CK Hutchison Group Telecom Finance S.A.

CK HUTCHISON GROUP TELECOM FINANCE S.A.
(*incorporated with limited liability under the laws of the Grand Duchy of Luxembourg*)
7, rue du Marché-aux-Herbes
L-1728 Luxembourg
RCS Luxembourg: B236170
(the "Issuer")

€1,500,000,000 0.375% Guaranteed Notes due 2023
(ISIN XS2056572154/Common Code 205657215)

€1,000,000,000 0.750% Guaranteed Notes due 2026
(ISIN XS2057069093/Common Code 205706909)

€1,000,000,000 1.125% Guaranteed Notes due 2028
(ISIN XS2057069762/Common Code 205706976)

€750,000,000 1.500% Guaranteed Notes due 2031
(ISIN XS2057070182/Common Code 205707018)

£500,000,000 2.000% Guaranteed Notes due 2027
(ISIN XS2057072121/Common Code 205707212)

and

£300,000,000 2.625% Guaranteed Notes due 2034
(ISIN XS2057072477/Common Code 205707247)

in each case
unconditionally and irrevocably guaranteed by

CK HUTCHISON GROUP TELECOM HOLDINGS LIMITED
(*incorporated in the Cayman Islands with limited liability*)

In accordance with Regulation (EU) No. 596/2014 on market abuse and the law of 11 January 2008 on transparency requirements, as amended, the Issuer is filing with the *Commission de Surveillance du Secteur Financier* and storing with the Officially Appointed Mechanism the attached audited financial statements for the year ended 31 December 2022 of the Issuer.

CK Hutchison Group Telecom Finance S.A.

Edith Shih
Director

24 April 2023

CK HUTCHISON GROUP TELECOM FINANCE S.A.
(Incorporated in Luxembourg with Limited liability)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7, rue du Marché-aux-Herbes
L-1728 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 236 170

CK HUTCHISON GROUP TELECOM FINANCE S.A.
(Incorporated in Luxembourg with Limited liability)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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CK HUTCHISON GROUP TELECOM FINANCE S.A.
(Incorporated in Luxembourg with Limited liability)

MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL ACTIVITIES AND BACKGROUND

CK Hutchison Group Telecom Finance S.A. (the "Company"), a Luxembourg Société Anonyme, is a wholly owned subsidiary of CK Hutchison Group Telecom Holdings Limited ("CKHGTH"), a company incorporated in the Cayman Islands with its subsidiaries, collectively referred to as "CKHGTH Group". The ultimate holding company is CK Hutchison Holdings Limited ("CKHH"), a limited liability company incorporated in the Cayman Islands and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The group companies are herein defined as CKHH and its subsidiary companies, collectively referred to as the "CKHH Group".

The principal activity of the Company is to arrange financing on behalf of CKHGTH Group companies.

The transactions for the year are summarized and described hereafter.

In October 2022, the Company executed cross currency interest rate swaps ("CCIRS") with banks to swap British Pound principal borrowings of GBP500 million to Euro principal borrowings of EUR570 million to hedge the obligations of the Company under the guaranteed notes Series E GBP500 million at a blended interest rate of 0.0509% per annum.

In addition to these transactions, the Company agreed with Hutchison Europe Telecommunication S.à r.l. ("HET"), a group company, to amend the credit facility of GBP500 million dated 9 December 2019 to align its terms with the terms of the executed CCIRS so that the benefits of the CCIRS would be passed onto HET.

In November 2022, the Company entered into new CCIRS with banks to swap British Pound principal lending of GBP583 million to Euro principal lending of EUR673 million to hedge the foreign currency exposures of the Company under the GBP loan facility of GBP583 million granted to HET.

In addition to these transactions, the Company agreed with HET to amend the credit facility of EUR1,000 million dated 30 June 2021 to align its terms with the terms of the executed CCIRS so that the benefits of the CCIRS would be passed onto HET.

In October 2022, the Company executed a bank revolving credit facility agreement for EUR300 million. In November 2022, the Company used entirely this facility to fund HET. This financing was repaid by HET then to the bank in December 2022.

The notes and bank loan are unsecured and guaranteed by CKHGTH. The details are set out in Note 17 "Notes" and Note 18 "Bank Loan" of the Notes to the financial statements.

The Company does not have any branches and does not perform research and development activities.

ANALYSIS OF DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

The key performance indicators used for internal performance analysis are set out below.

	2022 EUR
Interest income	61,251,508
Other operating income	8,365,336
Profit for the year	9,615

As at 31 December 2022, total assets and net current liabilities of the Company were EUR6,254,523,003 and EUR19,672,023 respectively.

SHARE CAPITAL

As at year end, the authorised share capital amounts to EUR30,000, consisting of 30,000 ordinary shares with a nominal value of EUR1 each.

The Company did not acquire and does not hold its own shares.

DIVIDENDS

No interim dividend was paid during the year and the directors do not recommend the declaration of a final dividend.

PRINCIPAL RISKS AND RISK MANAGEMENT

The Company's activities may expose it to certain financial risks, including market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company's treasury function sets financial risk management policies in accordance with policies and procedures of the CKHH Group, and which are also subject to periodic review by the CKHH Group's internal audit function. The Company's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Company's overall financial position and to minimize the Company's financial risks.

(i) Foreign currency risk

Risks associated with currency fluctuation in certain financial assets and liabilities that are denominated in currencies other than the Company's functional currency.

(ii) Interest rate risk

Risks associated with borrowings and lending in floating interest rates.

PRINCIPAL RISKS AND RISK MANAGEMENT (CONTINUED)

(iii) Credit risk

Risks associated with the non-performance by counterparties that are related to the Company's cash at banks and lending to group companies.

