

TIP Trailer Services Denmark ApS
Annual Report 2017
Registration no. 66293815

TIP Trailer Services

TIP Trailer Services Denmark ApS

Annual Report 2017

Litauen Alle 7, 2630 Taastrup

18 May 2018

Contents

Statement by the Executive and Board of Directors	3
The independent Auditor's report	4
Management's review	7
Company details	7
Financial highlights	8
Operating review	9
Financial statements for the year ended 31 December	10
Accounting policies	10
Income statement	15
Balance sheet	16
Cash flow statement	19
Notes	20

Statement by the Executive and Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the annual report of TIP Trailer Services Denmark ApS for the financial year 1 January – 31 December 2017.

The annual report has been prepared in accordance with the Danish Financial Statements Act. It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 18.05.2018

Executive Board:



Christian Petersen

Board of Directors:



Robert Fast
Chairman



Malachy Mc Enroe



Christian Petersen

Independent auditor's report

To the shareholders of TIP Trailer Services Denmark ApS

Opinion

We have audited the financial statements of TIP Trailer Services Denmark ApS for the financial year 1 January – 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. 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 2017 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2017 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 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.

Independent auditor's report

- ▶ 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.

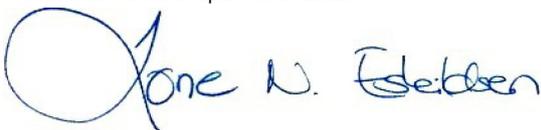
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 18 May 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab

A handwritten signature in blue ink that reads "Lone N. Eskildsen". The signature is written in a cursive style with a large, circular initial 'L'.

Lone Nørgaard Eskildsen
State Authorised
Public Accountant
MNE no.: mne32085

Management's review

Company details

TIP Trailer Services Denmark ApS
Litauen Alle 7
2630 Taastrup

Telephone: +45 7010 7300

Registration No.: 66 29 38 15
Established: 3-Sept-1980
Registered office: Copenhagen

Board of Directors

Robert Fast
Christian Petersen
Malachy Mc Enroe

Executive Board

Christian Petersen

Auditors

Ernst & Young Godkendt
Revisionspartnerselskab
Vaerkmestergade 25, 8000 Aarhus C

Management's review

Financial highlights

DKK Thousand	2017	2016	2015	2014	2013
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Key figures

Revenue	145,565	113,118	107,542	118,481	134,770
Profit/(loss) from ordinary operating activities	(4,513)	(12,030)	(40,726)	(13,182)	(13,005)
Profit/(loss) from financial income and financial expenses	(989)	(882)	369	(456)	(4,912)
Profit/(loss) for the year	(5,500)	(12,910)	(40,358)	(13,638)	(17,917)

Fixed assets	365,937	315,424	262,484	246,845	271,711
Current assets	69,415	113,207	128,034	86,437	76,713
Total assets	435,352	428,632	390,518	333,282	348,424
Share capital	(60,006)	(60,006)	(60,006)	(60,006)	(60,006)
Capital and reserves	(249,990)	(255,490)	(268,400)	(308,758)	(322,396)
Provisions	-	-	-	-	-
Long-term liabilities	(0)	-	-	-	-
Short-term liabilities	(185,362)	(173,142)	(122,118)	(24,524)	(26,028)

Investments in Property, Plant and Equipment	(142,231)	(141,335)	(92,284)	(38,833)	(5,721)
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Financial ratios

Net profit ratio	-3%	-11%	-38%	-11%	-10%
Return on investments	-1%	-3%	-11%	-4%	-3%

The financial ratios have been calculated as follows:

Net profit ratio	$\text{Operating profit/(loss)} \times 100 / \text{Revenue}$
Return on investment	$\text{Operating profit/(loss)} \times 100 / \text{Average operating assets}$
Operating assets	Total Assets

Management's review

Operating review

Activity

TIP Trailer Services Denmark ApS (the "Company") principal activities are to provide leasing of trailers, lease management and maintenance services. The operating area is restricted to Denmark.

Development in activities

Operating Loss amounts to DKK 4.5 million compared to 2016 where there was a loss of DKK 13 million.

The net book value of trailers has increased during the year from DKK 257 million in 2016 to DKK 299 million in 2017. Sales of trailers accounted for DKK 42 million while additions during 2017 amounted to DKK 97 million.

