

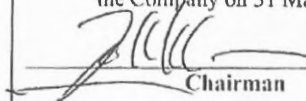


HI3G DK Holdings ApS

CVR-nr. 39 17 72 26

Annual Report for 2020

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 31 May 2021


Chairman

Birgitte Lund
CFO
HI3G Denmark ApS
Scandiagade 8
2450 København SV



HI3G DK Holdings ApS, Scandiagade 8, 2450 København SV

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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 2020.

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 2020 and of the results of the Company's operations for 2020.

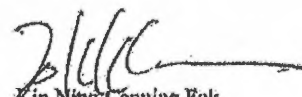
We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 May 2021

Executive Board

Morten Christiansen

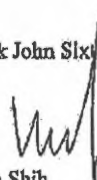
Board of Directors


Xin Ning Canning Bok
Chairman

Ulf Christian Cederholm

Frank John Sixt

Erling Lennart Johansson


Edith Shih


Morten Christiansen

Christian Nicolas Roger Salbaing

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Copenhagen, 31 May 2021


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
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Copenhagen, 31 May 2021

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Copenhagen, 31 May 2021

Executive Board

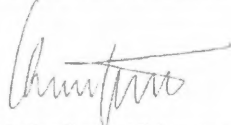
Morten Christiansen

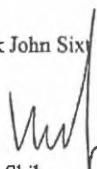
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Christian Nicolas Roger Salbaing

Management's Statement on the Annual Report

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Copenhagen, 31 May 2021

Executive Board



Morten Christiansen

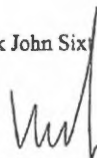
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Frank John Sixt

Erling Lennart Johansson



Edith Shih



Morten Christiansen

Christian Nicolas Roger Salbaing

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 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 2020, 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.

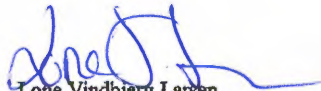
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies 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, 31 May 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31



Ulrik Røsbild
State Authorised Public Accountant
mne33262



Lone Vindbjerg Larsen
State Authorised Public Accountant
mne34548

Company Information

The Company

HI3G DK Holdings ApS
Scandiagade 8
DK-2450 København SV

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").

During 2020 a partial demerger of Towers from HI3G Denmark ApS into HI3G Networks Denmark ApS was finalized. HI3G Networks Denmark ApS was sold in December of 2020 with an accounting gain of mDKK 2,419.

Future development

In 2021, the subsidiary will continue to focus on improving the customer experience. Our expectations is a result in line with previous year, a gross profit between mDKK 1,600 and 1,800.

Financing

In the past years, the Subsidiaries did not require any further financing as its activities have generated sufficient cash from operations. This has continued in 2020 and is expect to be able to self-finance 5G rollout in the coming years.

Statutory Report on Social Responsibility and Gender Composition in Management , cf. Section 99a and 99b respectively of the Danish Financial Statements Act

In accordance with the policies, the Company and the subsidiary work actively with a range of sustainability areas; in particular, with the environment and Human Rights. More information is available in the 3 Denmark CSR-report 2020 here:

https://www.3.dk/globalassets/om-3/om-virksomheden/csr-rapporter/3_csr_rapport_eng_2020_4a.pdf

and in the Gender Composition report 2020 here:

https://www.3.dk/globalassets/om-3/om-virksomheden/csr-rapporter/3_redegorelse_kon_2020_eng_3a.pdf

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.

Accounting Policies

Basis of Preparation

The Annual Report of HI3G DK Holdings ApS for 2020 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.

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 for the year 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 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.

Financial liabilities

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

Statement of cash flow

In accordance with section 86(4) of the Danish Financial Statements Act, the Company is exempt from preparing a cash flow statement.

