

**Asialfo Denmark ApS  
CVR no. 35515798  
Copenhagen, Denmark**

**Annual report  
for the period ended 31 December 2017**

**Adopted at the Company's Annual General Meeting  
on 22 May 2018**



---

**Chairman Chun Zhang**

**AsiaInfo Denmark ApS**  
CVR no. 35515798  
Annual report 2017

<b>Contents</b>	<b>Page</b>
Company details	3
Management's review	4
Statement by the Management on the annual report	5
Independent auditors' report	6
<b>Financial statements:</b>	
Accounting policies	8-10
Income statement	11
Balance sheet	12
Notes to the financial statements	13

**AsialInfo Denmark ApS**

CVR no. 35515798

Annual report 2017

**Company details**

Company: AsialInfo Denmark ApS

CVR no: 35515798

Registered address: c/o Bech-Bruun  
Langelinie Allé 35  
2100 København Ø  
Denmark

Website: [www.asialinfo.com](http://www.asialinfo.com)

Financial year: 4rd financial year

Directors: Tony Jan Yiu Chung  
Chun Zhang

Company's auditor: Døssing & Partnere  
Revisionsinteressentskab  
c/o TROLLESMINDE  
KONTORPARK  
Roskildevej 12 A  
3400 Hillerød  
Denmark

**Management's review**

**Principal Activities of the Company**

The Company's activities to provide IT solutions and services, including developing and delivering software and services as well as buying, selling and providing general consulting regarding software and hardware products.

**Development in the Company's activities and financial matters**

The Company is engaged in providing onshore services to Telenor Denmark for phase R1 in Denmark, as per the Master Service Agreement between Telenor and AsialInfo Hongkong for providing an IT solutions and services.

**Significant events after the balance sheet date**

No significant events have occurred after the balance sheet date which would influence the evaluation of the Company's financial position as at the balance sheet date.

**AsialInfo Denmark ApS**

CVR no. 35515798

Annual report 2017

**Statement by the Management on the annual report**

The Directors have today discussed and approved the annual report of AsialInfo Denmark ApS (the Company) for the financial period 1 January 2017 – 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 for the financial period 1 January 2017 – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 22 May 2018

**Directors:**



---

Chun Zhang

## Independent auditors' report

To the shareholder of AsialInfo Denmark ApS

### Opinion

We have audited the financial statements of AsialInfo Denmark ApS for the financial year 1 January - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, 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 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 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.

### Emphasis of Matter

The Equity at 31st December 2017 is negative. We refer to note 13 as the Company has received a declaration from the Company's ultimate principal shareholder, that the intercompany loans per 31 December 2017 will continue on the same terms through the year 2018. This matter does not cause any modifications to 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.

### Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Hillerød 22/5-2018  
DØSSING & PARTNERE  
Revisionsinteressentskab, Registrerede Revisorer  
CVR no. 54 87 99 11



Anders Iisøe  
Registered Public Accountant  
mne33775

## **Asialfo Denmark ApS**

CVR no. 35515798

Annual report 2017

### **Accounting policies**

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class B entities. The accounting policies applied are consistent with those of last year.

#### **Recognition and Measurement**

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into 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.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish kroner, DKK. All other currencies are considered foreign currencies.

#### **Foreign Currency Translations**

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

#### **Income Statement**

##### **Gross profit/loss**

The Company has aggregated the items "revenue", "other operating income" as well as external expenses.

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.



## Asialinfo Denmark ApS

CVR no. 35515798

Annual report 2017

### Accounting policies

#### **Other operating income**

Other operating income includes financial statement items of a secondary nature in relation to the primary activity of the enterprise, including profit on sale of fixed assets.

#### **External expenses**

External expenses comprise selling costs, facility costs and administrative expenses.

#### **Other operating expenses**

Other operating expenses include financial statement items of a secondary nature in relation to the primary activity of the enterprise, including profit from sale of fixed assets.

#### **Other financial income and other financial expenses**

Financial income and expenses comprise interest, realised and unrealised exchange gains and losses as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

#### **Tax on profit or loss for the year income taxes**

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

#### **Balance Sheet**

The balance sheet has been presented in account form.

#### **Assets**

##### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulate amortisation and depreciation. The basis of amortisation and depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives.

Profit/loss on sale or retirement has been included in the income statement under other operating income and other operating expenses.

##### **Impairment of property, plant and equipment**

The carrying amount of property plant and equipment is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the anticipated cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

##### **Fixed asset investments**

Other receivables recognised under fixed assets comprise loans and rental deposits measured at amortised cost, which usually corresponds to nominal amount. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognised in the income statement as impairment for loss of financial assets.

### Accounting policies

#### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

#### Work in progress

Work in progress is measured at cost price. Where the cost price exceeds the net realisable value, work in progress is written down to this lower value.

#### Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

#### Equity and Liabilities

##### Equity

Management's proposed dividends for the financial year is disclosed as a separate item in equity.

##### Provision for deferred tax

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

##### Other liabilities other than provisions

Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

##### Deferred income

Deferred income comprises income received relating to subsequent years.