(iv) Liquidity risk

Risks associated with the Company's liquidity requirements to maintain sufficient liquid financial assets to meet short-term financial liabilities.

The details of financial risk management are set out in Note 5 "Financial Risk Management" of the Notes to the financial statements.

OUTLOOK FOR THE COMPANY

The directors consider that the results for the year and the financial position at the year-end are within expectation.

The Company agreed with the risk factor determined by CKHGTH Group that it belongs and described hereafter.

GLOBAL ECONOMY

As a global mobile telecommunications operators, the CKHGTH Group is exposed to the developments in the global economy as well as developments in the telecommunications industry and geographical markets in which it operates.

In general, volatility in worldwide credit and financial markets, fluctuations in commodity prices, rising geopolitical risks and political turbulence and global trade competition have all contributed to the increased uncertainty of global economic prospects. Any adverse economic developments, whether as a result of a global recession or a recession in one or more of the CKHGTH Group's key markets, credit and capital markets volatility, an economic or financial crisis, or otherwise, could result in reduced consumer spending on telecommunications products and services, which in turn could result in lower revenue and reduced profit for the CKHGTH Group. As a result, the CKHGTH Group's financial condition and results of operations may be influenced by the general state of the global economy or the general state of a specific market or economy. Any significant decrease in the level of economic growth in the global or regional or a specific economy could adversely affect the CKHGTH Group's financial condition or results of operations.

In general, volatility in the United States and worldwide credit and financial markets, the COVID-19 pandemic, fluctuations in commodity prices and rising energy costs, mounting inflationary pressures, potential interest rate hikes, increasing geopolitical risks and political turbulence, global trade competition and supply chain disruptions have all contributed to the increased uncertainty of global economic prospects and dampen economic growth.

The CKHGTH Group's overall success depends, in part, upon its ability to succeed in different economic, social, and political conditions. There can be no assurance that the CKHGTH Group will continue to succeed in developing and implementing policies and strategies that are effective in each location where it conducts business. Moreover, any deterioration in the economic, social and/or political conditions in the markets in which the CKHGTH Group conducts business could have a material adverse effect on the CKHGTH Group's financial condition and results of operations.

COVID-19 PANDEMIC

In January 2020, the World Health Organisation declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on 11 March 2020 it was declared a pandemic. Between January 2020 and the issue date of this financial statements, the COVID-19 virus had spread to many countries, with significant number of reported cases and related deaths.

Several countries' governments and numerous companies have imposed increasingly stringent restrictions to help avoid, or slow down, the spread of the pandemic, including, for example, restrictions on international and local travel, public gatherings and participation in meetings, as well as closures of universities, schools, stores and restaurants, with some countries imposing strict curfews and lockdowns. There can be no assurance that these restrictions will not be extended further on one or more occasions. These measures have led to lockdowns in areas where the CKHGTH Group has operations, and has had and may continue to have an adverse effect in the short to medium term on the CKHGTH Group's operations.

Although certain countries have relaxed some restrictions and allowed some businesses to resume some operations, there can be no assurance that there will not be new cases of infections and/or another virus or variant would not appear and there can be no assurance that similar restrictions and lockdowns will not recur.

The CKHGTH Group continues to monitor developments closely as the pandemic develops. The impact of the pandemic on the CKHGTH Group's business will depend on a range of factors which the CKHGTH Group is not able to accurately predict, including the duration, severity and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity globally, the possibility of resurgence and variants of COVID-19, and the nature and severity of measures adopted by governments. These factors include, but are not limited to:

- the deterioration of socio-economic conditions leading to disruptions to the CKHGTH Group's operations, such as decline in footfall in the CKHGTH Group's telecommunications retail stores;
- reductions or volatility in consumer demand for the CKHGTH Group's products due to quarantine or illness, or other travel restrictions, economic hardship, or store closures, which may impact the CKHGTH Group's revenue and market share;
- significant volatility in financial markets (including interest rate and foreign currency rate volatilities) and measures adopted by governments and central banks, which may limit the CKHGTH Group's access to funds, lead to shortages of cash or increase the cost of raising such funds; and
- an adverse impact on the CKHGTH Group's ability to engage in new, or consummate pending, strategic transactions on the agreed terms and timetable or at all.

These impacts have threatened and can continue to threaten the CKHGTH Group's facilities and transport of the CKHGTH Group's products, cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of the CKHGTH Group's employees and have and could continue to have a material adverse effect on the CKHGTH Group's results of operations, cash flows and financial condition.

The impacts of COVID-19 have already been reflected in the accounts of the Company.

CLIMATE CHANGE

Scientific evidence has shown that the Earth's temperature is rising due to an increase in greenhouse gases. This has already created, and will continue to create, a number of negative effects to the environment including loss of sea ice, rise in sea levels, and more frequent and severe water events.

Some of the CKHGTH Group's assets, businesses and supply chain are located in areas that would be affected in the medium to long term by the effects of climate change. Extreme weather events may also pose increased risk for the CKHGTH Group's stakeholders such as the CKHGTH Group's employees, customers, suppliers living and working in those locations. Further, as many countries seek to transition to low carbon economies, governments are increasingly introducing legislations to restrict emissions and incentivise environmental protection measures. Other market changes may also influence the CKHGTH Group's business such as changing consumer preferences in favour of companies that are more sustainable.

Together these physical and transition risks arising from climate change could have a material impact on the CKHGTH Group's business and adversely affect the CKHGTH Group's financial condition and results of operation.

CORPORATE GOVERNANCE STATEMENT

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Company as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding interests of shareholder and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasise a quality board of directors, effective risk management and internal control systems and accountability.

It is, in addition, committed to continuously enhancing these practices and inculcating a robust culture of compliance and ethical governance underlying the business operations and practices across the Company.

