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ASX Market Announcements
Australian Securities Exchange

Date: 27 March 2014

Subject: Annual Report 2013

The Company's 2013 Annual Report incorporating the full year accounts for the period ended 31 December 2013 is attached.

Yours faithfully

Louise Sexton
Company Secretary

2013 Annual Report

Hutchison Telecoms

Contents

Hutchison Telecommunications (Australia) Limited (ASX: HTA) (HTAL) has a 50% interest in Vodafone Hutchison Australia Pty Limited (VHA). HTAL was listed on the ASX in 1999 and in 2003 launched Australia's first 3G service under the **3** brand. In 2009, HTAL's operations were merged with Vodafone Australia to form VHA. VHA offers mobile telecommunications under the Vodafone brand in Australia.

AGM Details

The Annual General Meeting of HTAL will be held at:
40 Mount Street, North Sydney NSW 2060
Friday 2 May 2014, 10.00am.

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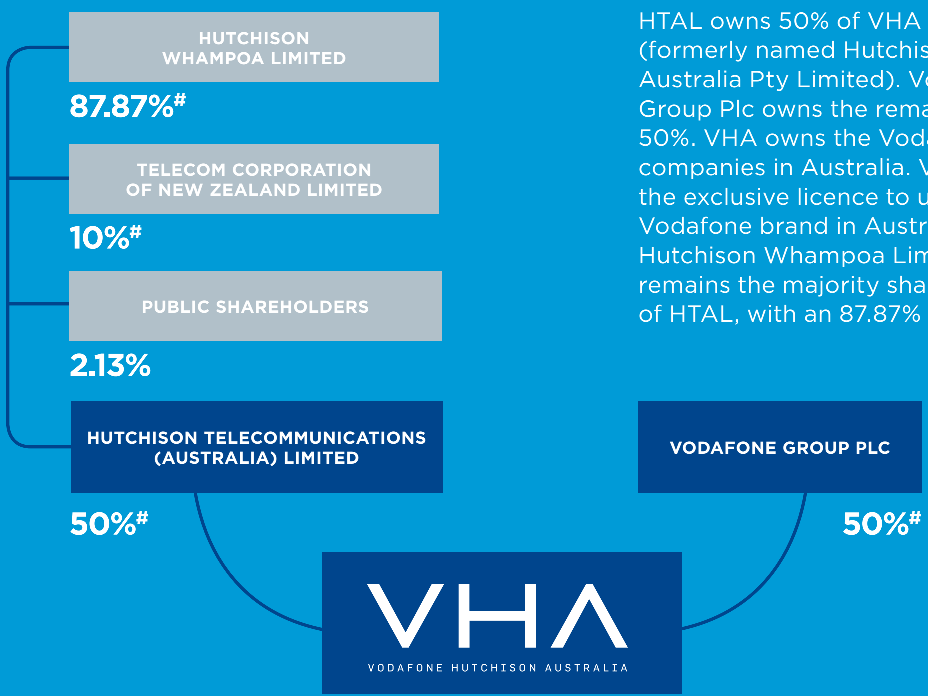
VHA HAS GONE THROUGH A SIGNIFICANT YEAR IN ITS COMPANY HISTORY AS IT REACHES THE HALFWAY MARK OF AN AMBITIOUS THREE-YEAR BUSINESS TURNAROUND. WITH SIGNIFICANT IMPROVEMENT IN NETWORK PERFORMANCE AND ONGOING TRANSFORMATION OF CUSTOMER EXPERIENCE, VHA IS SEEING ITS BRAND IMAGE IMPROVE.

Ownership Structure



HTAL owns 50% of VHA (formerly named Hutchison 3G Australia Pty Limited). Vodafone Group Plc owns the remaining 50%. VHA owns the Vodafone companies in Australia. VHA has the exclusive licence to use the Vodafone brand in Australia. Hutchison Whampoa Limited remains the majority shareholder of HTAL, with an 87.87% stake.

Indirect ownership

VHA Key Operational Improvement in 2013

Network

- → Launch of 4G (LTE) network across metropolitan areas nationally
- → 40% more network coverage across Australia
- → The average 3G data speed has doubled in the past year

Customer service

- → Opened a second facility in Hobart as part of its Australian-based call centre expansion
- → Introduction of competitive international roaming plans that has transformed the market
- → Create a consistent customer experience across all touchpoints, including the closure of the **3** brand

THE NETWORK GROWTH ACHIEVED IN 2013 WILL BE CARRIED INTO 2014 WITH FURTHER EXPANSION OF COVERAGE IN 3G AND 4G, IMPROVED RELIABILITY AND GREATER INDOOR COVERAGE.

Financial Summary

Note - The items in the table below represent the 50% share of VHA attributable to HTAL, unless otherwise stated

	2013	2012	YoY change
Total revenue ($m)	1,776.0	2,049.0	(13.3%)
Service revenue ($m)[1]	1,493.6	1,701.4	(12.2%)
Share of net loss of VHA ($m)	(245.6)	(408.8)	40.0%
The items below represent totals for VHA			
Mobile customers ('000)[2]	5,348	6,579	(18.7%)
Customer growth ('000)	(1,231)	(443)	
Postpaid % (excl MVNO)[3]	63.2%	62.9%	0.3pp
Prepaid % (excl MVNO)[4]	36.8%	37.1%	(0.3pp)

1 **Service revenue** excludes revenue related to the sale of handsets and mobile broadband devices.

2 **Customers** reflect VHA's active services in operation at the end of the reporting period – including wholesale customers (Mobile Virtual Network Operators or "MVNOs").

3 **Postpaid %** base exclude MVNO customers and pp represents percentage points.

4 **Prepaid %** base exclude MVNO customers and pp represents percentage points.

Chairman's Message

HTAL remains fully supportive of the turnaround strategy that VHA has implemented, which is showing early signs of operational and financial recovery in VHA's business. HTAL is committed to its investment in VHA.

Fok Kin Ning, Canning
Chairman

2013 Results

HTAL's revenue from ordinary activities represents interest income received on loans to VHA. During 2013, VHA decreased its loan from HTAL, and, as a result, HTAL's revenue from ordinary activities in the year ended 31 December 2013 decreased from $19.0 million in 2012 to $15.9 million.

HTAL reports a $230.0 million loss for the year ended 31 December 2013, compared with a loss of $393.5 million in the prior year. HTAL's share of VHA's net loss included in HTAL's results for the period was $245.6 million for the year ended 31 December 2013 compared with a net loss of $408.8 million in 2012.

In 2013, the dynamic nature of the telecommunications industry saw the proliferation of multiple devices per user and the growth in demand for high-speed wireless data services. Each of the three Australian mobile carriers has now switched on its 4G (LTE) network. Although VHA launched its 4G network after its competitors, its speeds were among the fastest in Australia at the time of the launch in June 2013, which has been reaffirmed through independent tests in recent months.

Operating in an intensely competitive environment but with strong support from HTAL and its joint shareholder, Vodafone Group Plc, VHA has gone through a significant year in its company history as it reaches the halfway mark of an ambitious three-year business turnaround. With significant improvement in network performance, innovative product and service initiatives and ongoing transformation of customer experience, VHA is seeing an improvement in its brand image.

For the 12 months ended 31 December 2013, VHA's active customer base declined 1,231,000 to over 5.3 million (including customers with Mobile Virtual Network Operators or "MVNOs"). While there was a substantial decline in customer numbers during the first half, the decline in active Vodafone brand customer numbers plateaued in the third quarter and showed a modest net gain in the fourth quarter. During the second half, VHA removed a substantial number of inactive accounts from its customer database across the Vodafone, **3** and Crazy John's brands. The closure of the **3** brand and announcement of the integration of the Crazy John's operations back into Vodafone also accounted for the decline in customer numbers.

HTAL's share of VHA's customer service revenue decreased compared to the prior year due to customer losses during the year and prior years. However, net customer decline has abated and the loss of high-value customers was reduced, helping maintain average revenue per user ("ARPU") levels.

There was a significant decrease in operating expenses as a result of cost optimisation initiatives in prior years which included the full year impact of nearly halving the number of non-customer-facing staff and reducing operational expenditures. In addition, the restructuring costs incurred in 2012 were not repeated in 2013. These factors led to HTAL's share of VHA losses reducing by 40% in 2013 to $245.6 million.

2013 HAS BEEN A YEAR OF IMPROVEMENT & REBUILDING

The key focus of VHA's turnaround strategy, which was put in place in the middle of 2012, is to earn back trust in the market. This strategy consists of three key pillars:

- provide a fast reliable network where customers live, work and play;
- offer worry-free products/services; and
- provide a consistently good experience across each customer touch-point, including retail, online and call centres.

In 2013, VHA's network improved significantly in its voice and data performance, resiliency and coverage. Firstly, it has significantly expanded regional coverage with 1,200 new sites, spanning thousands of square kilometres across Australia, which represents 40% more coverage overall. Secondly, it has launched the 4G network in all five mainland capital cities with speeds comparable to or faster than other networks. VHA had more than 800,000 4G devices in the hands of its customers by the end of 2013. Thirdly, its average 3G data speed has doubled.

