

ASX Market Announcements

Australian Securities Exchange

Date: 31 July 2018

Subject: Half Year Results

Please find attached the Company's results for the half year to 30 June 2018 in the form of Appendix 4D.

Yours faithfully



Louise Sexton
Company Secretary

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Hutchison Telecommunications (Australia) Limited

ASX HALF YEAR INFORMATION

30 June 2018

Hutchison Telecommunications (Australia) Limited

ABN 15 003 677 227

ASX Half Year Information

30 June 2018

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Lodged with the ASX under Listing Rule 4.3A.

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2017 and any public announcements made by Hutchison Telecommunications (Australia) Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Hutchison Telecommunications (Australia) Limited

Half year ended 30 June 2018

Results for announcement to the market

Hutchison Telecommunications (Australia) Limited ("HTAL") reports a statutory net loss of \$10.3 million for the half-year ended 30 June 2018, representing a \$0.3 million decline on the \$10.0 million net loss in the corresponding period last year. HTAL's share of Vodafone Hutchison Australia Pty Limited's ("VHA") net loss included in HTAL's results for the period was \$14.9 million for the half-year ended 30 June 2018 compared with a net loss of \$10.7 million in the corresponding period last year.

HTAL's revenue from ordinary activities represents interest income received on loans to VHA. HTAL's revenue from ordinary activities for the half-year ended 30 June 2018 increased from \$1.2 million in the corresponding period last year to \$5.2 million mainly due to the increase in shareholder loan balances provided to VHA which contributed higher interest income for half-year ended 30 June 2018.

	Jun 18 \$'000	Jun 17 \$'000	Movement \$'000	Movement %
Revenue from ordinary activities <i>(Appendix 4D item 2.1)</i>	5,190	1,242	3,948	317.9%
Loss from ordinary activities after tax attributable to members <i>(Appendix 4D item 2.2)</i>	(10,282)	(10,036)	(246)	(2.5%)
Net loss for the period attributable to members <i>(Appendix 4D item 2.3)</i>	(10,282)	(10,036)	(246)	(2.5%)

Dividends / distributions <i>(Appendix 4D item 2.4)</i>	Amount per security	Franked amount per security
Final dividend (prior year)	Nil	Nil
Interim dividend	Nil	Nil

Record date for determining entitlements to the dividend <i>(Appendix 4D item 2.5)</i>	n/a	n/a
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Hutchison Telecommunications (Australia) Limited
ABN 15 003 677 227
Half Year Report – 30 June 2018

Directors' Report

Your Directors present their report on the Consolidated Entity (the "Consolidated Entity") consisting of Hutchison Telecommunications (Australia) Limited (the "Company" or "HTAL") and the entities it controlled at the end of, or during, the half year ended 30 June 2018.

Directors

The following persons were Directors of HTAL during the whole of the half year ended 30 June 2018 and up to the date of this report:

FOK Kin Ning, Canning
Barry ROBERTS-THOMSON
Justin Herbert GARDENER
LAI Kai Ming, Dominic
John Michael SCANLON
Frank John SIXT
Ronald Joseph SPITHILL
WOO Chiu Man, Cliff

Review of HTAL's results

HTAL accounts for its investment in Vodafone Hutchison Australia Pty Limited ("VHA") using the equity method of accounting. Under this method, revenue from VHA's ordinary activities is not included in HTAL's consolidated revenues from ordinary activities.

HTAL reports a \$10.3 million loss for the half-year ended 30 June 2018, post AASB 15 adoption. This is compared with a loss of \$10.0 million in the corresponding period last year, pre AASB 15 adoption. The difference between AASB 15 adoptions is detailed within VHA financial and operating metrics. The VHA results (including revenue and operating costs) are included in the "share of net losses of a joint venture accounted for using the equity method" in HTAL's consolidated statement of profit or loss and other comprehensive income.

HTAL's revenue from ordinary activities represents interest income received on loans to VHA. HTAL's revenue from ordinary activities for the half-year ended 30 June 2018 increased from \$1.2 million in the corresponding period last year to \$5.2 million mainly due to the increase in shareholder loan balances provided to VHA which contributed higher interest income for the half-year ended 30 June 2018.

No dividend was declared or paid by HTAL during the half-year ended 30 June 2018 (2017: nil).

VHA performance

This section outlines the operating performance of VHA attributable to HTAL. References to VHA's financial results reflect the 50 per cent share of VHA attributable to HTAL. References to customer metrics reflect the total customer base of VHA.

VHA continues to perform solidly in a competitive environment, with further financial and customer growth in the first half of 2018, while expanding and enhancing its suite of innovative mobile and fixed products.

This half year performance supports VHA's long-term strategy which balances sustainable growth with market-challenging products and offers for Australian telecommunications customers.

Key achievements and highlights:

- Further customer base and financial growth;
- Continued mobile network investment, with more than \$1.3 billion¹ to be spent on network and technology in 2018;
- Launched Australia's widely available endless² data mobile data plans;
- Maintained leading Net Promoter Score and lowest rate of complaints among Mobile Network Operators;
- Expanded and enhanced Vodafone nbn™ services;
- Continued growth of Enterprise business unit;
- Global expansion of Vodafone Foundation's DreamLab app.