The board of directors established an Audit Committee comprising the full board of directors of the Company as members to support its function in respect to all audit matters, monitor the financial reporting drawing-up process, the effectiveness of the internal quality control and risk management systems.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers, Société Coopérative, Luxembourg.

On behalf of the board of directors

Director
24 April 2023

James Girgulis
Manager

Audit report

To the Shareholder of
CK Hutchison Group Telecom Finance S.A.

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of CK Hutchison Group Telecom Finance S.A. (the "Company") as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee or equivalent.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" 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.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recoverability of amounts due from a group company Amounts due from a group company represent financial assets owed by a related party in the form of loans granted. The main activity of the Company is to act as financing entity for CK Hutchison Group Telecom Holdings Limited (the "immediate holding company") and its subsidiaries. The value of these financial assets, which amounts to 6.2 bln EUR, is material to the financial statements, representing 99% of total assets. The Company makes provisions for impairment of financial assets based on an assessment of the recoverability of these financial assets. The methodology applied is set out in Note 3(a) (i) and 4 to the financial statements. We focused on this area due to potential magnitude of material misstatements, combined with judgement associated with assessing the recoverability of the financial assets.	We obtained an understanding of Management's process and controls related to recoverability assessment made on amounts due from a group company. Our testing to evaluate the existence of any potential impairment include: • Obtaining the recoverability assessment made by the Board of Directors; • Assessing the recoverability of the loans granted to a related party by: i) obtaining documents related to the support from the immediate holding company to recover loans granted to a related party; ii) assessing the financial position and performance of the immediate holding company based on the most updated audited consolidated financial information of this entity; iii) assessing the credit risk of the immediate holding company based on credit rating assigned by rating agencies to the immediate holding company.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report and the Corporate Governance Statement but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information 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 other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors 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, the Board of Directors 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 unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit 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 audit 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 the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment 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;

- 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 the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting 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 audit 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 audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" by the Sole Shareholder on 25 April 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

PricewaterhouseCoopers, Société coopérative
Represented by

Electronically signed by:
Brieuc Malherbe

Luxembourg, 24 April 2023

Brieuc Malherbe

CK HUTCHISON GROUP TELECOM FINANCE S.A.
(Incorporated in Luxembourg with Limited liability)

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2022

	Note	2022 EUR	2021 EUR
Interest income	7	**61,251,508**	72,373,021
Other operating income	8	**8,365,336**	7,328,728
Finance costs	10	**(69,124,919)**	(81,501,755)
Other income (expenses)		**(479,999)**	1,814,342
Profit before tax		**11,926**	14,336
Tax credit (charges)	14	**(2,311)**	183
Profit for the year		**9,615**	14,519
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Gain on cash flow hedges recognised directly in reserves		**19,355,660**	-
Total comprehensive income for the year attributable to the shareholder		**19,365,275**	14,519

Director

James Girgulis
Manager

Director

Shane Ah Plang
Manager

The accompanying notes form an integral part of these annual accounts.

CK HUTCHISON GROUP TELECOM FINANCE S.A.
(Incorporated in Luxembourg with Limited liability)

STATEMENT OF FINANCIAL POSITION
at 31 December 2022

	Note	2022 EUR	2021 EUR
Non-current assets			
Derivative financial instruments	6	**15,938,249**	-
Amounts due from a group company	15(a)	**3,662,216,524**	6,190,271,493
Total non-current assets		**3,678,154,773**	6,190,271,493
Current assets			
Derivative financial instruments	6	**13,706,117**	-
Amounts due from a group company	15(a)	**2,495,538,329**	34,256,407
Interest receivables from a group company		**66,778,047**	164,812,114
Other current assets		**37,065**	37,654
Cash and cash equivalents	16	**308,672**	288,854
Total current assets		**2,576,368,230**	199,395,029
Current liabilities			
Notes	17	**(1,497,945,196)**	-
Bank loan	18	**(998,205,265)**	-
Amount due to immediate holding company	15(b)	**(84,125,631)**	(217,130,432)
Amounts due to a group company	15(c)	**(1,000)**	(1,000)
Interest payables on notes		**(15,420,172)**	(15,552,599)
Interest payables on bank loan		**(187,083)**	(19,444)
Other finance cost payables		**(47,500)**	(70,875)
Other payables and accrued charges		**(106,000)**	(96,195)
Tax payables		**(2,406)**	(8,107)
Total current liabilities		**(2,596,040,253)**	(232,878,652)
Net current liabilities		**(19,672,023)**	(33,483,623)
Total assets less current liabilities		**3,658,482,750**	6,156,787,870
Non-current liabilities			
Notes	17	**(3,639,006,973)**	(5,158,876,372)
Bank loan	18	-	(997,800,996)
Total non-current liabilities		**(3,639,006,973)**	(6,156,677,368)
Net assets		**19,475,777**	110,502
Capital and reserves			
Share capital	19	**30,000**	30,000
Hedging reserve		**19,355,660**	-
Retained profits		**90,117**	80,502
Total Equity		**19,475,777**	110,502

Approved by the board of directors on 24 April 2023

Director *Director*

The accompanying notes form an integral part of these annual accounts.