To deliver a compelling customer experience across all touch points, VHA made significant changes to its website and also implemented a range of process improvements from usage alerts and triggers, flexible pricing and plans, matching customer usage with products and first contact resolution. VHA simplified its product offerings to eliminate complexity in a way that builds trust, preference and stimulated usage. In August 2013, VHA launched new plans, offering new pricing to minimise bill shock, market leading roaming rates to many countries and dedicated local call centre support. VHA has reversed industry trends of offshoring jobs by committing to the growth of its call centre operations team in Australia. In 2013, VHA opened a second temporary call centre in the heart of Hobart, while a permanent facility is being built.

Although the financial results of VHA continue to reflect the negative impact of network and customer services issues carried forward from previous years, 2013 represented a significant milestone in the turnaround with customer satisfaction (net promoter score, "NPS"), ARPU and customer loyalty (churn) stabilising or improving.

In June 2013, with the support of both its ultimate shareholders, Hutchison Whampoa Limited and Vodafone Group Plc, VHA refinanced with a two-year US$3.5 billion loan that enabled VHA to repay $1.4 billion on maturity of a facility entered into in 2010 and substantially all shareholders' loans. VHA's business plan, including the network investment, is now fully funded by external financiers.

2014 Outlook

2013 has been a year of improvement and rebuilding for VHA and has allowed the company to begin the repositioning of its brand. In 2014, as it continues to implement its turnaround strategy, VHA's activities will include:

- **Network:** VHA will continue to invest to further improve the coverage, speed and reliability of its network. The growth achieved in 2013 will be carried into 2014 with further expansion of coverage in 3G and 4G, improved reliability and greater indoor coverage. Internally, VHA will consolidate its data centres and further modernise its IT systems.
- **Customer services:** VHA will leverage its new Hobart call centre as a point of competitive differentiation through expansion and improved systems and processes. VHA will continue to deliver and enhance its multi-channel touch point experiences.
- **Products/services:** VHA will continue to introduce simple, value-rich pricing plans. The plans will be easy to understand, easy to sell and easy to manage.

VHA will continue to benefit from the structural efficiencies already implemented, without the significant step changes in operating costs of prior years. These benefits will flow in part from the prior year operating cost optimisation initiatives, and a process improvement program aimed at removing business inefficiencies and redesigning end-to-end processes.

Crucial to VHA's long-term sustainability is an improvement in competition in Australia's telecommunications industry. A more level competitive playing field must be established. As part of the turnaround strategy, VHA will continue to highlight the opportunities presented through a ubiquitous National Broadband Network to expand mobile network coverage and competition in regional Australia; and more competitive pricing for backhaul (the pipes that run from the carriers' transmitters to the core network).

In addition to the challenges that face the third player in this industry, VHA's turnaround plan is not without risk. Transforming brand sentiment by lowering brand rejection and further improving the NPS is a core requirement to deliver the turnaround plan; and changes to consumer perception are lagging behind network improvements. Delivering network and IT improvements on time and on budget carries execution risk in delivery, and improving business processes. HTAL is confident that progress on the turnaround plan will continue under the direction of the new VHA Chief Executive Officer whose appointment was announced early in 2014.

HTAL expects the trend already evident in VHA's high value customer growth along with ARPU growth to continue, although the impact on revenue due to reduced customer numbers will not be reversed until 2015.

At the halfway point in its business turnaround, we remain confident VHA is on track and HTAL is committed to its investments in VHA and will continue to support its growth and profitability in the future.

Fok Kin Ning, Canning
Chairman

Board of Directors

Fok Kin Ning, Canning

Chairman BA, DFM, CA (Aus)

Fok Kin Ning, Canning, aged 62, has been an executive director of Hutchison Whampoa Limited ("HWL") since 1984 and its group managing director since 1993, a director of Hutchison Harbour Ring Limited ("HHR") since 1992 and its chairman since 2002, non-executive chairman of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") since 2009 and of Hutchison Port Holdings Management Pte. Limited ("HPH Management") as the trustee-manager of Hutchison Port Holdings Trust since 2011, an executive director of Power Assets Holdings Limited ("Power Assets") since 1985 and its chairman since 2005, chairman of HK Electric Investments Manager Limited ("HKEI Manager") as the trustee-manager of HK Electric Investments and of HK Electric Investments Limited ("HKEI") since December 2013, co-chairman of Husky Energy Inc. ("Husky") since 2000, an executive director and deputy chairman of Cheung Kong Infrastructure Holdings Limited ("CKIH") since 1997 and a non-executive director of Cheung Kong (Holdings) Limited ("CKH") since 1985. He has also been a director of VHA (previously known as Hutchison 3G Australia Pty Limited from March 2001 to June 2009) since 2001. Mr Fok has been alternate director to a director of HTHKH since 2010. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a member of the Institute of Chartered Accountants in Australia. Mr Fok has been a Director since 8 February 1999.

Barry Roberts-Thomson

Deputy Chairman

Barry Roberts-Thomson, aged 64, was Managing Director of Hutchison from its inception in 1989 until September 2001. In his capacity as Deputy Chairman, Mr Roberts-Thomson represents Hutchison in government relations and strategic projects and has served as a director of VHA since 2001. Mr Roberts-Thomson has been a Director since 14 February 1989.

Chow Woo Mo Fong, Susan

Director BSc

Chow Woo Mo Fong, Susan, aged 60, has been an executive director of HWL since 1993 and its deputy group managing director since 1998, an executive director of CKIH since 1997, of HHR since 2001, of HKEI Manager as the trustee-manager of HK Electric Investments and of HKEI since December 2013, and a non-executive director of HTHKH since 2009. She has also been a director of VHA since 2004. Mrs Chow has been alternate director to directors of each of CKIH since 2006 and TOM Group Limited ("TOM") since 2012. She was previously a non-executive director of TOM from 1999 to 2012, an executive director of Power Assets from 2006 to January 2014 and alternate director to directors of HPH Management as the trustee-manager of Hutchison Port Holdings Trust from 2011 to 2012 and of Power Assets from 1993 to January 2014. She is a qualified solicitor and holds a Bachelor's degree in Business Administration. Mrs Chow has been a Director since 15 February 2006 and Alternate Director to Mr Fok, Mr Lai and Mr Sixt since 8 May 2006, 26 February 2007 and 4 May 2007 respectively.

Justin Herbert Gardener

Director BEc, FCA

Justin Herbert Gardener, aged 77, has been a director of a number of private and publicly listed companies including Austar United Communications Limited (appointed 1999 and retired 2008). From 1961, and until his retirement in 1998, Mr Gardener held a variety of positions with Arthur Andersen, becoming a partner in 1972 and for the last ten years in a management and supervisory role for Asia Pacific. Mr Gardener has been a Director since 2 July 1999.

Lai Kai Ming, Dominic

Director BSc, MBA

Lai Kai Ming, Dominic, aged 60, has been an executive director of HWL since 2000, a director of HHR since 1994 and its deputy chairman since 2001 and a non-executive director of HTHKH since 2009. Mr Lai has been alternate director to directors of each of HHR since 2007 and HTHKH since 2010. He has over 30 years of management experience in different industries. He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration. Mr Lai has been a Director since 19 May 2004 and Alternate Director to Mrs Chow and Mr Sixt since 8 May 2006.

John Michael Scanlon

Director

John Michael Scanlon, aged 72, is a special venture partner to Clarity Partners LLP, a private equity firm. From 1965 through to 1988, his career was with AT&T, primarily Bell Labs, rising to group vice president of AT&T. Mr Scanlon then went on to become president and general manager of Motorola's Cellular Networks and Space Sector, founding CEO of Asia Global Crossing, CEO of Global Crossing and chairman and CEO of PrimeCo Cellular. Mr Scanlon has been a Director since 11 July 2005.

Frank John Sixt

Director MA, LLL

Frank John Sixt, aged 62, has been an executive director of HWL since 1991 and its group finance director since 1998. He has been non-executive chairman of TOM since 1999, an executive director of CKIH since 1996 and of Power Assets since 1998 (re-designated as a non-executive director since January 2014), a non-executive director of CKH since 1991, of HTHKH since 2009 and of HPH Management as the trustee-manager of Hutchison Port Holdings Trust since 2011 and a director of Husky since 2000. He has also been a director of VHA since 2001. He holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Quebec and Ontario, Canada. Mr Sixt has been a Director since 12 January 1998 and Alternate Director to Mrs Chow and Mr Lai since 25 February 2008.

Ronald Joseph Spithill

Director BScTech

Ronald Joseph Spithill, aged 72, was a director of Telecom Corporation of New Zealand Limited from 2006 until 2011 and serves on a number of NGO Boards. Mr Spithill has also been a director of VHA since 2010. He was previously President of Alcatel Asia Pacific responsible for operations in 16 countries, Executive Vice President and Chief Marketing Officer of the Paris-based Alcatel group and Vice-Chairman of Alcatel Shanghai Bell. He has been CEO and Chairman of Alcatel Australia. He is past President of the Telecommunications Industry Association of Australia and served with the AEEMA Board, the Australian Business Council, the Malaysian Government Industry Advisory Panel, the New Zealand Independent Industry Oversight Group, the NSW Government IT Advisory Board and the Australian Government "Goldsworthy" Committee. Mr Spithill is a Fellow of the Australian Academy of Technological Sciences and Engineering and a Distinguished Fellow of the Telecommunications Society of Australia. Mr Spithill has been a Director since 16 November 2010.

