

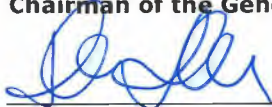
**Radisson Hospitality
Denmark ApS**

Amager Strandvej 60-64, 3.
2300 Copenhagen S
Business Registration No
25578082

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	11
Balance sheet at 31.12.2018	12
Statement of changes in equity for 2018	14
Notes	15
Accounting policies	20

Entity details

Entity

Radisson Hospitality Denmark ApS
Amager Strandvej 60-64, 3.
2300 Copenhagen S

Central Business Registration No (CVR): 25578082

Registered in: Copenhagen

Financial year: 01.01.2018 - 31.12.2018

Website: www.radissonblu.com

Board of Directors

Knut Jan Kleiven

Sven Gösta Andreas Fondell

Inigo Capell Arrieta

Eva-Maria Margaretha Erauw

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 Hospitality Denmark ApS 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



Lars Gordon Nielsen
Chief Executive Officer

Board of Directors


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

Independent auditor's report

To the shareholder of Radisson Hospitality Denmark ApS

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2018 and of the results of its 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 Radisson Hospitality Denmark ApS 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. The financial statements are prepared 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 this auditor's report. We are independent of the Company in accordance with the International Ethics Standards Board of 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, for disclosing, as applicable, matters related to going concern, and for 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 in the notes, 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, we conclude that the 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

	2018	2017	2016	2015	2014
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Financial highlights					
Key figures					
Revenue	28.498	27.966	26.737	30.892	28.519
Gross profit/loss	153	139	83	4.720	4.181
Operating profit/loss	153	105	49	3.853	3.255
Net financials	(2.414)	3.103	(87.050)	49.973	(42.703)
Profit/loss for the year	(1.580)	3.889	(86.503)	52.883	(40.482)
Total assets	457.800	455.594	450.172	381.843	338.766
Equity	319.980	321.560	317.671	378.639	336.035
Ratios					
Return on equity (%)	(0,5)	1,2	(24,8)	14,8	(11,7)
Solvency ratio (%)	69,9	70,4	70,6	99,2	99,2

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total Assets}}$	The financial strength of the entity

Management commentary

Primary activities

The primary activities of Radisson Hospitality Denmark ApS The primary activities of Radisson Hotels ApS Danmark comprise possession of investments and intellectual property rights related to the Group's running of hotels as well as management hereof.

The Company is a wholly owned subsidiary of Radisson Hotel Holdings AB, Sweden.

The Radisson Hotel Group (Radisson Hospitality AB) is listed on the Stockholm Stock Exchange through Radisson Hospitality AB

The Group have a new majority shareholder – a consortium led by Jin Jiang International Holdings Co., Ltd., including the SINOCEE Fund. Linked to the change in ownership, Radisson Hospitality AB's legal status is about to change: The consortium's application for a delisting of our group was approved by Nasdaq Stockholm, and our last trading day was March 22. We expect to be considered a privately owned company by the summer 2019.

The Radisson Hotel Group is one of the fastest growing hotel companies in the world. The hotels in the portfolio are mainly operated under the four key brands Radisson Blu, Park Inn, Radisson Red and Quorvus Collection.

At 31.12.2018, the Radisson Hotel Group had 380 (369) hotels in operation and 114 (103) hotels under construction and development. This corresponds to 83,331 (81,132) rooms in operation and additionally 23,827 (23,618) under construction and development.

The Radisson Hotel Group develops the Radisson Blu and Park Inn by Radisson brands in the EMEA region under a master franchise agreement with Radisson Inc. (former : Carlson Companies) in the United States. Radisson benefits from Radisson Inc's global brand, booking system and other business initiatives. The contract with Radisson Inc is active until 2052, including Radisson AB's extension options.

The Radisson Hotel Group operates a portfolio of brands covering most of the hotel market segments: luxury, lifestyle, full first-class service and mid-market brands. Radisson Blu is a first-class, full-service brand, while Park Inn appeals to the mid-market. Radisson Red is targeting Lifestyle Select, and Quorvus Collection is targeting the luxury segment.

The Radisson Hotel Group is focusing on hotel management and operation. Currently, all hotels in the Radisson portfolio are operated either by Radisson under a lease or a management agreement or by a separate operator using one of the Radisson brands under a franchise agreement.

Development in activities and finances

Loss for the year amounts to EUR 1.580 thousand.

Results for 2018 were not in line with the expected outlook in 2017 but were negatively impacted by additional group interest expenses and group changes in the remuneration structure.

Management commentary

Distributing services in more than 79 (78) countries, Radisson Hospitality Denmark ApS and the remaining companies of the Radisson Group are – like many other companies – affected by the trends in the global economy.