James Girgulis
Manager

Shane Ah Piang
Manager

CK HUTCHISON GROUP TELECOM FINANCE S.A.
(Incorporated in Luxembourg with Limited liability)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	Share Capital EUR	Hedging Reserve EUR	Retained Profits EUR	Total EUR
Balance as at 31 December 2020	30,000	-	65,983	95,983
Profit for the year	-	-	14,519	14,519
Other comprehensive income	-	-	-	-
Total comprehensive income for the year attributable to the shareholder	-	-	14,519	14,519
Balance as at 31 December 2021	**30,000**	-	**80,502**	**110,502**
Profit for the year	-	-	**9,615**	**9,615**
Other comprehensive income				
Gain on cash flow hedges recognised directly in reserves	-	**19,355,660**	-	**19,355,660**
Total comprehensive income for the year attributable to the shareholder	-	**19,355,660**	**9,615**	**19,365,275**
Balance as at 31 December 2022	**30,000**	**19,355,660**	**90,117**	**19,475,777**

CK HUTCHISON GROUP TELECOM FINANCE S.A.
(Incorporated in Luxembourg with Limited liability)

STATEMENT OF CASH FLOWS
for the year ended 31 December 2022

	Note	2022 EUR	2021 EUR
Operating activities			
Cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital	20(a)	**69,136,845**	81,516,091
Interest expenses and other finance costs paid	10	**(61,562,186)**	(66,870,729)
Tax refund (paid)		**(8,012)**	3,675
Cash flows from operations		**7,566,647**	14,649,037
Changes in working capital	20(b)	**(6,661,641)**	2,238,364,713
Net cash flows from operating activities		**905,006**	2,253,013,750
Financing activities			
New borrowings		**300,000,000**	1,000,000,000
Repayment of borrowings		**(300,000,000)**	(3,250,000,000)
Upfront fee paid for bank loan		**(900,000)**	(3,000,000)
Net cash flows used in financing activities		**(900,000)**	(2,253,000,000)
Increase in cash and cash equivalents		**5,006**	13,750
Cash and cash equivalents as at the beginning of the financial year		**288,854**	275,104
Net foreign exchange difference		**14,812**	-
Cash and cash equivalents at end of year		**308,672**	288,854

1. GENERAL INFORMATION

CK Group Telecom Finance S.A. was incorporated on 4 July 2019. On 23 August 2019, the sole shareholder resolved to change the company name to CK Hutchison Group Telecom Finance S.A. (the "Company").

The Company is a public limited liability company incorporated in Luxembourg, with R.C.S. Luxembourg B236170. The address of its registered office is 7, rue du Marché-aux-Herbes, L-1728 Luxembourg, Grand Duchy of Luxembourg.

The immediate holding company of the Company is CK Hutchison Group Telecom Holdings Limited ("CKHGTH"), a company incorporated in the Cayman Islands. CKHGTH and its subsidiary companies, collectively referred to as the "CKHGTH Group". The ultimate holding company is CK Hutchison Holdings Limited ("CKHH"), a limited liability company incorporated in the Cayman Islands and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The group companies are herein defined as CKHH and its subsidiary companies, collectively referred to as the "CKHH Group".

The principal activity of the Company is to arrange financing on behalf of CKHGTH Group companies which include Hutchison Europe Telecommunications S.à r.l. ("HET").

The financial statements are presented in EUR which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standard Board as adopted by the European Union. The financial statements have been prepared on a going concern basis and under the historical cost convention, except for certain financial assets and liabilities (including derivative financial instruments) which are measured at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 of the Notes to the financial statements.

At the date these financial statements are authorised for issue, there are no standards, amendments to standards or interpretations that are effective for annual periods beginning after 1 January 2022, that have a material effect on the financial statements of the Company.

There are no new standards or amendments to standards that have been issued but are not yet effective and upon their initial application that would be expected to have a material impact on the financial position and/or financial performance of the Company. The immediate holding company, CKHGTH, has confirmed its intention to provide sufficient financial support to enable the Company to meet its liabilities as they fall due for the next twelve months from the date of approval of these financial statements.

2. BASIS OF PREPARATION (CONTINUED)

Management has assessed the potential cash generation, liquidity and existing funding available to the CKHGTH Group. On the basis of these assessments, management has determined that, at the date on which these financial statements were authorised for issue, the use of the going concern basis of accounting to prepare the financial statements is appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

Financial assets and financial liabilities are recognised and de-recognised on the date the Company commits to purchase or sell the instruments or when they expire. These financial instruments are classified and accounted for as follows:

(i) Financial assets

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instrument financial assets subsequent to initial recognition are measured as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Financial assets at fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses and reversals, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to, and recognised in, profit or loss.

Financial assets at fair value through profit or loss ("FVPL"): Assets that do not meet the criteria for amortised cost or FVOCI, or designated as FVPL using fair value option, are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

The Company has only financial assets at amortised cost except for derivative financial assets measured at FVOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

(i) Financial assets (continued)

Impairment

Under the expected loss approach, the Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Debt instruments are considered to be low credit risk when the related parties have made required payments on the debt obligations and have a strong capacity to meet their contractual cash flow obligations in the near term.

As regards the financial assets, the Company considers that they have low credit risk upon the initial recognition and at the end of reporting period hence recognises 12-month expected credit losses for such items.

The immediate holding company, CKHGTH, has confirmed its intention to provide sufficient financial support to enable the Company to meet its liabilities as they fall due for the next twelve months from the date of approval of these financial statements. Any shortfall for the outstanding amounts due from a group company will be paid by CKHGTH which has a stable and good credit rating.

(ii) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowances for expected credit losses. The Company measured the loss allowance for its receivables at an amount equal to the lifetime expected credit losses. Appropriate allowance for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(iv) Financial liabilities

Borrowings

Borrowings and debt instruments are initially measured at fair value, net of transaction costs, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption amount is recognised over the period of the borrowings using the effective interest method.

Payables

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The Company has only financial liabilities at amortised cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Share capital

Share capital issued by the Company are recorded in equity at the proceeds received, net of direct issue costs.

(c) Foreign exchange

Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated at the rates of exchange ruling at the end of the reporting period. Exchange differences are recognised in profit or loss.

(d) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(e) Other operating income

Other operating income includes support service fee which is recognised over time when service is rendered, and the recharge of finance costs incurred.