During August 2017 the Company completed the acquisition of the business of Agathon On Spot K/S. Agathon On Spot K/S is a Danish company operating two workshops on one location in Hirtshals. The total purchase price is DKK 11 million.

Financial position

The Company has capital and reserves of DKK 250 million at year end. The capital structure is considered satisfactory and sufficient to continue with the Company's activities in the upcoming financial year.

Outlook

Management expects an improvement on ordinary operations in 2017, by increasing the utilization rate and expanding the maintenance service in Denmark.

Environmental issues

The company's influence on the external environment and working environment aims to reduce the risk of pollution and avoid working accidents.

Events after the balance sheet date

No events have occurred after the balance sheet date that significantly influences the assessment of the financial result.

Financial statements for the year ended 31 December

Accounting policies

The annual report of TIP Trailer Services Denmark ApS (the “Company”) for the year ended December 31, 2017 has been prepared in accordance with the provisions applying to class C enterprises under the Danish Financial Statements Act.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Financial statements for the year ended 31 December

Accounting policies

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as interest income or expense and similar items.

Income statement

Revenue

Revenue is comprised of lease income, rebills to customers and profit/loss on disposal of trailers.

Revenues are accrued so that leases invoiced, but covering a period of the coming financial year is stated as over-billings, and not invoiced leases covering the period this financial year is stated as short-billings.

Operating costs

Operating costs comprise maintenance, lease expenses and insurance.

Staff costs

Staff costs comprise salaries, wages, remuneration, pensions, social costs and other staff costs to employees of the Company, including the executive and board of directors.

Other external costs

Other external costs comprise of rental expenses, travel costs, marketing, bad debt provisions, audit expense, office costs and bank charges.

Interest income and expense and similar items

Interest income and expense and similar items comprise interest income and expense, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme etc.

Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in capital and reserves is recognised directly in capital and reserves.

Financial statements for the year ended 31 December

Accounting policies

Balance sheet

Property, plant and equipment excluding trailers

Land and buildings and fixtures and fittings and tools and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	40 years
Fixtures and fittings, tools and equipment	3-5 years

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or costs.

Financial statements for the year ended 31 December

Accounting policies

Balance sheet

Intangible fixed assets

Goodwill represents the excess of the cost of the acquisition over the Company's interest in the net realisable value of the assets acquired and (contingent) liabilities assumed at the transfer date less cumulative amortisation and cumulative impairment losses. Goodwill is paid upon the acquisition. The capitalised goodwill is amortised on a straight-line basis over the estimated useful life.

Fleet

The lease portfolio is operating lease and is recorded in the balance sheet under tangible assets.

The valuation of the trailer fleet is based on cost less accumulated depreciation. Trailers are depreciated on a straight line basis so that the costs of the trailers less expected market value at termination of the lease contracts are depreciated over the contract period. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates

Major refurbishments are capitalised and depreciated together with the trailers.

Trailers are written down to the recoverable amount if this is lower than the carrying amount. Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired.

Inventories

Inventories are carried at the lower of cost and net realizable value and are to be sold within one year. The cost of inventories is usually the current net book value of Fleet transferred to inventories and is determined for each item individually. The net realizable value is periodically re-assessed for all units that have been held for sale for six months or more and adjusted, if necessary.

Sales of inventories are recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on receipt of cash. Book value of the assets sold and any costs directly associated with the sale are recorded at the same time. The revenue and the related book value are recognised as revenue from disposal of Fleet and cost of disposed Fleet respectively in the statement of profit or loss.

Financial statements for the year ended 31 December

Accounting policies

Impairment of non-current assets

The carrying amount of property, plant and equipment, including trailers, is subject to an annual test of indications of impairment other than the decrease in value reflected by amortization or depreciation. Impairment tests are conducted on individual assets or group of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost. Write-down is made to net realisable value for bad debt losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to equipment and other items where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Financial liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalent at the beginning and end of the year.

Cash and cash equivalent comprise cash at bank and in hand.

