



HI3G DK Holdings ApS

CVR-nr. 39 17 72 26

Annual Report for 2022

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 26 June 2023

Chairman

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Management's Statement on the Annual Report

The Executive Board and Board of Directors have today considered and adopted the Annual Report of HI3G DK Holdings ApS (the "Company") for the financial year 1 January - 31 December 2022.

The Annual Report is 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 2022 and of the results of the Company's operations for 2022.

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

Copenhagen, 26 June 2023

Executive Board

Morten Christiansen

Board of Directors

Kin Ning Canning Fok
Chairman

Ulf Christian Cederholm

Frank John Sixt

Erling Lennart Johansson

Christian Nicolas Roger Salbaing

Edith Shih

Morten Christiansen

Independent Auditor's Report

To the Shareholder of HI3G DK Holdings ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of HI3G DK Holdings ApS for the financial year 1 January - 31 December 2022, which comprise 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 judgment and maintain professional skepticism 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.

- 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 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.

Hellerup, 26 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Mads Blichfeldt Fjord
State Authorised Public Accountant
mne46065

Company Information

The Company

HI3G DK Holdings ApS
Fadet 4
DK-1799 København V

Telephone: +45 33 33 01 35

CVR-no: 39 17 72 26

Financial year: 1 January - 31 December

Municipality of
reg. office: Copenhagen

Board of Directors

Kin Ning Canning Fok, Chairman
Ulf Christian Cederholm
Erling Lennart Johansson
Christian Nicolas Roger Salbaing
Edith Shih
Frank John Sixt
Morten Christiansen

Executive Board

Morten Christiansen

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management's Review

The Company

The Company's principal activity is to invest in its wholly-owned subsidiary (the "Subsidiary").

Future development

In 2023, the Subsidiary will continue to focus on improving the customer experience. Our expectations are a positive operating profit in the range between mDKK 100-200.

Financing

The Subsidiary has strong cash flow from operations and to a great extent the 5G roll out has been self-financed. Limited external bank financing of mDKK 300 has been entered during 2022 and in combination with a credit overdraft facility of mDKK 175 entered in 2023, we find that the Subsidiary has sufficient financing for the coming year.

Significant events after the year-end

No significant events have occurred after the balance sheet date, which are considered to have a significant impact on the assessment of the Annual Report.

The situation in Ukraine has only minor impact on the Company, mainly in form of increasing prices, especially on electricity.

Accounting Policies

Basis of Preparation

The Annual Report of HI3G DK Holdings ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are unchanged from previous year.

All accounting figures in this report are stated in thousands DKK.

Consolidated Financial Statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The Financial Statements of the Company are included in the consolidated financial statements of CK Hutchison Holdings Limited, a Cayman Islands incorporated company registered and listed in Hong Kong.

Recognition and measurement

The Financial Statements have been prepared on the historical cost basis.

Revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changes in accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates ruling at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates ruling at the balance sheet date. Any differences between the exchange rates ruling at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Result from investment in a subsidiary” in the income statement includes the proportionate share of the profit after tax.

Accounting policies (continued)

The item "Investment in subsidiary" in the balance sheet includes the proportionate ownership share of the net asset value of the enterprises calculated under the accounting policies of the Company with deduction or addition of unrealised intercompany profits or losses.

The total net revaluation of investments in a subsidiary is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity.

Income Statement

Staff costs

Staff costs comprise wages and salaries as well as payroll expenses.

Income taxes

Tax for the year consists of current tax and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity.

The Company is jointly taxed with other Danish group companies. The tax effect of the joint taxation with the companies is allocated to companies showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance Sheet

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Deferred tax

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to materialise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Equity

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Accounting policies (continued)

Financial liabilities

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

Income Statement 1 January - 31 December

	Note	2022 DKK '000	2021 DKK '000
Staff costs	3	0	0
Operating profit		0	0
Result from investment in subsidiary	4	(589 040)	(26 943)
Financial income	5	41 795	38 923
Financial expenses	6	(285)	0
Profit/(loss) before income taxes		(547 530)	11 980
Income taxes		(9 195)	(8 563)
Profit/(loss) for the year		(556 725)	3 417
 Distribution of profit/(loss)			
Proposed distribution of profit/(loss)			
Transfer to retained earnings		(556 725)	3 417
		(556 725)	3 417