(f) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Company in the management of its foreign currency and interest rate exposures. Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

The Company designates certain derivative financial instruments as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions (cash flow hedges). Under the hedge accounting policy, depending on the complexity of the hedge, the Company applies a more qualitative approach to assessing hedge effectiveness, and the assessment is always forward-looking.

Cash flow hedges

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset such as inventory, the associated gain or loss is reclassified from equity to be included in the initial cost of the non-financial asset. For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs or interest expense is recognised).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Derivative financial instruments and hedging activities (continued)

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

(g) Current tax

The tax expense for the period comprises current tax. Tax is recognised in the statement of comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(h) Segment reporting

Operating segments are reported in a manner consistent with the way in which information is reported internally to the Company's most senior executive management and board of directors for the purpose of resource allocation and performance assessment.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Note 3 of the Notes to the financial statements includes a summary of the significant accounting policies used in the preparation of the financial statements. The preparation of financial statements often requires the use of judgements to select specific accounting methods and policies from several acceptable alternatives. Furthermore, significant estimates and assumptions concerning the future may be required in selecting and applying those methods and policies in the financial statements. The Company bases its estimates and judgements on historical experience and various other assumptions that it believes are reasonable under the circumstances. Actual results may differ from these estimates and judgements under different assumptions or conditions.

The following is a review of the more significant assumptions and estimates, as well as the accounting policies and methods used in the preparation of the financial statements.

Provision for impairment of financial assets

The Company applies the IFRS 9, "Financial instruments" approach to measure expected credit losses. To measure the expected credit losses, amounts due from group companies are grouped based on shared credit risk characteristics, taking into account the support agreed by the immediate holding company in the service agreement by which the immediate holding company shall pay for any shortfall for the outstanding amounts due from group companies. The expected loss rates are based on the historical credit risk profiles and adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the group companies to settle their obligations.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Derivative financial instruments and hedging activities.

Derivative financial instruments are utilised by the Company in the management of its foreign currency and interest rate exposures.

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

For the purpose of hedge accounting, cash flow hedges are classified when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of the hedging, the Company documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. Counterparty and own credit risk would be a source of ineffectiveness. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

The fair values of derivative financial instruments designated in hedge relationships are estimated using discounted cash flow calculations based on observable yield curves and forward exchange rates which are within level 2 of the fair value hierarchy.

5. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Company's activities may expose it to certain financial risks, including market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company's treasury function sets financial risk management policies in accordance with policies and procedures of the CKHH Group, and which are also subject to periodic review by the CKHH Group's internal audit function. The Company's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Company's overall financial position and to minimise the Company's financial risks.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

(i) Market risks

Foreign currency risk

Currency risk arises on financial assets and financial liabilities being denominated in a currency that is not the functional currency and being of a monetary nature. The Company has amounts due from a group company, interest receivables from a group company, notes and interest payables denominated in British Pounds ("GBP"), and cash and cash equivalents denominated in GBP and US Dollars ("USD").

As at 31 December 2022 and 2021, the Company's total principal amounts of financial assets and liabilities are denominated as follows:

	2022			2021		
	EUR	GBP	USD	EUR	GBP	USD
Financial assets	84%	16%	-	85%	15%	-
Financial liabilities	84%	16%	-	82%	18%	-

The Company had entered some currency swap arrangements with banks to swap some British Pound principal amount of borrowings to some Euro principal amount of borrowings that improve the currency exposures at the end of the year 2022.

Interest rate risk

Interest rate risk arises primarily from the borrowings and financial assets with floating rates, where the Company is exposed to cash flow interest rate risk.

At 31 December 2022, approximately 16% (2021: approximately 16%) of the Company's total principal amounts of financial liabilities were at floating rates and the remaining 84% (2021: approximately 84%) were at fixed rates. At 31 December 2022 and 2021, the Company has not entered into any interest rate agreements with major financial institution counterparties to swap principal amounts of floating interest rate borrowings to effectively become fixed interest rate borrowings.

(ii) Credit risk

The Company's holding of cash and cash equivalents, derivative financial assets, amounts due from a group company and interest receivables from a group company exposes the Company to credit risk of the counterparties. The Company controls its credit risk to non-performance by its counterparties through monitoring their credit ratings and setting approved counterparty credit limits that are regularly reviewed.

The Company's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Credit risk arising from cash and cash equivalents, derivative financial assets, amounts due from a group company and interest receivables from a group company is not significant to the Company.

For deposits with banks and financial institutions, only accredited banks and financial institutions are accepted.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

(ii) Credit risk (continued)

The Company only enters into derivative transactions with financial institutions with credit rating no less than A1 (Moody's), A (Standard & Poor's) and A- (Fitch).

According to the service agreement signed with CKHGTH, the immediate holding company, CKHGTH shall pay the Company for the overdue balances from the group companies in the event that the group companies do not pay any amount when due. The amounts due from group companies are considered to be low risk taking into account of their financial performance to meet contractual cash flow obligations.

(iii) Liquidity risk

The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient liquid financial assets to meet those requirements.