Compared to 2017, Radisson Hospitality Denmark ApS has experienced some improvements in most markets. These improvements are related to a general increase in the average room rates on several markets in which Radisson Hospitality Denmark ApS operates hotels.

When observing the item income from investments in subsidiaries in the income statement, Management would like to emphasise that subsidiaries are recognised at cost and are written down to the lower of recoverable amount and carrying amount. The majority of the fluctuation in the income from investments in subsidiaries results from the writedown of the capital contribution to group enterprises with negative equity.

Outlook

The results for 2019 are expected to be on the same level as in 2018.

Particular risks

The key risk management objectives of Radisson Hospitality Denmark ApS can be summarised as follows:

- Ensure that the risks and benefits of new investments and contingent liabilities are in line with the financial objectives of the Radisson Group.
- Reduce cyclical risks through brand diversity, geographic representation and by ensuring a mix of leased, managed and franchised hotels.
- Review and assess the insurance programmes of the Radisson Group on an ongoing basis.
- Carefully evaluate investments in high-risk areas to match these with premium returns on investments.

Operating risks

Radisson Hospitality Denmark ApS is subject to the operating risks common to the hotel industry, including:

- Changes in general economic conditions
- Changes in travel patterns and demand
- Cyclical oversupply of hotels
- The financial position of thirdparty property owners and franchisees
- Typical long-term leases and management contracts with guarantees

The Company has issued letters of support to management of the subsidiaries in the UK. The Company's Management does not expect the letters of support to be brought into effect. The necessary funds will be made available to the Company by Radisson Hotel Group S.A. if the letters of support, contrary to expectation, are brought into effect.

Financial exposure

Since the Company is financed through intercompany loans, the Company's risks from financing activities are limited.

Management commentary

Currency exposure

Exposure to foreign currency fluctuations is mainly related to fluctuations in USD in connection with the settlement of royalties to Carlson.

Credit risks

Credit risks related to financial assets equal the values recognised in the balance sheet.

Cash flow risks

It is the policy of the Radisson Group that capital injections and placement of excess liquidity are managed centrally. At the same time, the Group has decided on objectives for liquidity reserves, such as excess cash and credit facilities, that are available to the Group at any time.

Group credit facilities

The company is dependent on credit facilities being made available by other group companies. These credit facilities are subject to reoccurring renewal.

Intellectual capital resources

The annual employee satisfaction survey looks at the employees' attitude to and perceptions of working conditions, career opportunities and management performance in the Radisson Group.

With the Radisson Hotel Group, training has a twofold purpose: career development and personal development. The School for Management Training continued to attract members from all brands in 2018. The Radisson Hotel Group also extended its training portfolio by introducing tailored eLearning resources to supplement the school's face-to-face forum.

Environmental performance

The Radisson Group has in recent years implemented the "Responsible Business" programme. The primary purpose is to systematically obtain information about the hotel's energy consumption, waste disposal and consumption of chemicals that are detrimental to the environment and then to lay down a plan to minimise the impact on the environment as much as possible. The programme also includes special training programmes for group hotel staff in order for them to be able to identify potential impacts on the environment and to plan the operation of the hotels, of which environmental considerations are an important factor.

Statutory report on corporate social responsibility

Radisson Hospitality Denmark ApS does not have a separate CSR policy developed and adjusted to the Company's operational conditions. The Radisson Group has by its "Responsible Business" policy, applied to all consolidated companies, an internal code of practice which must be complied with as regards CSR.

The three basic principles of the "Responsible Business" programme are:

- Taking responsibility for the health and safety of employees and guests
- Respecting social and ethical issues in the Company as well as in the community
- Reducing our negative impact on the environment

Management commentary

The full "Responsible Business" efforts are described here:

<https://www.radissonhospitalityab.com/static-files/a7468b92-841f-4c5f-9b63-5815c6b48697>

Statutory report on the underrepresented gender

The Company has a policy on diversity and its target figure is to always keep the minimum share of women in the Board of Directors at 33%. At 31.12.2018, there is one female board members and, therefore, the target figure has not been met. The reason for this is the ongoing change in owner structure and recent application for delisting. Once the new ownership structure has settled in, it is still the intention that the share of women at the board should be 33%. The company expect to fulfill this target within 2 years.

The Company does not have any separate policy on female representation in top management. However, it is subject to the Radisson Group policy and the aim is to achieve 30% representation of women in top management.

HR management and recruitment processes are very much subject to handling by the company's Head office functions and support offices functions handling these aspects of the business.