Financial statements for the year ended 31 December

Income statement

DKK'000	Note	2017	2016
Revenue		145,565	113,118
Operating Costs		(34,898)	(33,788)
Gross Margin		110,666	79,330
Depreciation and Impairment	1	(45,275)	(44,107)
Ordinary Operating Profit		65,391	35,223
Staff Costs	2	(54,683)	(44,954)
Other External Costs		(15,220)	(2,298)
Operating Loss		(4,513)	(12,029)
Interest income from group companies		1,170	107
Interest expense from group companies		(2,158)	(988)
Loss from ordinary activities before tax		(5,500)	(12,910)
Tax on loss from ordinary activities	3	-	-
Loss for the year		(5,500)	(12,910)

Financial statements for the year ended 31 December

Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Fixed assets			
Property, plant and equipment	4		
Land and buildings		62,981	58,327
Fleet		298,540	256,952
Fixtures and fittings, tools and equipment		307	145
		<u>361,828</u>	<u>315,424</u>
Intangible assets	5		
Customer list/ Goodwill		4,108	-
Total Intangible Assets		<u>4,108</u>	<u>-</u>
Total Fixed and Intangible Assets		<u>365,937</u>	<u>315,424</u>
Current assets			
Inventories		4,414	1,304
Receivables			
Trade receivables		43,584	32,209
Amounts owed from group enterprises		-	67,414
Security Deposits		5,421	-
Prepayments		12,549	10,490
VAT refund		-	11
		<u>65,968</u>	<u>111,427</u>
Cash at bank and in hand		<u>3,447</u>	<u>1,780</u>
Total current assets		<u>69,415</u>	<u>113,207</u>
TOTAL ASSETS		<u><u>435,352</u></u>	<u><u>428,632</u></u>

Financial statements for the year ended 31 December

Balance sheet

DKK'000	Note	2017	2016
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		60,006	60,006
Retained earnings		189,984	195,484
Total capital and reserves		249,990	255,490
Short-term liabilities			
Amounts owed to group enterprises		147,791	117,007
Trade payables		17,098	42,322
Deposits received from customers		-	252
Other payables		19,697	13,560
VAT Payable		776	-
Total liabilities		185,362	173,142
TOTAL EQUITY AND LIABILITIES		435,352	428,632
Contingent liabilities	6		
Related party disclosures	7		
Mortgages and Collateral	8		

Financial statements for the year ended 31 December

Statement of Changes in Equity

Capital and reserves

DKK'000	Share Capital	Retained earnings	Total
Capital and reserves at 1 January 2017	<u>60,006</u>	<u>195,484</u>	<u>255,490</u>
Loss for the year	-	(5,500)	(5,500)
Capital and reserves at 31 December 2017	<u><u>60,006</u></u>	<u><u>189,984</u></u>	<u><u>249,990</u></u>

The share capital comprises 60.006 shares of DKK 1,000 thousand each.

Share capital for the latest five years is specified as follows:

DKK'000	2017	2016	2015	2014	2013
Share capital at 1 January	<u>60,006</u>	<u>60,006</u>	<u>60,006</u>	<u>60,005</u>	<u>60,005</u>
Share capital at 31 December	<u><u>60,006</u></u>	<u><u>60,006</u></u>	<u><u>60,006</u></u>	<u><u>60,006</u></u>	<u><u>60,005</u></u>

Financial statements for the year ended 31 December

Cash flow statement

DKK'000	Note	2017	2016
Lease revenue		145,565	113,118
Operating costs		(34,898)	(33,788)
Staff costs		(54,683)	(44,954)
Other operating costs		(17,168)	(2,298)
Cash generated from operation activities before changes in working capital		38,816	32,078
Changes in working capital		(40,519)	17,931
Cash generated from operating activities		(1,703)	50,010
Interest received		1,170	107
Interest paid		(2,158)	(988)
Cash flows from operating activities		(2,691)	49,129
Acquisition of fixed assets		(146,528)	128,439
Disposal of fixed assets		52,688	44,288
Cash flows (used in)/ from investing activities		(93,840)	(84,151)
Change in Group financing		98,198	27,285
Cash flows from financing activities		98,198	27,285
Net cash flows from/(used in) operating, investing and financing activities		1,667	(7,738)
Cash and cash equivalents at 1 January		1,780	9,518
Cash and cash equivalents at 31 December		3,447	1,780

Financial statements for the year ended 31 December

Notes

DKK'000	2017	2016
1 Depreciation and impairment		
Land and buildings	2,200	1,808
Fleet	42,812	42,209
Customer list	189	-
Fixtures and fittings, tools and equipment	76	90
	<u>45,276</u>	<u>44,107</u>
2 Staff costs		
Wages and salaries	50,859	41,278
Pensions	3,824	3,673
Other social security costs	-	2
	<u>54,683</u>	<u>44,954</u>
Average number of employees	<u>89</u>	<u>81</u>

With reference to the Danish Financial Statements Act. §98 b, 3, the wage for the executive Board is not described. The board of directors have not received a wage.