AsialInfo Denmark ApS  
 CVR no. 35515798  
 Annual report 2017

Income statement

	Notes	Period ended	
		31.12.2017 DKK	31/12/2016 DKK
<b>Gross profit</b>		<b>32.458.697</b>	<b>(3.532.905)</b>
Staff costs	1	(24.632.058)	-
<b>Profit/loss before tax depreciation, interest and tax</b>		<b>7.826.639</b>	<b>(3.532.905)</b>
Depreciation, amortisation and impairment losses		-	(57.663)
Impairment losses recognised in respect of current assets exceeding normal impairment losses		(148.044.728)	
<b>Operating profit/loss</b>		<b>(140.218.089)</b>	<b>(3.590.568)</b>
Other financial income	2	8.121.152	12.803
Other financial expenses	3	(2.261.857)	(2.307.713)
<b>Profit/loss before tax</b>		<b>(134.358.794)</b>	<b>(5.885.478)</b>
Tax on profit/loss for the year		-	-
<b>Profit/loss for the year</b>		<b>(134.358.794)</b>	<b>(5.885.478)</b>
<b>Proposed profit/loss distribution</b>			
Loss		(134.358.794)	(5.885.478)
Proposed dividends for the financial year		-	-
<b>Profit/loss for the year</b>		<b>(134.358.794)</b>	<b>(5.885.478)</b>

**AsiaInfo Denmark ApS**  
 CVR no. 35515798  
 Annual report 2017

**Balance sheet**

	As at	
	31.12.2017 DKK	31.12.2016 DKK
<b>Assets</b>		
<b>Current assets</b>		
Work in progress	-	148.044.728
Trade receivables	19.711.722	-
Receivables from group enterprises	14.383.879	-
Other receivables	1.225.770	-
Prepayments	18.000	18.000
	<b>35.339.371</b>	<b>148.062.728</b>
<b>Cash</b>	6.524.210	1.046.675
<b>Total current assets</b>	<b>41.863.581</b>	<b>149.109.403</b>
<b>Total Assets</b>	<b>41.863.581</b>	<b>149.109.403</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	5.512.317	5.512.317
Share premium	-	-
Retained earnings	(148.637.885)	(14.279.091)
Proposed dividends	-	-
<b>Total equity</b>	<b>(143.125.568)</b>	<b>(9.578.091)</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	4.899.668	-
Payables to group enterprises	159.422.500	144.498.946
Other payables	19.019.558	13.056.315
Prepayments	1.647.423	320.916
<b>Total current liabilities</b>	<b>184.989.149</b>	<b>157.876.177</b>
<b>Total liabilities</b>	184.989.149	157.876.177
<b>Total Equity and Liabilities</b>	<b>41.863.581</b>	<b>149.109.403</b>

		As at	
		31.12.2017 DKK	31.12.2016 DKK
Notes			
		-	148.044.728
		19.711.722	-
		14.383.879	-
		1.225.770	-
		18.000	18.000
		<b>35.339.371</b>	<b>148.062.728</b>
		6.524.210	1.046.675
		<b>41.863.581</b>	<b>149.109.403</b>
		<b>41.863.581</b>	<b>149.109.403</b>
	4	5.512.317	5.512.317
		-	-
		(148.637.885)	(14.279.091)
		-	-
		<b>(143.125.568)</b>	<b>(9.578.091)</b>
		4.899.668	-
		159.422.500	144.498.946
		19.019.558	13.056.315
		1.647.423	320.916
		<b>184.989.149</b>	<b>157.876.177</b>
		184.989.149	157.876.177
		<b>41.863.581</b>	<b>149.109.403</b>

**AsialInfo Denmark ApS**  
CVR no. 35515798  
Annual report 2016

**Notes to the financial statements**

**1 Staff cost**

	2017 DKK	2016 DKK
Wages and salaries	(22.587.633)	-
Pensions	(1.016.814)	-
Other social security costs	(1.027.611)	-
	<b>(24.632.058)</b>	<b>-</b>

The average number of employees in 2017 is 52.

**2 Other financial income**

	2017 DKK	2016 DKK
Foreign exchange gains	8.102.002	10.000
Interest income cash accounts	19.150	2.803
	<b>8.121.152</b>	<b>12.803</b>

**3 Other financial expenses**

	2017 DKK	2016 DKK
Interest on intercompany loans	(2.261.857)	(2.187.454)
Foreign exchange losses	-	(120.259)
	<b>(2.261.857)</b>	<b>(2.307.713)</b>

**4 Equity**

	2017 DKK	2016 DKK
Share capital at 31 December 2017	<b>5.512.317</b>	<b>5.512.317</b>
Share premium at 31 December 2017	-	-
Transfer from profit/loss for the year	13.685.934	(5.885.478)
<b>Retained earnings at 31 December 2017</b>	<b>(148.637.885)</b>	<b>(14.279.091)</b>
<b>Equity at 31 December 2017</b>	<b>(143.125.568)</b>	<b>(8.766.774)</b>

The share capital consist of 593,175.00 shares of DKK 1,00. The shares have not been divided into classes.

**5 Contingent assets**

The Company has no contingent assets

**6 Ownership**

The following shareholders are subject to section 55 of Danish Public Companies Act:

AsialInfo (U.K.) Limited

**7 Intercompany loan**

The Company's ultimate principal shareholder declares simultaneously that the intercompany loans per 31 December 2017 will continue on the same terms on the same terms throught the year 2017.

**8 Consolidated financial statements**

The Company is included in the group annual report of AsialInfo (U.K.) Limited.

The group annual report may be obtained at the following address: Compass House, Vision Park, Chivers Way, Cambridge, CB24 9AD, UK