Corporate Governance

Hutchison Telecommunications (Australia) Limited ("HTAL" or the "Company") and its Directors are committed to high standards of corporate governance. Set out below is a description of the Company's main corporate governance practices which have been in place for the full year unless otherwise stated.

Board of Directors and its Committees

The Board has responsibility for approving the strategy and monitoring the implementation of the strategy and the performance of HTAL and its subsidiaries (the group of companies is referred to as "Hutchison" in this report), protecting the rights and interests of shareholders and is responsible for overall corporate governance. The Board has adopted a list of matters reserved to the Board which is available on the Company's website.

The Board's responsibilities include:

- reviewing and approving the strategic direction of Hutchison and establishing goals, both short term and long term, to ensure these strategic objectives are met and ensuring appropriate resources are available to meet these objectives;
- overseeing Hutchison, including its control and accountability systems;
- ensuring the business risks facing Hutchison are identified and reviewing, ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring the performance of management against these goals and objectives and initiating corrective action when required;
- ensuring that there are adequate internal controls and ethical standards of behaviour adopted and met within Hutchison;
- reviewing and approving annual financial plans and monitoring corporate performance against both short term and long term financial plans;
- ensuring that the business risks facing Hutchison are identified and that appropriate monitoring and reporting controls are in place to manage these risks;
- appointing the chief executive, evaluating performance and determining the remuneration of senior executives and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning; and
- delegating to the chief executive the authority to manage and supervise the business of Hutchison including the making of all decisions regarding Hutchison's operations that are not specifically reserved to the Board.

The nature of these responsibilities changed substantially when VHA ceased to be a subsidiary of the Company in June 2009 and there are no longer any executives employed by the Company.

Composition of the Board

The Board comprises eight Directors whose appointment reflects the shareholdings of the Company and the need to ensure that the Company is run in the best interest of all shareholders. All the Directors, including the Chairman, Mr Fok, are non-executives. The Board has adopted the definition of independence contained in the Australian Securities Exchange ("ASX") best practice recommendations. In light of this definition, the Board considers that independent Directors are not substantial shareholders or officers of substantial shareholders, have not been employed as an executive of Hutchison or its majority shareholder, nor are they associated with any significant supplier, customer or professional adviser of Hutchison. Further, an independent Director does not have any significant contractual relationship with Hutchison nor is there any business relationship which could materially interfere with a Director's ability to act in the best interest of the Company.

Mr Gardener and Mr Scanlon, being the only Directors who are not, or have not been, officers of a significant shareholder or have not been employed as an executive of Hutchison, are considered by the Board to be independent Directors. In light of the majority ownership by Hutchison Whampoa Limited ("HWL"), the Board has resolved that, at this stage, it is not in the best interests of the Company that a majority of Directors or the Chairman be independent.

Subject to the *Corporations Act 2001* requirements in relation to the retirement of Directors, the current Directors have not been appointed for a specified term. Details of the Directors' experience is set out on pages 6 and 7.

In connection with their duties and responsibilities, Directors and Board Committees have the right to seek independent professional advice at the Company's expense. Prior written notification to the Chairman is required. No formal procedure for performance evaluation of the Board and its members has been implemented as the Board considers that regular ongoing informal assessment is more appropriate. Accordingly, consideration of the performance of the Board forms part of the regular Board process when the Board conducts deliberations without representatives of management present at each Board meeting.

Committees

The Board has two Committees to assist in the implementation of its corporate governance practices, fiduciary and financial reporting and audit responsibilities. These are an Audit Committee and a Governance, Nomination and Compensation Committee.

Each of these Committees has its own charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the Committee is to operate. Details of these charters are available on the Company's website.

Audit Committee

The responsibility of the Audit Committee is to assist the Board in fulfilling its audit duties through review and supervision of Hutchison's financial reporting process and internal control system. All members of the Committee are non-executive Directors and the composition of the Committee meets the requirements of the ASX Listing Rules. The Audit Committee has appropriate financial expertise and knowledge of the telecommunications industry. Details of the Committee members' qualifications, expertise, experience and attendance at Audit Committee meetings are set out on pages 6, 7 and 14.

The Audit Committee considers the annual and interim financial statements of the Company and its subsidiaries and any other major financial statements prior to approval by the Board, and reviews standards of internal control and financial reporting within Hutchison. The Audit Committee is also responsible for overview of the relationship between Hutchison and its external auditor, including periodic review of performance and the terms of appointment of the auditor. This Committee considers any matters relating to the financial affairs of Hutchison and its subsidiaries and any other matter referred to it by the Board.

The main responsibilities delegated to the Committee are to:

- consider and recommend to the Board the appointment and remuneration of the Company's external auditor and to determine with the external auditor the nature and scope of the audit or review and approve audit or review plans;
- assess the performance and independence of the external auditor, taking into account factors which may impair the auditor's judgement in audit matters related to the Company;
- review the interim and annual accounts of the Company before their submission to the Board;
- ensure Hutchison's practices and procedures with respect to related party transactions are adequate for compliance with the relevant legal and securities exchange requirements;
- review the risk management practices and oversee the implementation and effectiveness of the risk management system;
- review with management and the external auditor the presentation and impact of significant risks and uncertainties associated with the business of Hutchison and their effects on the financial statements of Hutchison; and
- ensure corporate compliance with applicable legislation.

The range of matters requiring consideration by the Audit Committee, including the internal controls and risk management practices and systems, has changed since VHA ceased to be a subsidiary of the Company and the Company no longer controls any operating entities.

External auditor

The performance of the external auditor is reviewed annually and applications for the tender of external audit services will be requested as deemed appropriate. Deloitte Touche Tohmatsu was appointed as the external auditor in May 2010. It is Deloitte Touche Tohmatsu policy to rotate audit engagement partners on listed companies every five years, and in accordance with that policy the current audit engagement partner was appointed in May 2010.

An analysis of fees paid to the external auditor, including a break-down of fees for non-audit services, is provided in note 14 to the financial statements. The Company's policy in relation to awarding non-audit work to the external auditor requires that all proposed non-audit service assignments in excess of $100,000 will be approved by the Audit Committee and will only be awarded to the external auditor after completion of a competitive tendering process which demonstrates that the external auditor is the preferred service provider on the basis of an objective assessment of price, capabilities and commitment. It is the policy of the external auditor to provide an annual declaration of their independence to the Audit Committee.

The external auditor is available for questioning at the Annual General Meeting.

Governance, Nomination and Compensation Committee

The Committee comprises non-executive Directors and is chaired by the Chairman of the Board. In light of the majority ownership by HWL and that since VHA ceased to be a subsidiary of the Company there are no longer any executives employed by the Company, the Board has resolved that, at this stage, it is not in the best interests of the Company that a majority of members of this Committee be independent. Details of the Committee members' qualifications, expertise, experience are set out on pages 6 and 14. No meetings of this Committee were required during the year to 31 December 2013.

Corporate Governance continued

Compensation responsibilities

This Committee is responsible for the review of remuneration and other benefits, and Hutchison's policies in relation to recruitment and retention of staff, details of which are set out in the Directors' Report on pages 15 to 17. This Committee also reviews and makes recommendations to the Board on remuneration policies and other terms of employment applicable to the chief executive, senior executives and the Directors themselves. The Committee will, where relevant, obtain independent advice from external consultants on the appropriateness of the remuneration policies of Hutchison.

Executive remuneration, including that of executive Directors, has been reviewed annually by the Committee having regard to personal and corporate performance, contribution to long term growth and relevant comparative information. Details of the compensation philosophy and practice of the Company are set out in the Directors' Report.

The governance and nomination responsibilities related to Board performance and evaluation are:

- to periodically assess and provide recommendations to the Chairman of the Board on the effectiveness of the Board of Directors as a whole, the Committees of the Board, the contribution of individual Directors, and assessment of Directors;
- to periodically review the Company's investor relations and public relations activities to ensure that procedures are in place for the effective monitoring of the shareholder base, receipt of shareholder feedback and response to shareholder concerns;
- to oversee the maintenance of an induction and education programme for new Directors;
- to ensure appropriate structures and procedures are in place so that the Board can function independently of management;
- to review the mandates of the Board of Directors' Committees and recommend appropriate changes to the Board;
- to receive and consider any concerns of individual Directors relating to governance matters; and
- to review all related party transactions to ensure they reflect market practice and are in the best interests of Hutchison.

The nature of these responsibilities has changed substantially since VHA ceased to be a subsidiary of the Company and there are no longer any executives employed by the Company.

The governance and nomination responsibilities related to the Board of Directors are:

- to recommend to the Board criteria regarding personal qualifications for Board membership such as background, experience, technical skills, affiliations and personal characteristics.

The governance and nomination responsibilities related to Committees of the Board of Directors are:

- to review from time to time and recommend to the Board the types, terms of reference and composition of Board Committees, and the nominees as chair of the Board Committees; and
- to review from time to time and make recommendations to the Board, with respect to the length of service of members on Committees, meeting procedures, quorum and notice requirements, records and minutes, resignations and vacancies on Committees.