VHA's total customer base grew by 294,000 year on year to reach 5.98 million, a 5.2 per cent increase. This represents seven consecutive half year periods of customer base growth. Growth was driven by increases in VHA's post-paid and pre-paid base, including non-Vodafone branded customers.

HTAL's share of VHA total revenue was \$884.4 million, a 7.1 per cent increase year on year. In a direct year on year comparison, without the AASB 15 accounting change, HTAL's share of VHA total reported revenue would have been \$896.2 million, a 8.6 per cent increase. HTAL's share of VHA EBITDA was \$254.8 million, a 6.8 per cent increase year on year. In a direct year on year comparison, without the AASB 15 accounting change, HTAL's share of VHA total reported EBITDA would have been \$252.2 million, a 5.6 per cent increase.

In a year on year comparison using prior year calculation methodology, VHA ARPU was \$37.66. The modest ARPU decrease year on year was driven by increased competition. During the year, non-Vodafone branded partners Kogan and Lebara were re-classified from MVNO to Pre-paid. With the inclusion of Kogan and Lebara, VHA ARPU on this basis was \$36.24.

Driven by increased handset costs and higher depreciation and amortisation costs, HTAL's share of net loss of VHA was \$14.9 million, increased from \$10.7 million in June 2017. In a direct year on year comparison, without AASB 15 accounting change, HTAL's share of net loss of VHA would have been \$8.0 million.

¹ VHA 2018 total network and technology spend comprises tangible and intangible fixed asset additions (sites, transmission, spectrum, Radio Access Network, software, hardware) and technology operating expenses.

² Vodafone Red Plus plans offer data inclusions of between 40GB and 120GB per month at the maximum speeds available on the VHA network, followed by endless data at the streaming speed of 1.5Mbps.

VHA continues mobile network journey to 5G

VHA continues to grow and enhance its mobile network, now and for the future. VHA's network and technology spend for 2018 will total more than \$1.3 billion, including, the continued rollout of fibre transmission assets and more than 1,200 new sites and site upgrades across its mobile network.

In the six months to June 30, VHA added 13 new sites under the Australian Government's Mobile Black Spot Program, with more sites to be operational in the second half of the year.

The strength of VHA's mobile network was again recognised in Open Signal's State of the Network independent report in April. When evaluated against Australia's other mobile network operators, VHA ranked outright first or joint first across all categories, including leading network for average 4G download speed, overall download speed, and 4G latency.

VHA also continues its evolution to 5G, including the rollout of its fibre transmission network, a major project to virtualise its core network, and other technology enhancements. In May, VHA launched the first trial site for 4.9G following a successful field demonstration of Frequency Duplex Division Massive Multiple Input Multiple Output (FDD Massive MIMO) technology last year. The site is delivering increased capacity to customers in Sydney's western suburb of Parramatta and is the first of five trial sites to be switched on throughout 2018.

Following a comprehensive program to support the transition of a small number of customers remaining on 2G services, VHA permanently closed its 2G network on June 30. VHA is utilising the 2G network spectrum for newer technology, re-farming portions of 900 MHz spectrum to its Narrowband Internet of Things network.

VHA has also added more capacity to its mobile network in Hobart and Darwin by reconfiguring 2100 MHz spectrum from 3G to 4G. Additional sites on the VHA network in both cities will be upgraded with 4G 2100 in the second half of 2018.

VHA launches endless mobile data plans

In line with its strategy to challenge the market by offering innovative and attractive plans to consumers, while delivering a return for the business, VHA introduced Australia's widely available first endless mobile data plans in May. Known as Red Plus, the plans offer customers protection against excess data use charges by providing between 40 and 120 gigabytes per month at the maximum data speed available on the VHA network, followed by unlimited data at streaming speeds of 1.5Mbps. The customer response to the plans to date has been encouraging.

VHA's \$5 Roaming and extensive international calling destinations continue to be key drivers of postpaid customer connections and retentions. \$5 Roaming, which allows customers to use their plan inclusions in more than 60 international destinations for an additional \$5 per day, remains the most competitive offering of its kind in the Australian market.

To further strengthen its propositions in the highly-competitive prepaid segment, VHA continued added additional data inclusions to its 35-day expiry plans.

Growing and enhancing Vodafone nbn™

VHA is making steady progress on its fixed broadband business following the launch of Vodafone nbn™ in December 2017 in Sydney, Melbourne, Canberra, Geelong and Newcastle. VHA, which is already providing Vodafone nbn™ services to several thousand Australian households, has grown the availability of its fixed network to other major Australian cities, significantly expanded its fixed retail distribution footprint and added content access and enhanced features.

VHA is also promoting its fixed broadband service through a major advertising campaign. The campaign focuses on VHA's key differentiators - Instant Connect and 4G Back Up - which allow customers to access the internet via VHA's 4G mobile network prior to NBN installation and in the event of a fault. VHA has also recently launched Vodafone TV, an Android-based streaming device which offers unrestricted access to Google Play content and features a remote control with built-in Netflix and YouTube functionality.