Group management and Group HR functions have a clear policy targeting a balanced leadership in all positions <https://blog.radissonblu.com/international-womens-day/>. These principles are fully adapted by the company and considered an integral part of any hiring process.

Income statement for 2018

	<u>Notes</u>	<u>2018</u> EUR'000	<u>2017</u> EUR'000
Revenue	2	28.498	27.966
Other external expenses		<u>(28.345)</u>	<u>(27.827)</u>
Gross profit/loss		153	139
Depreciation, amortisation and impairment losses		<u>0</u>	<u>(34)</u>
Operating profit/loss		153	105
Income from investments in group enterprises	3	833	6.302
Other financial income		0	38
Other financial expenses	4	<u>(3.247)</u>	<u>(3.237)</u>
Profit/loss before tax		(2.261)	3.208
Tax on profit/loss for the year	5	<u>681</u>	<u>681</u>
Profit/loss for the year	6	<u>(1.580)</u>	<u>3.889</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Goodwill		0	0
Intangible assets	7	<u>0</u>	<u>0</u>
Investments in group enterprises		456.252	455.315
Fixed asset investments	8	<u>456.252</u>	<u>455.315</u>
Fixed assets		<u>456.252</u>	<u>455.315</u>
Receivables from group enterprises		0	262
Other receivables		0	1
Income tax receivable		1.548	16
Receivables		<u>1.548</u>	<u>279</u>
Current assets		<u>1.548</u>	<u>279</u>
Assets		<u>457.800</u>	<u>455.594</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Contributed capital	9	83.000	83.000
Retained earnings		<u>236.980</u>	<u>238.560</u>
Equity		<u>319.980</u>	<u>321.560</u>
Provisions for investments in group enterprises	10	<u>104</u>	<u>0</u>
Provisions		<u>104</u>	<u>0</u>
Payables to group enterprises		<u>123.000</u>	<u>123.000</u>
Non-current liabilities other than provisions		<u>123.000</u>	<u>123.000</u>
Trade payables		300	0
Payables to group enterprises		11.781	4.090
Other payables		<u>2.635</u>	<u>6.944</u>
Current liabilities other than provisions		<u>14.716</u>	<u>11.034</u>
Liabilities other than provisions		<u>137.716</u>	<u>134.034</u>
Equity and liabilities		<u>457.800</u>	<u>455.594</u>
Events after the balance sheet date	1		
Contingent liabilities	11		
Related parties with controlling interest	12		
Group relations	13		

Statement of changes in equity for 2018

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	83.000	238.560	321.560
Profit/loss for the year	0	(1.580)	(1.580)
Equity end of year	83.000	236.980	319.980

Notes

1. Events after the balance sheet date

As of April 1, 2019 the company's subsidiary, Radisson Hotel ApS Danmark, have sold its two subsidiaries (100% owned) in Switzerland to its German subgroup (also 100% owned). This transaction resulted in a gain on sales of shares amounting to DKK 260 Mio. This gain is not recognized in the 2018 annual report for Radisson Hotels ApS Danmark and will only impact the Annual report 2019.

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

	2018	2017
	EUR'000	EUR'000
2. Revenue		
Denmark	28.414	23.220
Other Countries	84	4.746
	28.498	27.966

	2018	2017
	EUR'000	EUR'000
3. Income from investments in group enterprises		
Reversal of impairment losses from prior years	1.371	7.639
Write-down of investment	(538)	(1.337)
	833	6.302

	2018	2017
	EUR'000	EUR'000
4. Other financial expenses		
Financial expenses from group enterprises	3.240	3.177
Other financial expenses	7	60
	3.247	3.237

	2018	2017
	EUR'000	EUR'000
5. Tax on profit/loss for the year		
Current tax	(681)	(674)
Change in deferred tax	0	(7)
	(681)	(681)

Notes

	2018	2017
	EUR'000	EUR'000
6. Proposed distribution of profit/loss		
Retained earnings	(1.580)	3.889
	(1.580)	3.889
		Goodwill
		EUR'000
7. Intangible assets		
Cost beginning of year		509
Cost end of year		509
Amortisation and impairment losses beginning of year		(509)
Amortisation and impairment losses end of year		(509)
Carrying amount end of year		0
		Invest-
		ments in
		group
		group
		enterprises
		EUR'000
8. Fixed asset investments		
Cost beginning of year		662.713
Cost end of year		662.713
Impairment losses beginning of year		(207.398)
Impairment losses for the year		(538)
Reversal of impairment losses		1.371
Investments with negative equity value transferred to provisions		104
Impairment losses end of year		(206.461)
Carrying amount end of year		456.252