Diversity

The Company recognises the corporate benefit of diversity as that term is defined in the ASX best practice recommendations ("Diversity") and has put in place a Diversity Policy. The Company's practices are documented in a policy, details of which are available on the Company's website.

The Company is committed to encouraging and promoting a mix of skills and diversity in the membership of its Board which achieves the Company's corporate goals. This is evidenced in gender diversity through having one female Director and two female Joint Company Secretaries; and cultural diversity through having Directors and Company Secretaries residing in Hong Kong, Australia and North America.

Measurable objectives have been set by the Board for this purpose, namely that in assessing candidates the Governance, Nomination and Compensation Committee will have regard to the Diversity and skills of each candidate and the Diversity of the membership of the Board, and the Board will give due consideration to ensuring that the Diversity of the Board increases. Since the implementation of the policy and the measurable objectives no Board positions have become vacant.

No objectives have been set for achieving gender diversity among employees as the Company is not an employer.

Business risk

The Board acknowledges its responsibility for risk oversight and ensuring that significant business risks are appropriately managed, whilst acknowledging that such risks may not be wholly eliminated. Details of the Company's risk management policy and internal compliance and control system are available on the Company's website. The Audit Committee has been delegated responsibility as the primary body for risk oversight and for ensuring that appropriate risk management policies, systems and resources are in place. As all former operational activities of the Company are now undertaken in VHA, the associated risks are now in that entity. The Audit Committee receives and considers reports prepared by the risk management function of VHA, which provides independent reports to the VHA Audit and Risk Committee. The risk management function ensures that adequate mechanisms are in place to identify, assess and manage strategic, financial, operational and regulatory risks and that VHA corporate performance is reviewed across a broad range of issues. As the Company no longer has executives performing the function of chief executive officer or chief financial officer, the Board has not received a declaration provided in accordance with section 295A of the *Corporations Act 2001*. However, a declaration of this nature has been provided in respect of the VHA financial statements.

Ethical standards

The need to ensure that a strong ethical culture within Hutchison has lead to greater emphasis on the development of a strong culture designed to ensure that all Directors, managers and employees act with the utmost integrity and objectivity in their dealings with all people that they come in contact with during their Hutchison working life. The Corporate Code of Conduct, based upon the existing corporate values, has been updated to assist in maintaining this culture. This Code applies to all Directors and employees and compliance with the values underlying the Company's culture forms part of the performance appraisal of senior employees and sales managers. Details of this Code are available on the Company's website.

Directors' and senior executives' dealings in HTAL shares

The Company has the following share trading policy regarding trading in its shares (which currently only applies to Directors and Company Secretaries as the Company does not employ any senior executives) and which was updated in 2010 to reflect amendments to the ASX Listing Rules:

- the Chairman discusses any proposed trade in HTAL shares with an independent Director prior to any trade;
- Directors discuss any proposed trade in HTAL shares with the Chairman prior to any trade; and
- senior executives discuss any proposed trade in HTAL shares with the Company Secretary or the chief executive officer prior to any trade. Unless there are unusual circumstances, trades in HTAL shares by Directors and senior executives are limited to the period of one month after the release of the Company's half year and annual results to the ASX and from the lodgment of the Company's annual report with the ASX up to one month after the Annual General Meeting of HTAL.

Directors and senior executives are prohibited from trading in HTAL shares if the Director or officer is in possession of price sensitive information or would be trading for a short term gain. All Directors and managers within Hutchison have been advised of their obligations in regard to price sensitive information. Directors and senior executives are also aware of their obligations to ensure that they do not communicate price sensitive information to any other person who is likely to buy or sell HTAL shares or communicate that information to another party.

The Company's practices are documented in a policy, details of which are available on the Company's website.

Continuous disclosure and shareholder communication

The Board strongly believes that the Company's shareholders should be fully informed of all material matters that affect Hutchison in accordance with its continuous disclosure obligations. Financial reports and other significant information are available on the Company's website for access by its shareholders and the broader community. Procedures are in place to review whether any price sensitive information has been inadvertently disclosed in any forum, and if so, this information is immediately released to the market. The Company Secretary, resident in Australia, has been appointed as the person responsible for communications with the ASX.

The Company seeks to enhance its communication with shareholders through the introduction of new types of communication through cost effective electronic means and the provision of significant information in addition to the reports required by legislation.

The Company's existing practices on information disclosure are documented in a policy, details of which are available on the Company's website.

Related party transactions

Hutchison draws great strength from its relationship with HWL and other companies in the HWL Group in relation to its financial support and management expertise. The Board is aware of the need to represent all shareholders and to avoid conflicts of interest. Where there is a conflict of interest or the potential appearance of a conflict, affected Directors do not participate in the decision making process or vote on such matters. All commercial agreements with related parties are negotiated on arms' length terms. Further information about the Company's related party transactions is set out in note 17 to the financial statements.

Directors' Report

The Directors are pleased to present their report on the consolidated entity ("Hutchison") consisting of Hutchison Telecommunications (Australia) Limited ("HTAL" or the "Company") and the entities it controlled at the end of or during the year ended 31 December 2013.

Principal activities

During the year, Hutchison's principal activity was the ownership of a 50% interest in Vodafone Hutchison Australia Pty Limited ("VHA") which provides mobile telecommunications services in Australia.

Dividends

No dividend was declared or paid during the year.

Review of operations

Comments on the operations of Hutchison, results of those operations, the Company's business strategies and its prospects for future years are contained in this annual report. Details of the financial position of the Company are contained in page 22 of this report.

Significant changes in the state of affairs and matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 31 December 2013 that has significantly affected, or may significantly affect:

- Hutchison's operations in future financial years;
- the results of those operations in future financial years; or
- Hutchison's state of affairs in future financial years.

Likely developments and expected results of operations

Other than as set out in the Review of operations above, further information on business strategies and the future prospects of the Company have not been included in this report because the Directors believe that it would be likely to result in unreasonable prejudice to Hutchison.

Environmental regulation

Hutchison's operations and business activities are subject to environmental regulations under both Commonwealth and State legislation and the requirements of the *Telecommunications Act 1997*. Hutchison's risk review and audit program is designed to ensure that Hutchison meets its obligations under current legislation.

VHA's operations and business activities are subject to environmental regulations under both Commonwealth and State legislation and the requirements of the *Telecommunications Act 1997*, particularly with regard to:

- the impact of the construction, maintenance and operation of transmission facilities;
- reporting on carbon emissions from operations;
- site contamination; and
- waste management.

Management systems are in place to clearly define accountability and responsibility for compliance with legislation and for achieving specific environmental management objectives.

The Directors are not aware of any material breaches of environmental regulations by Hutchison or by VHA.

Directors

The following persons were Directors of HTAL during the whole of the year ended 31 December 2013 and up to the date of this report:

FOK Kin Ning, Canning

Barry ROBERTS-THOMSON

CHOW WOO Mo Fong, Susan

Justin Herbert GARDENER

LAI Kai Ming, Dominic

John Michael SCANLON

Frank John SIXT

Ronald Joseph SPITHILL

Further information on the Directors is set out on pages 6 and 7.

Director	Other Responsibilities	Particulars of Directors' Interests in ordinary shares of HTAL
Fok Kin Ning, Canning	Non-executive Chairman, Chairman of Governance, Nomination and Compensation Committee	5,100,000*
Barry Roberts-Thomson	Deputy Chairman	83,918,337**
Chow Woo Mo Fong, Susan	Member of Governance, Nomination and Compensation Committee	—
Justin Herbert Gardener	Chairman of Audit Committee, Member of Governance, Nomination and Compensation Committee	1,957,358
Lai Kai Ming, Dominic	—	—
John Michael Scanlon	Member of Audit Committee	—
Frank John Sixt	Member of Audit Committee	1,000,000
Ronald Joseph Spithill	—	—

* Direct holding of 100,000 shares

** Direct holding of 4,540 shares

Notes: Fok Kin Ning, Canning, holds a relevant interest in (i) 6,010,875 ordinary shares of HWL, a related body corporate of HTAL; (ii) 5,000,000 ordinary shares of HHR, a related body corporate of HTAL; (iii) 1,202,380 ordinary shares of HTHKH, a related body corporate of HTAL; (iv) a nominal amount of USD4,000,000 in the 5.75% Notes due 2019 issued by Hutchison Whampoa International (09/19) Limited, a related body corporate of HTAL; and (v) a nominal amount of USD5,000,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by Hutchison Whampoa International (10) Limited, a related body corporate of HTAL.

Chow Woo Mo Fong, Susan holds a relevant interest in (i) 190,000 ordinary shares of HWL; and (ii) 250,000 ordinary shares of HTHKH.

Lai Kai Ming, Dominic holds a relevant interest in 50,000 ordinary shares of HWL.

Frank John Sixt holds a relevant interest in (i) 200,000 ordinary shares of HWL; (ii) one ordinary share of Colonial Nominees Limited, a related body corporate of HTAL, on behalf of Hutchison International Limited; (iii) 17,000 American Depositary Shares (each representing 15 ordinary shares) of HTHKH; and (iv) a nominal amount of USD1,000,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by Hutchison Whampoa International (10) Limited.

