)	(2.753)
Income from investments in group enterprises		8.395	0
Other financial income		1.688	789
Impairment losses on financial assets		(545)	1.206
Other financial expenses		<u>(2.368)</u>	<u>(430)</u>
Profit/loss before tax		7.133	(1.188)
Tax on profit/loss for the year		<u>(1.521)</u>	<u>526</u>
Profit/loss for the year		<u>5.612</u>	<u>(662)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>5.612</u>	<u>(662)</u>
		<u>5.612</u>	<u>(662)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK'000</u>	<u>2017</u> <u>DKK'000</u>
Investments in group enterprises		7.460	8.005
Receivables from group enterprises		<u>10.803</u>	<u>4.735</u>
Fixed asset investments		<u>18.263</u>	<u>12.740</u>
Fixed assets		<u>18.263</u>	<u>12.740</u>
Receivables from group enterprises		8.395	4.310
Income tax receivable		<u>158</u>	<u>526</u>
Receivables		<u>8.553</u>	<u>4.836</u>
Current assets		<u>8.553</u>	<u>4.836</u>
Assets		<u>26.816</u>	<u>17.576</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK'000</u>	<u>2017</u> <u>DKK'000</u>
Contributed capital		1.000	1.000
Retained earnings		<u>22.150</u>	<u>16.538</u>
Equity		<u>23.150</u>	<u>17.538</u>
Payables to group enterprises		1.947	0
Income tax payable		1.679	0
Other payables		<u>40</u>	<u>38</u>
Current liabilities other than provisions		<u>3.666</u>	<u>38</u>
Liabilities other than provisions		<u>3.666</u>	<u>38</u>
Equity and liabilities		<u>26.816</u>	<u>17.576</u>
Events after the balance sheet date	1		
Contingent liabilities	2		
Related parties with controlling interest	3		
Group relations	4		

Statement of changes in equity for 2018

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1.000	16.538	17.538
Profit/loss for the year	<u>0</u>	<u>5.612</u>	<u>5.612</u>
Equity end of year	<u>1.000</u>	<u>22.150</u>	<u>23.150</u>

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.

2. Contingent liabilities

The Company is jointly taxed with all Danish subsidiaries of the Radisson Group and other Danish entities controlled by Jin Jiang International Holdings 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.

On June 29, 2018, Radisson Hotel Holdings AB (publ) entered into a Super Senior Multicurrency Revolving Facility Agreement ('SSRCF') with J.P. Morgan Securities PLC as mandated lead arranger.

On July 6, 2018, Radisson Hotel Holdings AB (publ) issued 250.000.000EUR Senior Secured Notes ('Bond') due 2023.

For both transactions above, Radisson Hotel Holdings AB (publ), has agreed to provide security to its creditors through share pledges on several of its direct and indirect subsidiaries, pledges on (intra-group) receivables and bank accounts, as well as assignment of rights in relation to certain agreements.

Hotel Development S. Africa A/S is one of the direct and indirect subsidiaries who's shares or assets have been included in the security uptake.

3. Related parties with controlling interest

Related parties with a controlling interest in Hotel Development S. Africa A/S:

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
Radisson Hotels ApS Danmark	Copenhagen	Parent
Radisson Hospitality Denmark ApS	Copenhagen	Parent
Radisson Hotel Holdings AB	Stockholm	Parent
Radisson Hotel Group AB	Stockholm	Parent
Aplite Holdings AB	Stockholm	Parent
Jin Jiang International Holdings Co., Ltd.	Shanghai, China	Ultimate Parent

Notes

4. Group relations

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

Jin Jiang International Holdings Co., Ltd., Shanghai, 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.

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 rate 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.

Income statement

Gross profit or loss

Referring to section 32 of the Danish Financial Statement Act. the income statement starts at gross profit or loss. Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue comprises fees for the year.

Other external expenses

Other external expenses comprise expenses for administration and bad debts, etc.

Accounting policies

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises interest income as well as realised and unrealised capital gains on payables and transactions in foreign currencies.

Impairment of financial assets

Impairment of financial assets comprises impairment of financial assets which are not measured at fair value on a current basis and exchange rate adjustments.

Other financial expenses

Other financial expenses comprise interest expenses.

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 Jin Jiang International Holdings 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

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, equalling nominal value, less writedowns for bad and doubtful debts.

Other financial liabilities

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

Income tax receivable or payable

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