3 Tax on the loss for the year

Current tax for the year	0	0
Adjustment for deferred tax for the year	0	0
Income tax payments/refund from joint taxation, prior years	0	0
	<u>0</u>	<u>0</u>

Deferred tax assets amounts to DKK 157 million.

Deferred tax assets have not been recognized since the potential value is uncertain.

Financial statements for the year ended 31 December

Notes

4 Property, plant and equipment

DKK'000	Land and buildings	Trailers	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2017	89,397	553,712	1,795	644,904
Additions	6,853	96,810	237	103,900
Transferred from Group undertakings, original cost price	-	96,523	-	96,523
Transferred to Group undertakings, original cost price	-	(32,865)	-	(32,865)
Disposals	-	(136,258)	-	(136,258)
Cost at 31 December 2017	96,250	577,922	2,032	676,206
Depreciation at 1 January 2017	(31,070)	(296,768)	(1,650)	(329,488)
Depreciation	(2,200)	(42,812)	(76)	(45,087)
Transferred from Group undertakings	-	(58,192)	-	(58,192)
Transferred to Group undertakings	-	8,079	-	8,079
Disposals	-	110,312	-	110,312
Depreciation at 31 December 2017	(33,270)	(279,381)	(1,726)	(314,378)
Carrying amount at 31 December 2017	62,981	298,540	307	361,828

5 Intangible Assets

DKK'000	Goodwill	Customer List	Total
Cost at 1 January 2017	-	-	-
Additions	1,276	3,021	4,297
Disposals	-	-	-
Cost at 31 December 2017	1,276	3,021	4,297
Amortisation at 1 January 2017	-	-	-
Amortisation	-	(189)	(189)
Disposals	-	-	-
Amortisation at 31 December 2017	-	(189)	(189)
Carrying amount at 31 December 2017	1,276	2,832	4,108

Financial statements for the year ended 31 December

Notes

6 Contingent liabilities, contingent assets and security

Total operating leasing obligations amounts to DKK 24,423 thousands.

7 Related Party Disclosures and Transactions

Related parties in control of TIP Trailer Services Denmark ApS:

- TIP Holdings UK Limited, (main shareholder)
- Hainan Airlines Company Limited Employees Union Committee, China (ultimate consolidated company)
- Hainan Province Cihang Foundation ("Cihang Foundation")

TIP Holdings UK Limited holds the entire share capital.

The Company's majority ultimate shareholders are the Hainan Airlines Company Limited Employees Union Committee ("HNA Employees Union") and the Hainan Province Cihang Foundation ("Cihang Foundation") indirectly controlling the majority interest in the Company. The HNA Employees Union, established on 10 February 1993 in accordance with the China Labor Union Law and the Civil Procedural Law of China, is a legal person organized for the sole benefit of all employees of Hainan Airlines Company Limited ("Hainan Airlines"), a public air carrier duly licensed by the relevant Chinese government authorities, and a company listed and traded on China's Shanghai Stock Exchange (stock number 600221). The Cihang Foundation, established on 8 October 2010 in accordance with China's Foundation Control Measures Law, is a legal person organized for the sole purpose of engaging in charitable and educational activities and no individuals are permitted to have or entitled to any benefit under this foundation.

- All transactions with related parties have been performed on arms length basis and therefore no information about transactions with related parties have been enclosed.

8 Mortgages and Collateral

The Company is party to the Global TIP Holdings Two BV group revolving credit facility. Under this arrangement all assets:

- Land and buildings with a carrying amount of DKK 62,982 thousand at 31 December 2017 have been provided as collateral for mortgages of DKK 60,000 thousand.
- The Company's Trailers and Trade receivables with a carrying amount of DKK 342,124 thousand at 31 December 2017 have been provided as a collateral for mortgages of DKK 70,000 thousand and are secured by a cross guarantee to the lenders against amounts drawn down under this facility along with all group companies.

The guarantee towards other companies is limited to an amount equal to or the greater of

- The equity at the date of the accession of the agreement (DKK 268,400 thousand)
- The equity at the date when a claim for payment is made against the company

9 Proposed distribution of profit/ loss

DKK'000	2017	2016
Proposed dividends	-	-
Retained earnings	(5,500)	(12,910)
	<u>(5,500)</u>	<u>(12,910)</u>