Directors' Report continued

Meetings of Directors

The number of meetings of HTAL's Board of Directors and each of the Board committees held during the year ended 31 December 2013 and the number of meetings attended by each Director were:

	Board Meetings held during the period as Director	Board Meetings attended	Audit Committee Meetings held during the period as Member of the Committee	Audit Committee Meetings attended	Governance, Nomination and Compensation Committee Meetings held during the period as Member of the Committee	Governance, Nomination and Compensation Committee Meetings attended
Fok Kin Ning, Canning	7	7	N/A	N/A	Nil	Nil
Barry Roberts-Thomson	7	6	N/A	N/A	N/A	N/A
Chow Woo Mo Fong, Susan	7	6	N/A	N/A	Nil	Nil
Lai Kai Ming, Dominic	7	6	N/A	N/A	N/A	N/A
Justin Herbert Gardener	7	7	3	3	Nil	Nil
John Michael Scanlon	7	7	3	3	N/A	N/A
Frank John Sixt	7	7	3	2	N/A	N/A
Ronald Joseph Spithill	7	7	N/A	N/A	N/A	N/A

Retirement, election and continuation in office of Directors

Mr Barry Roberts-Thomson is a Director retiring by rotation in accordance with the Constitution who, being eligible, offers himself for re-election.

Mr Lai Kai Ming, Dominic is a Director retiring by rotation in accordance with the Constitution who, being eligible, offers himself for re-election.

Mr Ronald Joseph Spithill is a Director retiring by rotation in accordance with the Constitution who, being eligible, offers himself for re-election.

Company secretaries

Edith Shih

BSE, MA, MA, EdM, Solicitor, FCIS, FCS(PE)

Ms Shih has over 16 years of experience as a company secretary in listed companies and has been a Company Secretary of the Company since 1999. She has been the head group general counsel of HWL since 1993 and its company secretary since 1997. She is a qualified solicitor in England and Wales, Hong Kong and Victoria, Australia; and is also a Fellow of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

Louise Sexton

BA, LLM, MBA (Exec)

Ms Sexton has over 20 years of experience as a company secretary in listed companies and has been a Company Secretary of the Company since 1999. Ms Sexton has practised as a solicitor since 1983 with experience in government, private practice and in-house corporate practice, and is also Company Secretary of VHA.

Remuneration Report

Following the merger of Hutchison 3G Australia Pty Limited and Vodafone Australia Limited in June 2009, the Company's employees, including all executives, working in the VHA business ceased to be employees of the Company and became employees of VHA during 2009. VHA is not a subsidiary of the Company and accordingly this report does not include any information relating to the employees or employment practices of VHA. As at 31 December 2013, the Company had one employee. The Company no longer has any employees who are 'key management personnel'.

The compensation philosophy and policies referred to remain in place notwithstanding their currently limited application.

Compensation philosophy and practice

The Governance, Nomination and Compensation Committee has been responsible for making recommendations to the Board on compensation policies and packages for all staff, including Board members. The Company's compensation policy has been designed to ensure that remuneration strategies are competitive, innovative, support the business objectives and reflect company performance. The Company's performance is measured according to the achievement of key financial and non-financial measures as approved by the Board, and key management personnel's remuneration packages (other than Directors) would be directly linked to these measures. Hutchison has been committed to ensuring it has compensation arrangements which would reflect individual performance, overall contribution to the Company's performance and developments in the external market. Written service agreements setting out remuneration and other terms of employment would be required for key management personnel.

Principles used to determine the nature and amount of remuneration

The Company's compensation policy was designed to ensure that remuneration strategies are competitive, innovative and support the business objectives while reflecting individual performance, overall contribution to the business and developments in the external market. Remuneration packages will generally involve a balance between fixed and performance based components, the latter being assessed against objectives which include both company and job specific financial and non-financial measures. These measures at the financial level directly relate to the key management's contribution to meeting or exceeding the Company's statement of comprehensive income and statement of financial position targets. At the non-financial level the measures reflected the contribution to achieving a range of key performance indicators as well as building a high performance company culture. These performance conditions were chosen to reflect an appropriate balance between achieving financial targets and building a business and organisation to be sustainable for the long term.

Directors' fees

The remuneration of the non-executive and independent Directors, Mr Gardener and Mr Scanlon, comprised a fixed amount only and was not performance based. The non-executive and non-independent Directors, Mr Fok, Mrs Chow, Mr Lai, Mr Roberts-Thomson, Mr Sixt and Mr Spithill, did not receive any remuneration for their services as Directors.

Retirement allowances for Directors

No retirement allowances are payable to non-executive Directors.

Company Secretaries fees

The Joint Company Secretaries, Ms Shih and Ms Sexton, did not receive any remuneration for their services as Company Secretaries as they were not employees of the Company.

Key management personnel

There were no key management personnel having authority and responsibility for planning, directing and controlling the activities of the Company for the period from 1 January 2013 to 31 December 2013.

Directors' Report continued

Details of remuneration

Details of the remuneration of each Director of HTAL and each of the key management personnel of the Company, including their personally-related entities, are set out in the following tables.

Directors of HTAL

2013	Short-term benefits			Post-employment benefits	Share based payments	
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Options $	Total $
C Fok	—	—	—	—	—	—
B Roberts-Thomson	—	—	—	—	—	—
S Chow	—	—	—	—	—	—
J Gardener	50,000	—	—	4,562	—	54,562
D Lai	—	—	—	—	—	—
J Scanlon	50,000	—	—	4,562	—	54,562
F Sixt	—	—	—	—	—	—
R Spithill	—	—	—	—	—	—
Total	100,000	—	—	9,124	—	109,124

2012	Short-term benefits			Post-employment benefits	Share based payments	
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Options $	Total $
C Fok	—	—	—	—	—	—
B Roberts-Thomson	—	—	—	—	—	—
S Chow	—	—	—	—	—	—
J Gardener	50,000	—	—	4,500	—	54,500
D Lai	—	—	—	—	—	—
J Scanlon	50,000	—	—	4,500	—	54,500
F Sixt	—	—	—	—	—	—
R Spithill	—	—	—	—	—	—
Total	100,000	—	—	9,000	—	109,000

Key management personnel and other executives of the Company

2013 – Nil

2012 – Nil

Share-based compensation

Options were granted to executives under the HTAL Employee Option Plan which was approved by the Board on 4 June 2007. Options were granted under the plan for no consideration. Options granted under the plan carried no dividend or voting rights. When exercisable, each option was convertible into one ordinary share.

The exercise price of options was the higher of the following:

(a) the closing price of HTAL shares on the Australian Securities Exchange on the day on which the options were granted; and

(b) the average closing price of HTAL shares for the five trading days immediately preceding the day on which the options were granted.

No ordinary shares were issued on the exercise of options during the year to any of the Directors or former key management personnel.

No Directors were issued options during the year or hold options over the ordinary shares of the Company. No options were vested and unexercisable at the end of the year. The Board had resolved to allow the options held by any employees who had taken up employment with VHA to remain on their existing terms and conditions.

Share holdings

The number of shares in the Company held during the financial year by each Director, including their personally-related entities, are set out below.

Directors of HTAL

Ordinary shares

Name	Balance at the start of the year	Received during the year on the exercise of options	Changes during the year	Balance at the end of the year
C Fok	5,100,000*	—	—	5,100,000*
B Roberts-Thomson	83,918,337**	—	—	83,918,337**
S Chow	—	—	—	—
J Gardener	1,957,358	—	—	1,957,358
D Lai	—	—	—	—
J Scanlon	—	—	—	—
F Sixt	1,000,000	—	—	1,000,000
R Spithill	—	—	—	—

* Direct holding of 100,000 shares

** Direct holding of 4,540 shares

Shares under option

As at the date of this report there were no unissued ordinary shares of HTAL under option issued pursuant to the HTAL Employee Option Plan.

Shares issued on the exercise of options

No ordinary shares of HTAL were issued during the year ended 31 December 2013 or up to the date of this report on the exercise of options granted under the HTAL Employee Option Plan.

Loans to Directors and key management personnel

There were no loans made to the Directors of the Company, including their personally-related entities, during the years ended 31 December 2013 and 31 December 2012.

Other transactions with Directors and key management personnel

There were no other transactions with Directors for the years ended 31 December 2013 or ended 31 December 2012.

Directors' Report continued

Non-audit services

HTAL may decide to employ the auditor, Deloitte Touche Tohmatsu, on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

The Board of Directors, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Details of the amounts paid to Deloitte Touche Tohmatsu for audit and non-audit services provided during the year are set out in note 14, Remuneration of auditors, on page 38 of the financial report.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 19.

Directors' and officers' liability insurance

During the financial year, HWL paid a premium to insure the Directors and officers of Hutchison against loss or liability arising out of a claim for a wrongful act, including any costs, charges and expenses that may be incurred in defending any actions, suits, proceedings or claims.

Proceedings on behalf of HTAL

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of HTAL, or to intervene in any proceedings to which HTAL is a party, for the purpose of taking responsibility on behalf of HTAL for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of HTAL with leave of the Court under section 237 of the *Corporations Act 2001*.

Rounding of amounts to nearest thousand dollars

Hutchison is a company of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report. Where noted, amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, or in certain cases to the nearest dollar or cent.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

Director
24 February 2014

Director
24 February 2014

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Hutchison Telecommunications (Australia) Limited
40 Mount St
North Sydney, NSW 2060

24 February 2014

Dear Board Members,

Hutchison Telecommunications (Australia) Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Hutchison Telecommunications (Australia) Limited.