To further simplify and improve the customer experience, VHA recently announced that all Vodafone nbn™ plans will be offered on a month-to-month basis and introduced a Vodafone Wi-Fi Booster. The booster device strengthens the signal from a customer's Vodafone nbn™ connection around the home or office.

In an initiative to attract residential customers whose landline numbers are important to them, VHA has launched Vodafone Mobile Landline. The product allows customers to keep their landline number when switching to Vodafone nbn™ by having the number redirected to their mobile service. This initiative removes the need for customers to have a physical landline connected in their home.

Enterprise Unit takes off with major deal

VHA continues to grow its Enterprise Business Unit, including the securing of a major partnership with Qantas to provide the airline's pilots with international connectivity via a custom-designed roaming plan. The partnership leverages VHA's extensive international roaming data network to enable pilots to work internationally without needing to fill out any paperwork or relying on Wi-Fi.

VHA also grew its Narrowband Internet of Things (NB-IoT) network and business. After launching in parts of Melbourne and Sydney in late 2017, VHA's NB-IoT network has expanded into Queensland, including parts of the Brisbane and the Gold Coast, and along the New South Wales south coast into Wollongong. VHA has signed a range of new NB-IoT customers including smart lock, smart water meter, and refrigeration monitoring providers.

Positive consumer sentiment continues to increase

VHA continues to lead the Australian mobile network operators (MNOs) in positive consumer sentiment, maintaining the highest Net Promoter Score (NPS) and lowest rate of complaints.

In the first six months of 2018, VHA further extended its NPS lead over its MNO competitors. NPS measures how likely customers are to recommend VHA products and services to others. Drivers of VHA's NPS performance include customer perceptions of network performance and reliability, trustworthiness, ease of use overseas, and value.

VHA also maintained the lowest ratio of complaints to the Telecommunication Industry Ombudsman among the MNOs, recording a rate more than 50 per cent lower than the industry average for the June 2018 quarter.

Vodafone Foundation's DreamLab app goes global

The Vodafone Foundation continues to increase the impact of its work to improve the health of Australians through mobile technology.

Following the success of the award-winning DreamLab app in Australia, the app was launched in New Zealand and the United Kingdom in May 2018. In Australia and New Zealand, the app supports research by the Garvan Institute of Medical Research by using the processing power of idle smartphones to speed up Garvan's cancer treatment research.

In February 2018, DreamLab reached a key milestone with the completion of its first project. Project Decode aims to understand cancer based on a patient's DNA profile, rather than the tissue in which their cancer started. Project findings will be released in the second half of 2018.

Extending its work with Garvan, the Vodafone Foundation launched Genome Power, a fund-raising initiative to accelerate research into more effective treatments for children with cancer. This initiative includes the sale of the Genome Power Pack, a uniquely branded smartphone power bank, with all sale proceeds going directly to Garvan to fund its research.

In June, the Vodafone Foundation joined Garvan's Australian Genomic Cancer Medicine Program as a major partner, supporting the first-ever national trial program providing real-time innovation in the treatment of rare cancers.

The Vodafone Foundation also continues its involvement with Hello Sunday Morning, an initiative aimed at changing Australians' relationship with alcohol. In January, the Vodafone Foundation supported Hello Sunday Morning's Dances Across Australia campaign – a series of alcohol-free, family-friendly dance parties in six major cities.

VHA lifts sponsorship profile

VHA continued to expand its roster of targeted sponsorships to promote the Vodafone brand to new Australian audiences.

In addition to its ongoing sponsorship of the national Super Rugby competition and role as Official Telco Partner of the Supercars Championship, VHA has renewed its naming rights sponsorship of the Vodafone Gold Coast 600, a weekend-long motor sports event attended by almost 200,000 fans. To further integrate VHA with the passionate supercars fanbase, VHA signed 2017 Supercars Champion, Jamie Whincup, as an official Vodafone nbn™ ambassador.

VHA has upgraded its involvement in the Big Bash League cricket competition, with a new three-year deal as the principal partner of both the men's and women's Adelaide Strikers. VHA also signed South Australian cricketer, Alex Carey, as a VHA ambassador.

Outlook

VHA is well-positioned to continue its solid growth trajectory, despite an increasingly competitive market and significant barriers to competition in regional areas. In the second half of 2018, VHA will continue to execute its strategy of offering customers innovative, competitive products to meet growing demand for services, while delivering sustainable business growth.

VHA will continue its focus on growing and enhancing its business through further significant investment, with a key focus on its 4G mobile network, evolution to 5G, fixed broadband services, Internet of Things technology and Enterprise unit.

VHA will also continue to put forward constructive ideas to government and other decision-makers about policy and regulatory reform to promote competition and achieve maximum benefits for consumers.

Licences for the 3.6GHz spectrum band are scheduled to be brought to market via auction by the Australian Communications and Media Authority in October 2018. The Australian Government recently announced competition limits of 60MHz in metropolitan areas and 80MHz in regional areas for carriers participating in the auction. VHA's view is that this approach strikes the right balance between promoting competition and giving carriers the opportunity to acquire enough spectrum to begin to deploy 5G services. VHA maintains additional

spectrum will still be required to deliver 5G mobile services and is encouraging government to make enough spectrum available.