Contractual maturities of financial liabilities

The table below analyses the remaining contractual maturities at the end of the reporting period of the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including future interest payments computed using contractual rates or, if floating, based on rates at the end of the reporting period). These future interest payments are calculated assuming no change in aggregate principal amount of financial liabilities other than repayment at scheduled maturity as reflected in the table.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

(iii) Liquidity risk (continued)

Non-derivative financial liabilities:

	Contractual maturities					
	Within 1 year EUR	**After 1 year but within 5 years EUR**	**Over 5 years EUR**	**Total undiscounted cash flows EUR**	**Difference from carrying amounts EUR**	**Carrying amounts EUR**
As at 31 December 2022						
Amount due to immediate holding company	**84,125,631**	-	-	**84,125,631**	-	**84,125,631**
Amounts due to a group company	**1,000**	-	-	**1,000**	-	**1,000**
Other finance cost payables	**47,500**	-	-	**47,500**	-	**47,500**
Other payables and accrued charges	**106,000**	-	-	**106,000**	-	**106,000**
Notes (including interest payable and accruing)	**1,570,247,132**	**1,756,177,174**	**2,204,453,104**	**5,530,877,410**	**(378,505,069)**	**5,152,372,341**
Bank loan (including interest payable and accruing)	**1,022,138,194**	-	-	**1,022,138,194**	**(23,745,846)**	**998,392,348**
	2,676,665,457	**1,756,177,174**	**2,204,453,104**	**6,637,295,735**	**(402,250,915)**	**6,235,044,820**

	Contractual maturities					
	Within 1 year EUR	After 1 year but within 5 years EUR	Over 5 years EUR	Total undiscounted cash flows EUR	Difference from carrying amounts EUR	Carrying amounts EUR
As at 31 December 2021						
Amount due to immediate holding company	217,130,432	-	-	217,130,432	-	217,130,432
Amounts due to a group company	1,000	-	-	1,000	-	1,000
Other finance cost payables	70,875	-	-	70,875	-	70,875
Other payables and accrued charges	96,195	-	-	96,195	-	96,195
Notes (including interest payable and accruing)	72,186,790	2,703,168,614	2,845,768,219	5,621,123,623	(446,694,652)	5,174,428,971
Bank loan (including interest payable and accruing)	3,568,055	1,003,422,222	-	1,006,990,277	(9,169,837)	997,820,440
	293,053,347	3,706,590,836	2,845,768,219	6,845,412,402	(455,864,489)	6,389,547,913

The Company and CKHGTH have agreed to observe certain covenants including negative pledge assets and gearing ratios.

The covenants on notes and bank loan have been complied as at year end.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balances.

The capital structure of the Company consists of debts and equity, as detailed in the statement of financial position. The amount and movement of equity are stated in the statement of changes in equity.

6. DERIVATIVE FINANCIAL INSTRUMENTS

	2022 **EUR**	2021 EUR
Derivative financial assets:		
Derivatives designated as hedging instruments		
Cross currency interest rate swaps - cash flow hedges	**29,644,366**	-
	29,644,366	-
Non-Current*	**15,938,249**	-
Current**	**13,706,117**	-
	29,644,366	-

* In order to mitigate its exposure risk of fluctuations in principal and interest cash flows of the GBP denominated guaranteed Notes arising from fluctuations in GBP/EUR exchanges rates, the Company has entered into various EUR/GBP fixed to fixed cross currency interest rate swap agreements with banks and were designated in a cash flow hedge to hedge the variability in the cash flows regarding the interest payments and principal payment on the GBP denominated guaranteed Notes due to changes in foreign currency rate.

** In order to mitigate its exposure risk of fluctuations in principal and interest cash flows of the GBP denominated interest bearing loan to a group company arising from fluctuations in GBP/EUR exchanges rates, the Company has entered into various EUR/GBP floating to floating cross currency interest rate swap agreements with banks and were designated in a cash flow hedge to hedge the variability in the cash flows regarding the interest payments and principal payment on the GBP denominated guaranteed interest bearing loan to a group company due to changes in foreign currency rate.

To comply with the Company's risk management policy, the hedge ratio is based on the cross currency swap contracts with (i) the aggregate principal amount of GBP500,000,000 for the Series E Notes of GBP500,000,000 and (ii) the aggregate principal amount of GBP583,350,152 for the interest bearing loan to HET of GBP583,350,152. These result in a hedge ratio of 1:1 or 100%

The GBP denominated leg of the hedged item and the hedging instrument perfectly match, and the swap is at the market on designation date. Therefore, management qualitatively assess that the hedging instrument and the hedged item will move in the opposite direction and will be perfectly offset.

6. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The hedging reserve disclosed in the statement of changes in equity relates to the following hedging instruments:

	2022 EUR	2021 EUR
Gain on cash flow hedges recognised in other comprehensive income	**19,355,660**	-
	19,355,660	-

Cost of hedging reserve deficit amounting to EUR1,298,759 was included in the hedging reserves.

There were reclassification adjustments from cash flow hedging reserves to the profit and loss as follows:

	2022 EUR	2021 EUR
Gains (losses) arising from reclassification adjustments recognised in:		
Finance costs	**2,330,301**	-
Interest income	**(851,679)**	-
Other income (expenses)	**7,645,591**	-

Hedge accounting - Cash flow hedges

	2022				Carrying amount of derivatives included in	
Hedging instruments	Receive average contracted interest rate	Pay average contracted interest rate	Notional amount in local currency million	Notional amount EUR	Derivative financial assets - Non-current EUR	Derivative financial assets - Current EUR
Cross currency interest rate swaps						
- Receive fixed and pay fixed maturing in 2027	2.00%	0.05%	GBP 500	569,879,518	15,938,249	-
- Receive floating and pay floating maturing in 2023	2.23%	4.04%	GBP 583	664,878,607	-	13,706,117

6. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedge accounting - Cash flow hedges (continued)

	2022		
Hedged items	Change in value used for calculating hedge ineffectiveness EUR	Surplus in reserve for continuing hedges EUR	Surplus in hedging reserve arising from hedging relationships for which hedge accounting is no longer applied EUR
GBP denominated guaranteed Notes	15,955,761	14,034,756	-
GBP denominated guaranteed interest bearing loan to a group company	12,465,427	5,320,904	-

The fair values of derivative financial assets are estimated using discounted cash flow calculations based on observable yield curves and forward exchange rates, and are within level 2 of the fair value hierarchy.