As lead audit partner for the audit of the financial statements of Hutchison Telecommunications (Australia) Limited for the financial year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

S Chadha
Sandeep Chadha
Partner
Chartered Accountants

Financial Report
For the year ended 31 December 2013

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2013

	Notes	2013 $'000	2012 $'000
Revenue	2	15,928	19,030
Other operating items		3,740	(1,178)
Finance costs	3	(32)	(105)
Share of losses of a joint venture accounted for using the equity method	7	(245,612)	(408,775)
Loss before income tax		(225,976)	(391,028)
Income tax expense	4	(3,982)	(2,479)
Loss for the year	12	(229,958)	(393,507)
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)		4,108	4,493
Income tax expense relating to components of other comprehensive income		(3,380)	—
Other comprehensive income for the year, net of tax	12	728	4,493
Total comprehensive loss for the year attributable to members of Hutchison Telecommunications (Australia) Limited		(229,230)	(389,014)

		Cents	Cents
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share	21	(1.69)	(2.90)
Diluted earnings per share	21	(1.69)	(2.90)

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

Consolidated Statement of Financial Position
As at 31 December 2013

	Notes	2013 $'000	2012 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,972	10,891
Other		—	157
Total Current Assets		2,972	11,048
Non-current Assets			
Other financial assets	6	10,074	465,347
Investment accounted for using the equity method	7	764,379	1,009,263
Deferred tax assets	4	336	4,318
Total Non-current Assets		774,789	1,478,928
Total Assets		777,761	1,489,976
LIABILITIES			
Current Liabilities			
Payables	9	18,774	22,783
Other financial liabilities	10	103,862	582,838
Total Current Liabilities		122,636	605,621
Total Liabilities		122,636	605,621
Net Assets		655,125	884,355
EQUITY			
Contributed equity	11	4,204,488	4,204,488
Reserves	12	68,194	67,466
Accumulated losses	12	(3,617,557)	(3,387,599)
Total Equity		655,125	884,355

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

Consolidated Statement of Changes in Equity
For the year ended 31 December 2013

		Attributable to members of Hutchison Telecommunications (Australia) Limited					
			Reserves				
	Notes	Contributed equity $'000	Capital redemption $'000	Cash flow hedging $'000	Share-based payments $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2012		**4,204,488**	**54,887**	**(7,794)**	**15,880**	**(2,994,092)**	**1,273,369**
Loss for the year		—	—	—	—	(393,507)	(393,507)
Share of joint venture's changes in the fair value of cash flow hedges		—	—	4,493	—	—	4,493
Income tax relating to components of other comprehensive income		—	—	—	—	—	—
Total comprehensive loss for the year	12	—	—	4,493	—	(393,507)	(389,014)
Balance at 31 December 2012		**4,204,488**	**54,887**	**(3,301)**	**15,880**	**(3,387,599)**	**884,355**
Balance at 1 January 2013		**4,204,488**	**54,887**	**(3,301)**	**15,880**	**(3,387,599)**	**884,355**
Loss for the year		—	—	—	—	(229,958)	(229,958)
Share of joint venture's changes in the fair value of cash flow hedges		—	—	4,108	—	—	4,108
Income tax relating to components of other comprehensive income		—	—	(3,380)	—	—	(3,380)
Total comprehensive loss for the year	12	—	—	728	—	(229,958)	(229,230)
Balance at 31 December 2013		**4,204,488**	**54,887**	**(2,573)**	**15,880**	**(3,617,557)**	**655,125**

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

Consolidated Statement of Cash Flows
For the year ended 31 December 2013

	Notes	2013 $'000	2012 $'000
Cash Flows from Operating Activities			
Payments to suppliers and employees (inclusive of GST)		(122)	(1,586)
Interest received		2,203	10,968
Operating income (working capital facility fee income)		250	—
Finance costs paid		—	(69)
Net cash inflows from operating activities	20	2,331	9,313
Cash Flows from Investing Activities			
Loans to joint venture		(415,715)	(225,000)
Repayment of loan from joint venture		884,441	—
Net cash inflows / (outflows) from investing activities		468,726	(225,000)
Cash Flows from Financing Activities			
Proceeds from borrowings – entity within the HWL Group		330,715	215,000
Repayment of borrowings – entity within the HWL Group		(809,691)	—
Net cash (outflows) / inflows from financing activities		(478,976)	215,000
Net decrease in cash and cash equivalents		(7,919)	(687)
Cash and cash equivalents at 1 January		10,891	11,578
Cash and cash equivalents at 31 December		2,972	10,891

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

Notes to the Financial Statements

Note 1 Summary of significant accounting policies

Hutchison Telecommunications (Australia) Limited (the "Company" or "Parent Entity") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The nature of the operations and principal activities of the Company and its subsidiaries (the "Group" or "Consolidated Entity" or "HTAL") are described in the Directors' report.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

For financial reporting purposes the Consolidated Entity is considered a "for-profit" entity.

Statement of compliance

Accounting Standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial statements and notes of the Consolidated Entity comply with International Financial Reporting Standards ("IFRS").

As a consequence of the financial reporting relief provided by ASIC Class Orders 10/654 and 10/655 the consolidated financial statements are presented without the parent entity financial statements. Disclosures in relation to the parent entity required under paragraph 259(3)(a) of the *Corporations Act 2001* have been included in note 26.

Going concern disclosures

As at 31 December 2013, the Consolidated Entity has a deficiency of net current assets of $120 million (2012: $595 million). Included in the Consolidated Entity's current liabilities is an amount of $104 million (2012: $583 million) which relates to an interest free financing facility provided from the ultimate parent entity, Hutchison Whampoa Limited ("HWL"), which is repayable on demand. The Consolidated Entity has unused financing facilities of $1,496 million at 31 December 2013. HWL 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 these financial statements. Consequently, the Directors have prepared the financial statements on a going concern basis.

Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) which are stated at fair value, as explained in the significant accounting policies set out below.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires the Group to exercise its judgment in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 23.

(b) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Consolidated Entity and entities (including special purpose entities) controlled by the Consolidated Entity (its subsidiaries). Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. If a member of the Consolidated Entity uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Investments in controlled entities in the Company are accounted for at cost. Investments in joint ventures are accounted for as set out in note 1(f).

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Consolidated Entity's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Hutchison Telecommunications (Australia) Limited's functional and presentation currency.

Notes to the Financial Statements continued

Note 1 Summary of significant accounting policies continued

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income, except when deferred in equity as qualifying cash flow hedges set out in note 1(j)(ii).

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

Interest income

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

(e) Income tax

The current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Consolidated Entity's liability for current tax is calculated using Australian tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date.

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 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 statement of financial position 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 statement of financial position 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.

Tax is charged or credited to the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the tax is also recognised directly in equity.

Hutchison Telecommunications (Australia) Limited and its wholly owned Australian subsidiaries have not implemented the tax consolidation legislation.

(f) Joint arrangements

A joint arrangement is an arrangement over which two or more parties have joint control, being the contractually agreed sharing of control.

(i) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Consolidated Entity's interest in the joint venture is accounted for in the consolidated financial report using the equity method of accounting. Under this method the share of the profits or losses of the entity is recognised in the profit or loss of the Consolidated Entity, and the share of the movements in reserves is recognised in reserves in the statement of financial position.

To comply with the requirements of *AASB 11 Joint Arrangements*, the Consolidated Entity re-evaluated its involvement in its only joint arrangement and has classified the joint arrangement as a joint venture. The investment continues to be accounted for using the equity method; accordingly there has been no impact on the recognised assets, liabilities and comprehensive income of the Consolidated Entity.

The parent entity recognises its investment in the joint venture at cost less accumulated impairment losses.

(ii) Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Investments in joint operations are accounted for such that each joint operator recognises its assets, its liabilities, its revenue and its expenses. Each joint operation recognises its undivided interest in each asset and liability and classifies and presents those items according to their nature.

Note 1 Summary of significant accounting policies continued

(g) Impairment of assets

Goodwill is not subject to amortisation and is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(h) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within bank borrowings in current liabilities on the statement of financial position.

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

(j) Derivative financial instruments and hedging activities

Derivative financial instruments are utilised by the Group in the management of its foreign currency and interest rate exposures. The Group's policy is not to utilise derivative financial instruments for trading or speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Consolidated Entity designates certain derivatives as; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Consolidated Entity documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Consolidated Entity also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit or loss and other comprehensive income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss and other comprehensive income within other income or other expenses.

Amounts accumulated in equity are recycled in the statement of profit or loss and other comprehensive income in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit or loss and other comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements continued

Note 1 Summary of significant accounting policies continued

(k) Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions. Fair value is an exit price regardless of whether that price is directly observable in active markets or estimated using another valuation technique.

The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date.

(l) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(m) Goodwill and intangible assets

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the statement of profit or loss and other comprehensive income as a bargain purchase gain.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates/joint ventures is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if, events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(n) Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid or payable within 30 days of recognition.

(o) Interest bearing liabilities

Fixed rate loans are initially recognised at fair value, net of transaction costs incurred. Floating rate loans are initially recognised at cost, net of transaction costs incurred. Fixed and floating rate loans are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the liability using the effective interest method.