Financial Ratios

The financial ratios have been calculated as follows:

$$\begin{array}{lcl} \text{Return on total assets} & = & \frac{\text{Operating profit x 100}}{\text{Total assets}} \\ \\ \text{Solvency ratio} & = & \frac{\text{Equity at year end x 100}}{\text{Total assets}} \end{array}$$

Income Statement 1 January - 31 December

	Notes	2020 DKK '000	2019 DKK '000
Staff costs	3	0	0
Operating profit		0	0
Result from investment in subsidiary	4	2 694 022	0
Financial income	5	1 701	0
Financial expenses	6	(34 348)	0
Profit before income taxes		2 661 375	0
Income taxes		7 182	0
Profit for the year		2 668 557	0

Balance Sheet at 31 December

	Notes	2020 DKK '000	2019 DKK '000
Assets			
Investment in subsidiary	7	2 868 837	9 624 966
Receivables from group companies		3 269 061	50
Fixed asset investments		6 137 898	9 625 016
Fixed assets		6 137 898	9 625 016
Receivables from group companies		148 493	0
Corporation tax		7 182	0
Receivables		155 675	0
Current assets		155 675	0
Assets		6 293 573	9 625 016
Liabilities and equity			
Share capital		50	50
Retained earnings		6 293 523	3 624 966
Equity		6 293 573	3 625 016
Payables to group companies		0	6 000 000
Current liabilities		0	6 000 000
Liabilities		0	6 000 000
Liabilities and equity		6 293 573	9 625 016
Other notes			
Events after the balance sheet date	1		
Principal activities	2		
Contingent liabilities	8		
Related parties	9		
Distribution of profit	10		

Company Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK '000	DKK '000	DKK '000
Equity at 1 January 2020	50	3 624 966	3 625 016
Net profit for the year	0	2 668 557	2 668 557
Equity at 31 December 2020	50	6 293 523	6 293 573
Equity at 1 January 2019	50	0	50
Group contribution	0	3 624 966	3 624 966
Net profit for the year	0	0	0
Equity at 31 December 2019	50	3 624 966	3 625 016

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.

	2 020 DKK '000	2019 DKK '000
4 Result from investment in subsidiary		
Gain from sale of shares of subsidiary	2 418 735	0
Result from investment in subsidiary	275 287	0
	<u>2 694 022</u>	<u>0</u>
5 Financial income		
Interest received from subsidiary	1 701	0
	<u>1 701</u>	<u>0</u>
6 Financial expenses		
Interest paid to group companies	(34 348)	0
	<u>(34 348)</u>	<u>0</u>

	2020 DKK '000	2019 DKK '000
7 Investment in subsidiary		
Cost at 1 January	9 624 966	0
Additions for the year	0	9 624 966
Disposals for the year	(3 624 966)	0
Cost at 31 December	6 000 000	9 624 966
Revaluations at 1 January	0	0
Dividend to shareholder	(6 182 791)	0
Result after tax for the year	275 287	2 374 864
Elimination of internal gain	0	(2 374 864)
Disposals for the year	2 776 342	0
Revaluations at 31 December	(3 131 163)	0
Carrying amount at 31 December	2 868 837	9 624 966

Investment in subsidiaries is specified as follows:

Name	Place of registered office	Equity DKK '000	Votes and ownership	Net result DKK '000
HI3G Denmark ApS	Copenhagen, Denmark	2 868 837	100%	159 958

HI3G Networks Denmark ApS was disposed in the year.

8 Contingent liabilities

Guarantee commitments

The Company has provided a guarantee for HI3G Denmark ApS 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 and debt. Interest received amounts to DKK 1,701K and interest paid amounts to DKK 34,348K.

At year end, the Company has a receivable from its subsidiary, amounting to DKK 148,493k.

Consolidated Financial Statements

The Company is included in the consolidated financial statements of HI3G Holdings AB, Stockholm, Sweden, which is the smallest group into which the Company is included as a subsidiary. The consolidated financial statements of CK Hutchison Holdings Limited, 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong, is the largest group into which the Company is included as a subsidiary. Copies of the consolidated financial statements can be obtained at the addresses of the respective parent companies.

10 Distribution of profit

Proposed distribution of profit

	<u>2020</u>	<u>2019</u>
	DKK '000	DKK '000
Transfer to retained earnings	<u>2 668 557</u>	<u>0</u>
	<u>2 668 557</u>	<u>0</u>