Notes

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>	<u>Equity EUR'000</u>	<u>Profit/loss EUR'000</u>
Investments in group enterprises comprise:					
Radisson Hotels ApS					
Danmark	Denmark	ApS	100,0	453.573	2.244
Radisson Russia A/S	Denmark	A/S	100,0	(104)	(904)
Radisson Loyalty Management A/S	Denmark	A/S	100,0	1.340	195
Radisson Cornerstone A/S	Denmark	A/S	100,0	1.339	384

	<u>Number</u>	<u>Par value EUR'000</u>	<u>Nominal value EUR'000</u>
9. Contributed capital			
Shares	830.000	0,1	83.000
	830.000		83.000

10. Provisions for investments in group enterprises

The provision for investments in group enterprises comprises investments in which the equity value is negative, and where the Company has a legal or constructive obligation, and a loss is expected.

11. Contingent liabilities

Letters of support

The Company's subsidiary, Radisson Hotels ApS Danmark, has issued letters of support to management of its subsidiaries in the UK.

Among others, the Radisson Hotels ApS Danmark states in these letters of support that for a specified period it will provide funds to the subsidiaries for them to continue their ordinary operations.

The subsidiaries in the UK have positive equity at 31.12.2018

The Company does not expect that the letter of support will be brought into effect. If the letter of support, contrary to expectation, is brought into effect, it follows from a letter of support from Radisson Hotel Group BVBA that the necessary funds will be made available to Radisson Hotels ApS Danmark, so the Company will be able to meet its obligations in full for a period of at least 12 months from 01.05.2019. Consequently, no provision for losses has been recognised in this respect.

Notes

Disputes

The Radisson Hotel Group operates in a number of countries around the world and is always involved in several complex projects and business relationships in which professional disputes on various issues may arise. Most times these situations are resolved through negotiations and discussions. In some rare situations, these disputes may lead to major disagreements or claims of violation of the law. Provisions for claims due to known disputes are recorded whenever there is a situation in which it is more likely than not that Radisson will have an obligation to settle the dispute and in which a reliable estimate can be made regarding the outcome of such dispute. Currently no provisions for claims or disputes are recognized.

Joint taxation

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 jointly registered group enterprises for the total VAT liability.

Guarantees

Radisson Hospitality Denmark ApS has guaranteed a number of contractual obligations of the lease agreements and the management agreements entered into by other group enterprises, i.a. lease of the Group's hotels and performance guarantees as part of the management agreements with the Group's hotels in several countries.

The Company has also provided guarantees to a number of trading partners of and suppliers to the Group's operating companies.

Other

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 EUR 250.000.000 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.

Radisson Hospitality Denmark ApS is one of the direct and indirect subsidiaries whose shares or assets have been included in the security uptake.

Notes

12. Related parties with controlling interest

Related parties with a controlling interest in Radisson Hospitality Denmark ApS:

Name	Registered office	Basis of influence
Radisson Hotel Holdings AB	Stockholm	Parent
Radisson Hotel Group AB	Stockholm	Parent
Aplite Holding AB	Stockholm	Parent
Jin Jiang International Holdings Co., Ltd	Shanghai, China	Ultimate Parent

No transactions with related parties were made in the financial year 2018 which were not made on an arm's length basis

13. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest 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 C enterprises (large).

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

Reporting currency

The annual report of Radisson Hospitality Denmark ApS is presented using EUR as the reporting currency.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The consolidated financial statement is prepared in Radisson Hotel Group AB.

Referring to section 96(3) of the Danish Financial Statements Act, the fee to auditor is not shown in the financial statement. This is shown in the consolidated financial statement prepared in Radisson Hotel Group AB.

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 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.

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.

Accounting policies

Income statement

Revenue

Revenue primarily consists of fees from hotel activities including management and franchise fees as well as management and administration services, etc. The fees are taken to income in the related period.

Other external expenses

Other external expenses include fees and expenses relating to the Company's ordinary activities, including sale, marketing, etc. This item also includes write-downs of receivables recognised in current assets.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend received from the individual group enterprises in the financial year, write-downs for the year and reversal of write-downs from prior years.

Other financial income

Other financial income comprises, interest income, including interest income on receivables from group enterprises, net capital gains on 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, payables 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 Company 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).

Accounting policies

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

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.

If the equity value is negative, the amount is recognised under provisions if a legal or constructive obligation exists and a loss is expected.

Receivables

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

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.

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.

Other provisions

Other provisions comprise acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Other financial liabilities

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

Accounting policies

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, the Company has omitted to prepare a cash flow statement as its cash flows are included in the cash flow statement of Radisson Hotel Group AB.