HTAL remains committed to its investment in VHA, and will continue to support VHA's growth in the future.

VHA financial and operating metrics

	June 2018	June 2017	YoY change
The items below represent the 50% share of VHA attributable to HTAL			
Total revenue (\$m)	884.4	825.6	7.1%
Total revenue adjustment AASB 15 ³	(11.8)		
Total revenue without AASB 15 ³	896.2	825.6	8.6%
Service revenue (\$m)	606.8	600.5	1.0%
Service revenue adjustment AASB 15 ³	(2.3)		
Service revenue without AASB 15 ³	609.1	600.5	1.4%
EBITDA (\$m)	254.8	238.7	6.8%
Net EBITDA adjustment AASB 15 ³	2.6		
Net EBITDA without AASB 15 ³	252.2	238.7	5.6%
Share of net loss of VHA⁴ (\$m)	(14.9)	(10.7)	(39.6%)
Net loss adjustment AASB 15 ³	(6.9)	-	
Net loss without AASB15 ³	(8.0)	(10.7)	25.1%
The items below represents totals for VHA			
Postpaid customers ('000)	3,432	3,367	1.9%
Prepaid customers('000) ⁵	2,209	1,967	12.3%
VHA customers subtotal ('000)	5,641	5,334	5.8%
MVNO customers ('000) ⁵	337	350	(3.9%)
Total network customers ('000)	5,978	5,684	5.2%
ARPU (\$) ⁶	37.66	38.16	(1.3%)
ARPU inclusive of Kogan and Lebara (\$) ⁷	36.24	37.32	(2.9%)

³ **AASB 15** became effective for the Group on 1 January 2018. AASB 15 establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The table above presents the difference between pre AASB 15 and post AASB 15 adjustment. Included in the adjustments are changes in fair value recognition of revenue and discounts on customer contracts.

⁴ Reconciliation for the **Share of net loss of VHA** is set out on page 26.

⁵ **Reclassification** of Kogan and Lebara customers from MVNO to Prepaid. As Kogan and Lebara customers (523k) are contracted to VHA, these categories have been reclassified from MVNO to Prepaid. Prior to the reclassification, the June 2017 figures for Prepaid and MVNO were 1,663k and 654k respectively.

⁶ **ARPU** represents a rolling 12 month average service revenue per user per month at the end of the period excluding MVNOs. This computation does not take into account the reclassification of Kogan and Lebara from MVNO category to Prepaid category.

⁷ **Updated ARPU** reflects the change in basis of calculation as a result of the reclassification of Kogan and Lebara from MVNO category to the Prepaid category. The prior year comparative has also been updated based on this change.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

Rounding of amounts

The Consolidated Entity is of a kind referred to Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar or cent.

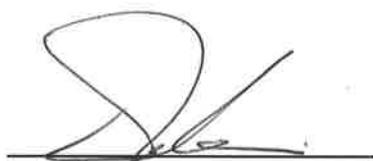
Auditor

PricewaterhouseCoopers continues in office in accordance with section 327B of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors, in accordance with section 306(3) of the *Corporations Act 2001*.



Director
31 July 2018



Director
31 July 2018

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Auditor's Independence Declaration

As lead auditor for the review of Hutchison Telecommunications (Australia) Limited for the half-year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Hutchison Telecommunications (Australia) Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Rosalie Wilkie'.

Rosalie Wilkie
Partner
PricewaterhouseCoopers

Sydney
31 July 2018

PricewaterhouseCoopers, ABN 52 780 433 757

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Hutchison Telecommunications (Australia) Limited
Consolidated statement of profit or loss and other comprehensive income
For the half year ended 30 June 2018

	June 2018 \$'000	June 2017 \$'000
Revenue	5,190	1,242
Operating expenses	(592)	(616)
Share of net losses of a joint venture accounted for using the equity method	(14,880)	(10,662)
Loss before income tax	(10,282)	(10,036)
Income tax expense	-	-
Loss for the period	(10,282)	(10,036)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss: Changes in the fair value of cash flow hedges (share of joint venture), net of tax	137	83
Other comprehensive income for the period, net of tax	137	83
Total comprehensive loss for the period attributable to members of Hutchison Telecommunications (Australia) Limited	(10,145)	(9,953)
	Cents	Cents
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company		
Basic earnings per share	(0.08)	(0.07)
Diluted earnings per share	(0.08)	(0.07)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated statement of financial position
As at 30 June 2018

	June 2018 \$'000	Dec 2017 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	13,637	8,884
Other financial assets	185,645	145,558
Trade receivables	6	9
Total Current Assets	199,288	154,451
Non-Current Assets		
Other financial assets	91,000	91,000
Investment accounted for using the equity method	149,665	167,008
Total Non-Current Assets	240,665	258,008
Total Assets	439,953	412,459
LIABILITIES		
Current Liabilities		
Payables	481	242
Other financial liabilities	364,025	324,025
Total Current Liabilities	364,506	324,267
Total Liabilities	364,506	324,267
Net Assets	75,447	88,192
EQUITY		
Contributed equity	4,204,488	4,204,488
Reserves	70,787	70,650
Accumulated losses	(4,199,828)	(4,186,946)
Total Equity	75,447	88,192