The ineffectiveness during the year was not material and was not recognised in profit and loss.

7. INTEREST INCOME

	2022	2021
	EUR	EUR
Interest income from a group company - HET	**62,103,114**	72,373,021
Interest adjustment		
Cross currency interest rate swaps - cash flow hedges	**(851,679)**	-
Interest income from bank current accounts/deposits	**73**	-
	61,251,508	72,373,021

8. OTHER OPERATING INCOME

	2022	2021
	EUR	EUR
Finance costs recharged to a group company - HET	**6,687,941**	6,148,765
Support service fee income from immediate holding company	**1,677,395**	1,179,963
	8,365,336	7,328,728

9. SEGMENT INFORMATION

The Company operates and manages its business as a single segment, arrange financing on behalf of group companies. The Company does not have any revenue from external customers for the reporting year. As at the reporting date, all of the Company's non-current assets are financial assets.

Accordingly, no separate analysis on geographical areas is presented in these financial statements. Measures of profit or loss, total assets and liabilities for the reportable segment are the same as those presented in the statement of comprehensive income and statement of financial position.

10. FINANCE COSTS

	2022 EUR	2021 EUR
Interest expenses on notes	**56,582,570**	56,441,396
Interest adjustment		
Cross currency interest rate swaps - cash flow hedges	**(2,330,301)**	-
Interest expenses on bank loans	**6,999,167**	10,110,833
Other finance costs	**310,750**	318,500
	61,562,186	66,870,729
Amortisation of facility fees on notes and bank loans	**7,562,733**	14,631,026
	69,124,919	81,501,755

11. AUDITOR'S FEES

During the year, EUR108,668 VAT excluded (2021: EUR88,200 VAT excluded) has been accrued for the audit fee payable to PricewaterhouseCoopers, Société Coopérative, Luxembourg ("PwC").

During 2021 and 2022, no non-audit service was provided by PwC.

12. STAFF

The Company has one employee during and at the end of the year (2021: One).

13. DIRECTORS' EMOLUMENTS

None of the directors received or will receive any fees or other emoluments in respect of their services to the Company during the year (2021: Nil).

14. TAX

Tax charges for the year represent corporate income tax at the rate of 16.05% and municipal business tax at the rate of 6.75%.

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate of Luxembourg, the country in which the Company was incorporated, as follows:

	2022 EUR	2021 EUR
Profit before tax	**11,926**	14,336
Net wealth tax	**3,106**	(3,645)
	15,032	10,691
Corporate income tax		
Tax calculated at the rate of 16.05% (2021: 16.05%)	**(2,408)**	(1,709)
Over provision in previous years	**62**	1,659
	(2,346)	(50)
Municipal income tax		
Tax calculated at the rate of 6.75% (2021: 6.75%)	**(1,015)**	(719)
Allowances utilized	**1,015**	719
Over provision in previous years	**35**	233
	35	233
Tax credit (charges) for the year	**(2,311)**	183

15. RELATED PARTIES BALANCES AND TRANSACTIONS

(a) Amounts due from a group company

The amounts due from a group company are unsecured. The table below analyses the amounts due from a group company into nature, interest rate and maturity date.

Nature	Interest rate per annum	Maturity date	2022 EUR	2021 EUR
Loan	0.375%	17 October 2023	**1,500,000,000**	1,500,000,000
Loan	* EURIBOR plus 0.35%	18 December 2023	**327,125,192**	1,000,000,000
Loan	** SONIA plus various margins	18 December 2023	**664,878,607**	-
Loan	0.75%	17 April 2026	**1,000,000,000**	1,000,000,000
Loan	0.0509%	17 October 2027	**570,288,813**	-
Loan	2%	17 October 2027	**-**	587,669,683
Loan	1.125%	17 October 2028	**1,000,000,000**	1,000,000,000
Loan	1.5%	17 October 2031	**750,000,000**	750,000,000
Loan	2.625%	17 October 2034	**341,927,711**	352,601,810
Current account	Interest free	Repayable on demand	**3,534,530**	34,256,407
			6,157,754,853	6,224,527,900
Non-Current			**3,662,216,524**	6,190,271,493
Current			**2,495,538,329**	34,256,407
			6,157,754,853	6,224,527,900

* EURIBOR represents the EURO Interbank Offered Rate.
** SONIA represents the Sterling Overnight Index Average Rate.

(b) Amount due to immediate holding company

The amount due is unsecured, interest free and repayable on demand. The carrying amount of this financial liability approximates its fair value.

The immediate holding company, CKHGTH, has confirmed its intention to provide sufficient financial support to enable the Company to meet its liabilities as they fall due for the next twelve months from the date of approval of these financial statements.

During the reporting year, CKHGTH provided a support to the Company by acting as paying and receiving agent for operational and financial transactions.

(c) Amounts due to a group company

The amounts due are unsecured, interest free and repayable on demand. The carrying amounts of these financial liabilities approximate their fair values.

15. RELATED PARTIES BALANCES AND TRANSACTIONS (CONTINUED)

(d) Income from the related parties

	2022 **EUR**	2021 EUR
Interest income from a group company - HET	**62,103,114**	72,373,021
Finance costs recharged to a group company - HET	**6,687,941**	6,148,765
Support service fee income from immediate holding company	**1,677,395**	1,179,963
	70,468,450	79,701,749

16. CASH AND CASH EQUIVALENTS

The cash and cash equivalents comprise cash at banks only. The carrying amounts of these financial assets approximate their fair values. The Company only places deposits with banks with credit rating no less than A1 (Moody's), A+ (Standard & Poor's) and AA- (Fitch).