Balance Sheet at 31 December

	Note	2022	2021
		DKK '000	DKK '000
Assets			
Investment in subsidiary	7	2 252 854	2 841 894
Receivables from group companies		0	3 307 983
Fixed asset investments		2 252 854	6 149 877
Fixed assets		2 252 854	6 149 877
Receivables from group companies		3 496 606	155 675
Receivables		3 496 606	155 675
Current assets		3 496 606	155 675
Assets		5 749 460	6 305 553
Liabilities and equity			
		2022	2021
		DKK '000	DKK '000
Share capital		50	50
Retained earnings		5 740 215	6 296 940
Equity		5 740 265	6 296 990
Corporation tax		9 195	8 563
Current liabilities		9 195	8 563
Liabilities		9 195	8 563
Liabilities and equity		5 749 460	6 305 553
Other notes			
Events after the balance sheet date	1		
Principal activities	2		
Contingent liabilities	8		
Related parties	9		

Statement of Changes in Equity

	<u>Share capital</u> DKK '000	<u>Retained earnings</u> DKK '000	<u>Total</u> DKK '000
Equity at 1 January 2022	50	6 296 940	6 296 990
Net loss for the year	0	(556 725)	(556 725)
Equity at 31 December 2022	50	5 740 215	5 740 265
Equity at 1 January 2021	50	6 293 523	6 293 573
Net profit for the year	0	3 417	3 417
Equity at 31 December 2021	50	6 296 940	6 296 990

The share capital has not changed since it was established.

All shares have the same share class.

Notes to the Financial Statements

1 Events after the balance sheet date

No significant events have occurred after the balance sheet date, which are considered to have a significant impact on the assessment of the Annual Report.

2 Principal activities

The Company is to invest in its wholly owned subsidiary, HI3G Denmark ApS (the "Subsidiary").

3 Staff costs

The Company has no employees and no remuneration has been paid during the year.

	<u>2022</u> DKK '000	<u>2021</u> DKK '000
4 Result from investment in subsidiary		
Result from investment in subsidiary	(589 040)	(26 943)
	<u>(589 040)</u>	<u>(26 943)</u>
5 Financial income		
Interest received from group companies	41 795	38 923
	<u>41 795</u>	<u>38 923</u>
6 Financial expenses		
Other financial expenses	285	0
	<u>285</u>	<u>0</u>

	2022	2021
	DKK '000	DKK '000
7 Investment in subsidiary		
Cost at 1 January	6 000 000	6 000 000
Additions for the year	0	0
Disposals for the year	0	0
Cost at 31 December	<u>6 000 000</u>	<u>6 000 000</u>
Revaluations at 1 January	(3 158 106)	(3 131 163)
Dividend to shareholder	0	0
Result after tax for the year	(589 040)	(26 943)
Disposals for the year	0	0
Revaluations at 31 December	<u>(3 747 146)</u>	<u>(3 158 106)</u>
Carrying amount at 31 December	<u>2 252 854</u>	<u>2 841 894</u>

Investment in subsidiary is specified as follows:

Name	Place of registered office	Equity	Votes and ownership	Net result
		DKK '000		DKK '000
HI3G Denmark ApS	Copenhagen, Denmark	2 252 854	100%	(589 040)

8 Contingent liabilities

Guarantee commitments

The Company has provided a guarantee for its subsidiary HI3G Denmark ApS's liabilities towards their bank.

Joint taxation

The Company is jointly taxed with the other Danish companies in the Group. The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and individually liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.

9 Related parties

Basis

HI3G Access AB

PO Box 7012

121 07 Stockholm - Globen

Sweden

Controlling shareholder

CK Hutchison Holdings Limited

48th Floor, Cheung Kong Center

2 Queen's Road Central

Hong Kong

Ultimate parent company

Transactions

Transactions with related parties relates to financial receivables DKK 3,496,606k (2021: DKK 3,463,658k), which included a receivable from the Company's subsidiary amounting to DKK 149,153k (2021: DKK 155,675k). Interest received amounts to DKK 41,795k (2021: DKK 38,923k).

Consolidated Financial Statements

The Company is included in the consolidated financial statements of Hi3G Holdings AB, Sweden, PO Box 7012, 12107 Stockholm - Globen, Sweden, which is the smallest group into which the company is included as a subsidiary. The Company is included in the consolidated financial statements of CK Hutchison Holdings Limited, 48th Floor, Cheung Kong Center, 2 Queen's Road central, Hong Kong, or at www.ckh.com.hk, which is the largest group into which the Company is included as a subsidiary. Copy of the consolidated Financial Statements of CK Hutchison Holdings Limited for 2022 can be obtained at 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong, or at www.ckh.com.hk.