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated statement of changes in equity
For the half year ended 30 June 2018

Attributable to members of Hutchison Telecommunications (Australia) Limited

	Reserves					Total equity \$'000
	Contributed equity \$'000	Capital redemption \$'000	Cash flow hedges \$'000	Share- based payments \$'000	Accumulated losses \$'000	
	Balance at 1 January 2017	4,204,488	54,887	90	15,880	
Loss for the period	-	-	-	-	(10,036)	(10,036)
Share of joint venture's changes in the fair value of cash flow hedges, net of tax	-	-	83	-	-	83
Total comprehensive loss for the period	-	-	83	-	(10,036)	(9,953)
Balance at 30 June 2017	4,204,488	54,887	173	15,880	(4,159,425)	116,003
Balance at 31 December 2017	4,204,488	54,887	(117)	15,880	(4,186,946)	88,192
Adjustment on the adoption of AASB 15 (net of tax)	-	-	-	-	(2,600)	(2,600)
Balance at 1 January 2018	4,204,488	54,887	(117)	15,880	(4,189,546)	85,592
Loss for the period	-	-	-	-	(10,282)	(10,282)
Share of joint venture's changes in the fair value of cash flow hedges, net of tax	-	-	137	-	-	137
Total comprehensive loss for the period	-	-	137	-	(10,282)	(10,145)
Balance at 30 June 2018	4,204,488	54,887	20	15,880	(4,199,828)	75,447

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Hutchison Telecommunications (Australia) Limited
Consolidated statement of cash flows
For the half year ended 30 June 2018

	June 2018 \$'000	June 2017 \$'000
Cash Flows from Operating Activities		
Payments to suppliers and employees (inclusive of GST)	(350)	(595)
Interest received	5,103	782
Net cash inflows from operating activities	4,753	187
Cash Flows from Investing Activities⁸		
Proceeds from loan to joint venture	-	12,837
Net cash inflows/ (outflows) from investing activities	-	12,837
Cash Flows from Financing Activities⁸		
Repayment of borrowings – entity within the CKHH Group	-	(12,837)
Net cash inflows/ (outflows) from financing activities	-	(12,837)
Net increase in cash and cash equivalents	4,753	187
Cash and cash equivalents at 1 January	8,884	4,469
Cash and cash equivalents at 30 June	13,637	4,656

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

⁸ The cash flows in respect of the A\$40 million increase in Other financial assets and the A\$40 million increase in Other financial liabilities during the current period represent Loans to Joint Venture of \$40 million (an investing activity) and Proceeds from borrowings within the CKHH Group of \$40 million (a financing activity), respectively were satisfied by an entity within CKHH Group which extends the loans to the Group.

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Hutchison Telecommunications (Australia) Limited

Notes to the consolidated financial statements

For the half year ended 30 June 2018

Note 1 - Summary of significant accounting policies

Basis of preparation of half-year report

This general purpose financial report for the interim half year reporting period ended 30 June 2018 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2017 and any public announcements made by Hutchison Telecommunications (Australia) Limited (the "Group", "Consolidated Entity" or "HTAL"), during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

For the purposes of preparing the financial statements, the Consolidated Entity is a for-profit entity.

Going concern disclosures

As at 30 June 2018, the Consolidated Entity has a deficiency of net current assets of \$165.2 million (31 December 2017: net current assets deficiency of \$169.8 million). Included in the Consolidated Entity's current liabilities is an amount of \$364.5 million (31 December 2017: \$324.3 million) which relates to an interest free financing facility provided from a subsidiary of the ultimate parent entity, CK Hutchison Holdings Limited ("CKHH"), which is repayable on demand. CKHH has confirmed its current intention to provide sufficient financial support to enable the Consolidated Entity to meet its financial obligations as and when they fall due for a minimum period of twelve months from the date of signing this financial report. Consequently, the Directors have prepared the financial report on a going concern basis.

Principles of consolidation

(i) Subsidiaries

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(ii) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control and over which none of the participating parties has unilateral control.

Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has under the relevant contract. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement. Joint ventures are accounted for under the equity method.

The results and net assets of joint ventures are incorporated in these accounts using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under AASB 5, *Non-current assets held for sale and discontinued operations*. The total carrying amount of such investments is reduced to recognise any identified impairment loss in the value of individual investments.

As at 30 June 2018, HTAL has only one joint venture.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are tested for impairment annually and when there is an indication that they may be impaired. Other assets are tested for impairment whenever there is any indication that the carrying value of these assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. Such impairment loss is recognised in the statement of profit or loss and other comprehensive income.

Segments reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision maker. Operating segments that meet the quantitative criteria as prescribed by *AASB 8* are reported separately.

Critical accounting estimates and assumptions

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 accounts. The Group 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.

(i) Impairment of investments in controlled entities and joint venture

In accordance with the Consolidated Entity's accounting policy, the investments in controlled entities and the joint venture are periodically tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of the Company's investment in controlled entities, and the recoverable amount of the Consolidated Entity's investment in its joint venture are determined as the higher of the fair value less cost of disposal or value in use methodology. The underlying calculation is based on the approved business plan for Vodafone Hutchison Australia Pty Limited ("VHA"). These calculations require the use of estimates and assumptions.