(p) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed. Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- certain exchange differences arising from foreign currency borrowings.

(q) Employee benefits

(i) Wages and salaries, and leave provisions

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(ii) Retirement benefits

Retirement benefits are delivered under the Retail Employees Superannuation Trust, although employees have an option to choose other funds. This fund is a defined contribution fund and is based on employer and employee contributions made to the fund.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Note 1 Summary of significant accounting policies continued

(iii) Share-based payments

Share-based compensation benefits are provided to employees via the HTAL Employee Option Plan. Information relating to the option plan is set out in note 22.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity over the period during which the employees become entitled to the shares.

Share options granted after 7 November 2002 and vested after 1 January 2005

The fair value of options granted under the HTAL Executive Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at the grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(r) Contributed equity

Ordinary shares are classified as equity. Refer to note 11 for further information.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to ordinary equity holders of the Consolidated Entity; and
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(u) Operating segments

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 Operating Segments* are reported separately. Refer to note 19 for details of the Consolidated Entity's operating segment, being investment in telecommunication services.

Notes to the Financial Statements continued

Note 1 Summary of significant accounting policies continued

(v) Rounding of amounts to nearest thousand dollars

The Consolidated Entity is of a kind referred to in Class Order 98/100 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.

(w) 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 2013.

The Consolidated Entity has applied the following standards and amendments for first time in their annual reporting period commencing 1 January 2013:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits (2011)
- AASB 128 Investments in Associates and Joint Ventures
- AASB 127 Separate Financial Statements
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement standards
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The adoption of these new and revised standards, amendments and interpretations has affected the presentation only and has no impact on the Consolidated Entity's financial position or performance.

Australian Accounting Standards that have recently been amended but are not yet effective and have not been early adopted by the Consolidated Entity are outlined in the table below:

Reference	Affected Standard(s)	Application date of standard*	Application date for Consolidated Entity
AASB 9	AASB 9: Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2017	1 January 2017
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	1 July 2013	1 January 2014
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	1 January 2014
AASB 2013-3	Amendments to Australian Accounting Standards – Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014	1 January 2014
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	1 January 2014
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities	1 January 2014	1 January 2014

* Application date of the standard is for the reporting periods beginning on or after the date shown in the above table.

The adoption of the standards and amendments listed above in future periods is not expected to result in substantial changes to the Group's accounting policies.

Note 2 Revenue

	2013 $'000	2012 $'000
Other revenue		
Interest	15,656	18,973
Other Income	272	57
	15,928	19,030

Note 3 Expenses

	2013 $'000	2012 $'000
Loss before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges paid / payable	32	105

Note 4 Income tax

	2013 $'000	2012 $'000
(a) Income tax expense		
Deferred tax	3,982	2,479
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from operations before income tax expense	(225,976)	(391,028)
Tax at the Australian tax rate of 30% (2012: 30%)	(67,793)	(117,308)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share of losses of a joint venture	73,683	122,633
	5,890	5,325
Previously unrecognised tax losses now recouped to reduce current tax expense	(1,908)	(2,846)
Income tax expense	3,982	2,479
(c) Unrecognised tax losses		
Opening balance	217,795	219,757
Tax losses utilised during completion of income tax return	(7,332)	—
Tax losses identified during completion of income tax return	—	7,525
Tax losses recouped to reduce current tax expense	(6,360)	(9,487)
Unused tax losses for which no deferred tax assets have been recognised	204,103	217,795
Potential tax benefit @ 30%	61,231	65,339

All unused tax losses were incurred by Australian entities.

This benefit for tax losses will only be obtained if the specific entity carrying forward the tax losses derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and the company complies with the conditions for deductibility imposed by tax legislation.

(d) Recognised deferred tax assets

There are temporary differences attributable to:

	2013 $'000	2012 $'000
Provisions	336	1,865
Business related costs	—	2,453
Net deferred tax asset	336	4,318

Notes to the Financial Statements continued

Note 5 Current assets — Cash and cash equivalents

	2013 $'000	2012 $'000
Cash at bank and in hand	2,972	10,891

Note 6 Non-current assets — Other financial assets

	2013 $'000	2012 $'000
Receivable from a joint venture (note 17)	10,074	465,347

Receivable from a joint venture

The interest on the receivable from a joint venture of $10 million (2012 : $88 million) is charged at a fixed rate of 8% p.a. (2012 : 8% p.a.). The interest on the remaining prior year balance was charged at a weighted average interest rate of 6.3% per annum.

Further information relating to receivable from a joint venture is set out in note 17.

(a) Fair value

The carrying values of non-current receivables are at cost approximated to fair value.

(b) Foreign currency and interest rate risk

The carrying amounts of the Consolidated Entity's current and non-current receivables and financial assets are denominated in the following currencies:

	2013 $'000	2012 $'000
Australian dollars	10,074	465,347
	10,074	465,347

For an analysis of the sensitivity of other financial assets to foreign exchange and interest rate risk refer to note 25.

(c) Credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Consolidated Entity does not hold any collateral as security. Refer to note 25 for more information on the risk management policy of the Consolidated Entity.

Note 7 Non-current assets — Investment accounted for using the equity method

	2013 $'000	2012 $'000
Interest in a joint venture	764,379	1,009,263

The Consolidated Entity has a 50% interest in Vodafone Hutchison Australia Pty Limited ("VHA"), a joint venture involved in providing mobile telecommunications services in Australia.

The Consolidated Entity's interest in VHA is accounted for using the equity method in the consolidated financial statements. 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:

	2013 $'000	2012 $'000
Current assets	1,294,466	1,296,839
Non-current assets	6,608,999	6,101,931
Current liabilities	(1,247,781)	(3,927,880)
Non-current liabilities	(5,947,886)	(2,033,119)
Net Assets	707,798	1,437,771
Proportion of the Consolidated Entity's ownership	50%	50%
Share of the joint venture's net assets	353,899	718,885
Fair value adjustment made at the time of merger	165,321	165,321
Adjustment for differences in accounting policies	245,159	125,057
Carrying amount of the investment	764,379	1,009,263

The carrying value of HTAL's investment in VHA is predicated on the ongoing financial support from both of VHA's shareholders. At 31 December 2013, HTAL's share of VHA's net current assets is $23.3 million (2012: deficiency of $1,316 million). One of VHA's ultimate shareholders, Hutchison Whampoa Limited, and one of its direct shareholders, Vodafone Oceania Limited, have confirmed their current intention to jointly 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 VHA financial statements.

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

	2013 $'000	2012 $'000
Revenues	3,551,906	4,097,996
Expenses	(4,264,764)	(4,997,342)
Loss before income tax	(712,858)	(899,346)
Income tax expense	(18,570)	—
Loss for the year	(731,428)	(899,346)
Other comprehensive loss		
Changes in the fair value of cash flow hedges, net of tax	1,455	8,986
Total comprehensive loss	(729,973)	(890,360)
50% share of VHA's loss for the year	(365,714)	(449,673)
Adjustment for difference in accounting policies	120,102	40,898
Share of joint venture's loss	(245,612)	(408,775)
VHA's financial statements include the following specific items:		
Cash and cash equivalents	116,436	176,365
Current financial liabilities	89,698	2,363,454
Non-current financial liabilities	5,767,501	1,866,593
Depreciation and amortisation^	1,238,918	974,411
Interest income	17,062	9,810
Interest expense	341,087	282,056

^ Depreciation and amortisation under HTAL accounting policies are $974m for year ended 31 December 2013 (2012: $900m). The differences in accounting policies are primarily related to differences in the economic useful lives of property, plant and equipment.

Notes to the Financial Statements continued

Note 7 Non-current assets — Investment accounted for using the equity method continued

	2013 $'000	2012 $'000
Reconciliation of interest in a joint venture		
Investment brought forward	1,009,263	1,413,545
Loss for the year	(245,612)	(408,775)
Share of change in fair value of cash flow hedges, net of tax	728	4,493
Interest in a joint venture at 31 December	764,379	1,009,263
VHA's commitments		
Lease commitments	1,216,647	1,285,873
Other commitments	561,225	600,279
Capital commitments	201,196	290,802
VHA's contingent liabilities	24,896	26,642

The consolidated financial statements incorporates the assets, liabilities and results of the following joint venture in accordance with the accounting policy described in notes 1(b) and 1(f):

			Equity Holding*	
Name of Entity	Country of Incorporation	Class of Shares	2013 %	2012 %
Vodafone Hutchison Australia Pty Limited (formerly Hutchison 3G Australia Pty Limited)	Australia	Ordinary	50	50

* The proportion of ownership interest is equal to the proportion of voting power held.

The ownership of this joint venture is through Hutchison 3G Australia Holdings Pty Limited.

Note 8 Controlled entities

The consolidated financial statements incorporates the assets, liabilities and results of the following controlled entities and joint venture in accordance with the accounting policy described in notes 1(b):

				Equity Holding*	
Name of Controlled Entity	Notes	Country of Incorporation	Class of Shares	2013 %	2012 %
Lindian Pty Limited		Australia	Ordinary	100	100
Hutchison 3G Australia Holdings Pty Limited	(a)	Australia	Ordinary	100	100

* The proportion of ownership interest is equal to the proportion of voting power held.