17. NOTES

	2022 **EUR**	2021 EUR
Series A Notes due 2023	**1,497,945,196**	1,495,362,736
Series B Notes due 2026	**996,592,619**	995,575,918
Series C Notes due 2028	**994,370,594**	993,438,426
Series D Notes due 2031	**745,156,648**	744,647,107
Series E Notes due 2027	**565,469,433**	582,230,754
Series F Notes due 2034	**337,417,679**	347,621,431
	5,136,952,169	5,158,876,372
Non-Current	**3,639,006,973**	5,158,876,372
Current	**1,497,945,196**	-
	5,136,952,169	5,158,876,372

Notes in the aggregate principal amount of EUR4,250 million were issued on 17 October 2019, comprised of EUR1,500 million principal amount of 0.375% notes due 2023 (the "Series A Notes"), EUR1,000 million principal amount of 0.75% notes due 2026 (the "Series B Notes"), EUR1,000 million principal amount of 1.125% notes due 2028 (the "Series C Notes"), and EUR750 million principal amount of 1.5% notes due 2031 (the "Series D Notes", and together with the Series A Notes, Series B Notes and Series C Notes, the "EUR Notes").

Notes in the aggregate principal amount of GBP800 million were issued on 17 October 2019, comprised of GBP500 million principal amount of 2% notes due 2027 (the "Series E Notes") and GBP300 million principal amount of 2.625% notes due 2034 (the "Series F Notes" and together with the Series E Notes, the "GBP Notes").

17. NOTES (CONTINUED)

The EUR Notes and the GBP Notes are unsecured, guaranteed by the immediate holding company, CKHGTH, and are listed on the Luxembourg Stock Exchange.

The carrying amounts and fair values of the notes are as follows:

	2022		2021	
	Carrying amounts EUR	**Fair values EUR**	Carrying amounts EUR	Fair values EUR
Series A Notes due 2023	**1,497,945,196**	**1,463,430,000**	1,495,362,736	1,508,415,000
Series B Notes due 2026	**996,592,619**	**900,270,000**	995,575,918	1,012,060,000
Series C Notes due 2028	**994,370,594**	**834,500,000**	993,438,426	1,015,970,000
Series D Notes due 2031	**745,156,648**	**578,887,500**	744,647,107	762,600,000
Series E Notes due 2027	**565,469,433**	**485,486,060**	582,230,754	586,705,905
Series F Notes due 2034	**337,417,679**	**231,570,542**	347,621,431	356,804,824
	5,136,952,169	**4,494,144,102**	5,158,876,372	5,242,555,729

The fair values of the EUR Notes and GBP Notes are based on quoted market prices and are within level 1 of the fair value hierarchy.

18. BANK LOAN

	2022 EUR	2021 EUR
Non-current	**-**	997,800,996
Current	**998,205,265**	-
	998,205,265	997,800,996

The Company entered into a term loan facility agreement of EUR1,000 million in December 2020. The facility was fully drawn in January 2021, bearing interest at EURIBOR plus 0.35% per annum due 2023.

The Company entered into a revolving credit facility of EUR300 million in October 2022. The facility was used in such way that it was fully drawn in November 2022 and was fully repaid in December 2022. This facility is bearing interest at EURIBOR plus 0.30% per annum and is available until September 2025. The undrawn amount of this facility remains at EUR300 million at reporting period end.

Bank loans are unsecured and guaranteed by the immediate holding company, CKHGTH.

The carrying amounts of these financial liabilities approximate their fair values. The fair values of the long-term borrowings are estimated using discounted cash flow calculations based upon the Company's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued and are within level 2 of the fair value hierarchy.

19. SHARE CAPITAL

	2022 EUR	2021 EUR
Authorised, issued and fully paid:		
30,000 shares at nominal value of EUR1 each	**30,000**	30,000
	30,000	30,000

20. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before tax to cash generated from operating activities before interest expenses and other finance costs, tax paid and changes in working capital

	2022 EUR	2021 EUR
Profit before tax	**11,926**	14,336
Finance costs	**69,124,919**	81,501,755
	69,136,845	81,516,091

(b) Changes in working capital

	2022 EUR	2021 EUR
Decrease in amounts due from a group company	**30,721,877**	2,927,835,746
Decrease in amounts due to group companies	**-**	(837,659,023)
Increase (decrease) in amount due to immediate holding company	**(133,004,801)**	217,126,504
Decrease (increase) in interest receivables from a group company	**97,208,997**	(69,602,872)
Increase (decrease) in interest and other finance cost payables	**803,522**	(223,208)
Increase in derivative financial assets	**(2,643,114)**	-
Decrease in other current assets	**589**	2,962,346
Increase in other payables and accrued charges	**9,805**	7,915
Exchange loss (gain)	**241,484**	(2,082,695)
	(6,661,641)	2,238,364,713

20. NOTES TO STATEMENT OF CASHFLOWS (CONTINUED)

(c) Changes in liabilities arising from financing activities

The following table sets out an analysis of the cash flows and non-cash flows changes in liabilities arising from financing activities:

	2022	2021
	EUR	EUR
Balance at the beginning of the year	**6,156,677,368**	8,339,666,860
Financing cash flows		
New borrowings	**300,000,000**	1,000,000,000
Repayment of borrowings	**(300,000,000)**	(3,250,000,000)
Upfront fee paid for bank loan	**(900,000)**	(3,000,000)
Non-cash changes		
Exchange translation differences	**(28,182,667)**	55,379,482
Amortisation of loan facility fees on notes and bank loans	**7,562,733**	14,631,026
Balance at the end of the year	**6,135,157,434**	6,156,677,368

21. SUBSEQUENT EVENTS

No major subsequent event deemed to be reported for the Company.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 11 to 33 were approved by the board of directors and authorised for issue on 24 April 2023.