For the purpose of the 2017 annual impairment test, a discounted cash flow calculation was undertaken on the approved business plan. A terminal value is calculated on the cash flows. The cash flows were then discounted using a suitable discount rate consistent with recent internal assessments of the Consolidated Entity's weighted

average cost of capital. The resulting net present value is compared to the balance of the Consolidated Entity's equity accounted for investment in a joint venture. The result of the 2017 annual impairment test indicated that no impairment charge was required.

In assessing whether there is any indication of potential impairment as at 30 June 2018, the Group has reviewed internal and external criteria, and concluded that there was no indication that there has been any event or change since the 2017 year-end date which may potentially impair the carrying value of the Group's investment in controlled entities and joint venture as at 30 June 2018.

(ii) Recovery of deferred tax assets

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the associated entity is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates (and laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(iii) Joint venture accounting adjustments

Depreciation of operating assets constitutes a substantial operating cost for the joint venture. The cost of fixed assets is charged as a depreciation expense over the estimated useful lives of the respective assets using the straight-line method and this is reflected in the "share of net losses of a joint venture accounted for using the equity method" in HTAL's consolidated statement of profit or loss and other comprehensive income. The Directors are of the view that the estimated useful lives of network assets within the joint venture should be extended to reflect the experience of the group. Accordingly, adjustments to the useful lives of assets have been made when the Group's 50 per cent interest in joint venture, VHA, is incorporated into the Group's consolidated financial statements. This is to reflect the use of the Group's fixed assets useful lives.

Rounding of amounts to nearest thousand dollars

The Consolidated Entity is of a kind referred to Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar or cent.

New accounting standards and interpretations

The Consolidated Entity has adopted all of the new and revised effective / applicable standards, amendments and interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to the Consolidated Entity's operations and mandatory for annual periods beginning on or after 1 January 2018.

New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period and the group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

- AASB 9 Financial Instruments, and
- AASB 15 Revenue from Contracts with Customers

The impact of the adoption of these standards and the new accounting policies are disclosed in note 2 below. The other standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

Impact of standards issued but not yet applied by the entity

AASB16 Leases

AASB16 Leases, is effective for HTAL from 1 January 2019 with early adoption permitted alongside the new revenue standard. The investment accounted for using the equity method will be impacted by 50% of the impact on the joint venture VHA.

The new standard will require the majority of operating leases to be accounted for on the balance sheet as the distinction between an operating and finance lease is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

As the joint venture has a large number of operating leases it is expected that the new standard will have a significant impact on the financial statements of the joint venture, for example operating expenses will reduce as rental expenses are removed and replaced with interest expense and depreciation.

The standard will affect primarily the accounting for the joint venture's operating leases. As at the reporting date, the joint venture's has significant non-cancellable operating lease commitments. The joint venture's estimate that an insignificant portion of these commitments relate to payments for short-term and low value leases which will be recognised on a straight-line basis as an expense in profit or loss.

The joint venture has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options.

It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the joint venture's profit or loss and classification of cash flows going forward.

HTAL does not intend to adopt the standard before its effective date. HTAL and the joint venture intend to apply the modified retrospective approach and will not restate comparative amounts for the year prior to first adoption.

Note 2 – Changes in Accounting Policies

This note explains the impact of the adoption of AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers on the group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

AASB 9 – Financial Instruments

This standard became effective for the Group from 1 January 2018. This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Management has reviewed its financial assets and liabilities and the following was the impact of adoption of the new standard on 1 January 2018:

- The majority of the Group's receivables are currently classified as loans and receivables and measured at amortised cost. The new guidance under AASB 9 has not resulted in any significant change to the classification and measurement of its financial assets as these financial assets meet the conditions for classification at amortised cost under AASB 9.
- There has been no impact on the Group's accounting for financial liabilities as the new requirements only affected the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 and have not been changed.
- The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under AASB 139. It applies to financial assets classified at amortised cost. Management has performed an assessment of the impact of AASB 9 on the measurement of expected credit losses on adoption. The Group assessed historic, current and forecast information to estimate an expected credit loss for each class of receivable. Based on this assessment, the impact was not material.
- AASB 9 introduces changes to hedge effectiveness and eligibility requirements to align more closely with an entity's risk management framework. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Group's current hedge relationships will qualify as continuing hedges upon the adoption of AASB 9. Management has therefore assessed there is no material impact on hedged amounts reported with the adoption AASB 9.

The new standard also introduces expanded disclosure requirements and changes in presentation. Where appropriate, these have been reflected in the Group's disclosures about its financial instruments.

AASB 15- Revenue from Contracts with Customers

This standard became effective for the Group on 1 January 2018. AASB 15 establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The new standard replaced AASB 118 and is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

Under AASB 15, revenue is recognised at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying the following five steps:

1. Identify contracts with customers
2. Identify the separate performance obligations
3. Determine the transaction price of the contract
4. Allocate the transaction price to each of the performance obligations; and
5. Recognise revenue as each performance obligation is satisfied.

The Group has adopted the standard using the modified retrospective approach which means that the cumulative impact of the adoption has been recognised in retained earnings as at 1 January 2018 and no comparatives have been restated. The adoption of the new standard has the following impact on the Group's financial statements:

The investment accounted for using the equity method will be impacted by 50% of the joint venture values. The impact is a reduction in the investment in joint venture and an increase in the accumulated losses. AASB 15 impacts on the joint venture VHA are as follows:

- Accounting for Handset Receivables - AASB 15 requires that the total consideration received must be allocated to hardware and service components based on relative stand-alone selling prices rather than based on revenue measurement principles from previous guidance. This results in higher amounts being allocated to the handset, of which revenue is recognised when the goods have been dispatched to the customer, instead of service revenue which is recognised monthly over the contract term. With the adoption of AASB 15, an increase of \$18.0 million of Trade and Other Receivables and a corresponding decrease in accumulated losses were recognised as of 1 January 2018.
- Accounting for contract costs – Under AASB15, costs associated with retaining a contract are required to be initially recognised as an asset and expensed over the life of a customer contract consistent with the transfer of the goods and services to which the capitalised costs relate to the customer. With the adoption of AASB 15, a decrease of \$9.7 million of Contract Costs as of 1 January 2018 and a corresponding increase in accumulated losses.
- Accounting for Contract Liabilities – For certain customer contracts higher amounts will be allocated to the service component under AASB 15 based on relative stand-alone selling prices and result in delayed recognition of a portion of the revenue. With the adoption of AASB 15, Contract Liabilities increased by \$13.3 million, with a corresponding increase in accumulated losses on 1 January 2018.

The cumulative effect of the changes made to the 1 January 2018 balance sheet for the adoption of AASB 15 Revenue from Contracts with Customers were as follows:

Balance sheet (extract)	31 Dec 2017 (as original presented) \$ '000	Adjustment due to AASB15 \$'000	1 Jan 2018 Restated \$'000
Non-current assets			
Investment accounted for using the equity method	167,008	(2,600)	164,408
Total Assets	412,459	(2,600)	409,859
Net Assets	88,192	(2,600)	85,592
Accumulated losses	(4,186,946)	(2,600)	(4,189,546)
Total Equity	88,192	(2,600)	85,592

In accordance with the new revenue standard requirements, the disclosure of the impact of adoption on the statement of profit and loss and other comprehensive income and balance sheet was as follows:

Statement of Profit and Loss and Other Comprehensive Income	30 Jun 2018 (As Reported) \$'000	Balances Without the Adoption of AASB15 \$'000	Effect of Change Higher/(Lower) \$'000
Profit or loss			
Revenue	5,190	5,190	-
Operating expenses	(592)	(592)	-
Share of net losses of a joint venture accounted for using the equity	(14,880)	(7,982)	(6,898)
Loss for the period	(10,282)	(3,384)	(6,898)

Balance Sheet			
Current Assets	199,288	199,288	-
Other financial assets	91,000	91,000	-
Investment accounted for using the equity method	149,665	156,563	(6,898)
Total Non-Current Assets	240,665	247,563	(6,898)
Total Assets	439,953	446,851	(6,898)
Total Liabilities	364,506	364,506	-
Net Assets	75,447	82,345	(6,898)
Equity			
Contributed equity	4,204,488	4,204,488	-
Reserves	70,787	70,787	-
Accumulated losses	(4,199,828)	(4,192,930)	(6,898)
Total Equity	75,447	82,345	(6,898)

Note 3 - Operating segment

The Consolidated Entity has identified its operating segment based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

In 2018, the Consolidated Entity continued to invest in an operator within the telecommunications industry.

The chief operating decision maker of the Consolidated Entity receives information to manage its operations and investment based on one operating segment, an investor in an operator of telecommunication services. As such, the Consolidated Entity believes it is appropriate that there is one operating segment, investment in telecommunication services.

Key financial information used by the chief operating decision maker of the Consolidated Entity when evaluating the investment in telecommunication services operating segment includes:

HTAL's share of the following items of VHA*

	June 2018 \$m	June 2017 \$m
Total Revenue	884	826
EBITDA	255	239
Net Losses	(15)	(11)

Further information reviewed by the chief operating decision maker with regards to the performance of the Consolidated Entity's investment in VHA is disclosed on page 25.

*after joint venture accounting adjustments

Note 4 - Events occurring after the reporting date

No matter or circumstance has arisen after the reporting period that has significantly affected, or may significantly affect:

- (i) the operations of the Consolidated Entity in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Consolidated Entity in future financial years.

Directors' Declaration

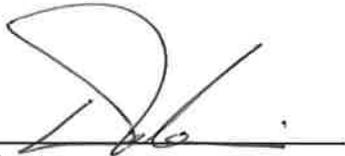
In the Directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 23 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2018 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that Hutchison Telecommunications (Australia) Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Director
31 July 2018



Director
31 July 2018

Hutchison Telecommunications (Australia) Limited Supplementary Appendix 4D information

NTA Backing *(Appendix 4D item 3)*

	June 2018	June 2017
Net tangible asset backing per ordinary share	\$0.01	\$0.01

Controlled entities acquired or disposed of *(Appendix 4D item 4)*

N/A

Additional dividend/distribution information *(Appendix 4D item 5)*

N/A

Dividend/distribution reinvestment plan *(Appendix 4D item 6)*

N/A

Associates and Joint Venture entities *(Appendix 4D item 7)*

Joint venture

HTAL owns a 50 per cent interest in a joint venture with Vodafone Group Plc named Vodafone Hutchison Australia Pty Limited ("VHA"), which is involved in providing telecommunication services in Australia. The interest in VHA, held by a controlled entity, Hutchison 3G Australia Holdings Limited ("H3GAH"), is accounted for in the consolidated financial reports using the equity method.

The aggregate share of losses from VHA for the half year ended 30 June 2018 is \$14,880,000 (2017: \$10,662,000).

Information relating to the joint venture is set out below:

	June 2018 \$'000	June 2017 \$'000
Reconciliation of interest in a joint venture		
Investment brought forward at 1 January	167,008	209,714
Adjustment on the adoption of AASB 15 (net of tax)	(2,600)	-
Loss for the year	(14,880)	(10,662)
Share of change in fair value of cash flow hedges, net of tax	137	83
Interest in a joint venture at 30 June	149,665	199,135

Summarised financial information of the joint venture, based on its Australian Accounting Standards financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements, are set out below:

	June 2018 \$'000	Dec 2017 \$'000
Current assets	865,529	1,124,321
Non-current assets	7,742,267	7,391,341
Current liabilities	(1,554,123)	(1,777,061)
Non-current liabilities	(7,943,758)	(7,531,448)
Net Assets	(890,085)	(792,847)
Proportion of the Consolidated Entity's ownership	50%	50%
Share of the joint venture's net assets	(445,043)	(396,424)
Goodwill	165,321	165,321
Joint venture accounting adjustments	429,387	398,111
Carrying amount of the investment	149,665	167,008

The carrying value of HTAL's investment in VHA is predicated on the ongoing financial support from both of VHA's shareholders. At 30 June 2018, HTAL's share of VHA's net current asset deficiency is \$344.3 million (2017: net current assets deficiency of \$326.4 million). Both of VHA's ultimate shareholders, CKHH and Vodafone Group Plc have confirmed their current intention to provide financial support to enable VHA to meet its financial obligations as and when they fall due for a minimum period of twelve months from the date of signing this financial report.

Summarised statement of profit or loss and other comprehensive income of VHA

	June 2018 \$'000	June 2017 \$'000
Revenues	1,768,798	1,651,210
Expenses	(1,861,111)	(1,732,726)
Loss before income tax	(92,313)	(81,516)
Income tax expense	-	-
Loss for the period	(92,313)	(81,516)
Other comprehensive loss		
Changes in the fair value of cash flow hedges, net of tax	274	166
Total comprehensive loss	(92,039)	(81,350)
50% share of VHA's loss for the period	(46,157)	(40,758)
Joint venture accounting adjustments	31,277	30,096
Share of joint venture's loss	(14,880)	(10,662)

VHA's financial statements include the following specific items:

	June 2018 \$'000	Dec 2017 \$'000
Cash and cash equivalents	139,658	356,210
Current financial liabilities	579,491	500,232
Non-current financial liabilities	7,834,780	7,423,075
	June 2018	June 2017
Depreciation and amortisation [^]	428,696	391,204
Interest income	1,672	2,026
Finance costs	174,973	169,667

[^] Depreciation and amortisation under the HTAL basis are \$366.1 million for period ended 30 June 2018 (2017: \$331.0 million). The differences to VHA are primarily related to differences in the estimated economic useful lives of property, plant and equipment.

Foreign Accounting standards [\(Appendix 4D item 8\)](#)

There are no foreign entities included as part of the preparation of the half year report.

Opinions issued by auditors [\(Appendix 4D item 9\)](#)

The accounts have been subjected to review. (Refer to compliance statement)

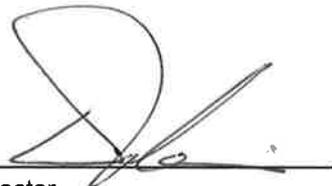
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**Hutchison Telecommunications (Australia) Limited
Compliance Statement**

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.
- 2 This report, and the financial statements upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This report is based on +accounts to which one of the following applies.
(Tick one)
 - The +accounts have been audited. The +accounts have been subject to review.
 - The +accounts are in the process of being audited or subject to review. The +accounts have *not* yet been audited or reviewed.
- 5 The auditor's review report is attached.
- 6 The entity has a formally constituted audit committee.



Director
31 July 2018



Director
31 July 2018

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Independent auditor's review report to the members of Hutchison Telecommunications (Australia) Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Hutchison Telecommunications (Australia) Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Hutchison Telecommunications (Australia) Limited Group (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 30 June 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Hutchison Telecommunications (Australia) Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Hutchison Telecommunications (Australia) Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the group's financial position as at 30 June 2018 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Rosalie Wilkie

Rosalie Wilkie
Partner

Sydney
31 July 2018

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