(a) This entity has been granted relief from the necessity to prepare financial reports in accordance with Class Order (98/1418) issued by the Australian Securities and Investments Commission.

Note 9 Current liabilities — Payables

	2013 $'000	2012 $'000
Other creditors	1,122	6,258
Payables to joint venture (note 17)	17,652	16,525
	18,774	22,783

Payables to a joint venture

Further information relating to payables to a joint venture is set out in note 17.

(a) Foreign currency and interest rate risk

The carrying amounts of the Consolidated Entity's trade and other payables are predominantly denominated in Australian Dollars:

	2013 $'000	2012 $'000
Australian Dollars	18,774	22,783
	18,774	22,783

Refer to note 25 for an analysis of the Consolidated Entity's exposure to foreign currency risk in relation to trade and other payables. A summarised analysis of the sensitivity of trade payables to foreign exchange and interest rate risk can be found in note 25.

Note 10 Current liabilities — Other financial liabilities

	2013 $'000	2012 $'000
Loan from an entity within the HWL Group (note 17)	103,862	582,838

Loan from an entity within the HWL Group

Further information relating to loan from an entity within the HWL Group is set out in note 17. The loan from an entity within the HWL Group is an interest free financing facility and is repayable on demand.

Financing arrangements

Unrestricted access was available at the statement of financial position date to the following lines of credit:

	2013 $'000	2012 $'000
Other financial liabilities		
Total facilities – entity within the HWL Group	1,600,000	1,600,000
Used at the statement of financial position date	(103,862)	(582,838)
Unused at the statement of financial position date	1,496,138	1,017,162

Notes to the Financial Statements continued

Note 11 Contributed equity

	2013 Shares	2012 Shares	2013 $'000	2012 $'000
(a) Share capital				
Ordinary shares (fully paid)	13,572,508,577	13,572,508,577	4,204,488	4,204,488

Share capital

Ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Movement in ordinary shares

There has been no movement in the number of shares issued during the years ended 31 December 2013 and 31 December 2012.

(c) Options

Information relating to the HTAL Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year are set out in note 22.

(d) Capital risk management

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern as discussed in note 1(a). Management also maintain an optimal capital structure to reduce the cost of capital.

The Consolidated Entity monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'contributed equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2013 and 31 December 2012 were as follows:

	2013 $'000	2012 $'000
Total payables, borrowings and other financial liabilities	122,636	605,621
Less: cash and cash equivalents (note 5)	(2,972)	(10,891)
Net debt	119,664	594,730
Total equity	655,125	884,355
Total capital	774,789	1,479,085
Gearing ratio	15%	40%

Note 12 Reserves and accumulated losses

	2013 $'000	2012 $'000
(a) Reserve		
Capital reserve	54,887	54,887
Share of hedging reserve – cash flow hedges	(2,573)	(3,301)
Share-based payments reserve	15,880	15,880
	68,194	67,466
Movements:		
Capital reserve		
There has been no movement in the capital reserve during the year.		
Share of hedging reserve — cash flow hedges		
Balance at 1 January	(3,301)	(7,794)
Hedging movement, net of tax	728	4,493
Balance at 31 December	(2,573)	(3,301)
Share-based payments reserve		
There has been no movement in the share-based payments reserve during the year		
(b) Accumulated losses		
Accumulated losses at 1 January	(3,387,599)	(2,994,092)
Loss attributable to the members of Hutchison Telecommunications (Australia) Limited	(229,958)	(393,507)
Accumulated losses at 31 December	(3,617,557)	(3,387,599)

(c) Nature and purpose of reserves

Capital reserve

The capital reserve relates to the surplus arising on initial consolidation of a 19.9% stake in Hutchison 3G Australia Holdings Pty Limited.

Hedging reserve — cash flow hedges

The hedging reserve is used to record gains and losses on a hedging instrument in a joint venture cash flow hedge that are recognised directly in equity, as described in note 1(f).

Amounts are recognised in the statement of profit or loss and other comprehensive income when the associated hedged transaction affects profit or loss.

Share-based payments reserve

The share-based payments reserve is used to:

i. recognise the grant date fair value of options issued to employees but not exercised; and

ii. recognise the fair value of the 850 MHz spectrum licence assigned from Telecom New Zealand ("TCNZ"). The fair value was determined by reference to the fair value of the option granted to TCNZ in exchange for the spectrum licence.

Notes to the Financial Statements continued

Note 13 Director and key management personnel disclosure

(a) Director and key management personnel compensation

	2013 $	2012 $
Short term employee benefits	109,124	109,000

Other key management personnel (excluding Directors) were transferred to VHA on merger.

(b) Loans to key management personnel

There were no loans made to Directors of the Company, including their personally related entities, during the years ended 31 December 2013 and 31 December 2012.

(c) Other transactions with key management personnel

There were no other transactions with the Directors of the Company for the years ended 31 December 2013 and 31 December 2012.

Note 14 Remuneration of auditors

	2013 $	2012 $
Deloitte Touche Tohmatsu		
Assurance services		
Audit services		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	90,250	90,250
Total remuneration for assurance services	90,250	90,250
Taxation services		
Tax compliance services, including review of company tax returns	6,000	11,500
Tax consultation services	—	35,000
	6,000	46,500
Total auditors remuneration	96,250	136,750

It is the Consolidated Entity's policy to employ the auditors on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity are important. These assignments are principally tax, compliance and advice. It is the Consolidated Entity's policy to seek competitive tenders for all major consulting projects.

Note 15 Contingencies

Details and estimates of maximum amounts of contingent liabilities as at 31 December 2013 are as follows:

	2013 $'000	2012 $'000
Guarantees		
Unsecured guarantees in respect of leases held by a joint venture	934	940

No material losses are anticipated in respect of any of the above contingent liabilities.

The Directors are not aware of any other material contingent liabilities existing at the reporting date.

Note 16 Commitments

There were no commitments contracted for but not recognised as liabilities, payable at 31 December 2013 and 31 December 2012, except for as disclosed in note 7.

Note 17 Related party transactions

(a) Parent entities

The holding company and parent entity is Hutchison Telecommunications (Amsterdam) B.V. which, at 31 December 2013, owns approximately 88% of the issued ordinary shares of Hutchison Telecommunications (Australia) Limited.

The ultimate parent entity is Hutchison Whampoa Limited (incorporated in Hong Kong).

(b) Directors

The names of persons who were Directors of the Company at any time during the financial year are as follows: FOK Kin Ning, Canning; Barry ROBERTS-THOMSON; CHOW WOO Mo Fong, Susan; Justin Herbert GARDENER; LAI Kai Ming, Dominic; John Michael SCANLON; Frank John SIXT and Ronald Joseph SPITHILL.

(c) Key management personnel compensation

Disclosures relating to key management personnel compensation are set out in note 13.

(d) Transactions with related parties

During the year, the following transactions occurred with related parties:

	2013 $'000	2012 $'000
Receivable		
Advance to:		
Joint venture	—	8,005
Payable		
Advance from:		
Joint venture	1,127	(382)
Loans to related parties		
Loans advanced to:		
Joint venture	415,715	225,000
Loan repayment from:		
Joint venture	884,441	—
Loans from related parties		
Loans advanced from :		
Entity within the HWL Group	330,715	215,000
Loan repayment to :		
Entity within the HWL Group	809,691	—
Interest revenue/working capital facility fee income		
Joint venture	15,759	18,431
Interest expense		
Ultimate parent entity	—	69

Advances to the joint venture represent funds advanced under the terms of the agreement with the joint venture. Further information relating to interest rate under the agreement is set out in note 6.

Notes to the Financial Statements continued

Note 17 Related party transactions continued

(e) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2013 $'000	2012 $'000
Non-current financial assets		
Joint venture (note 6)	10,074	465,347
Payables		
Joint venture (note 9)	17,652	16,525
Current liabilities — Other financial liabilities		
Entity within the HWL Group (note 10)	103,862	582,838

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates, except interest on some loans between the parties that are interest free.

Note 18 Deed of Cross Guarantee

During the year ended 31 December 2007, the Company, Hutchison 3G Australia Holdings Pty Limited ("H3GAH") and Hutchison 3G Australia Pty Limited ("H3GA") entered into a Deed of Cross Guarantee under which each company guarantees the debts of the others. By entering into the Deed of Cross Guarantee, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

On 10 June 2009, the Company announced that the merger of its subsidiary H3GA with Vodafone Australia Limited had completed. H3GA has been renamed VHA. As a result the parties to the Deed of Cross Guarantee are now the Company and H3GAH.

(a) Closed Group consolidated statement of profit or loss and other comprehensive income and a summary of movements in the Closed Group consolidated retained earnings

HTAL and H3GAH represented a 'Closed Group' for the purposes of the Class Order. As there are no other parties to the Deed of Cross Guarantee that are controlled by HTAL, H3GAH also represents the 'Extended Closed Group'.

Set out below is the Closed Group consolidated statement of profit or loss and other comprehensive income and a summary of movements in the Closed Group consolidated accumulated losses for the year ended 31 December 2013 and 31 December 2012.

	2013 $'000	2012 $'000
Statement of profit or loss and other comprehensive income		
Revenue	15,928	19,030
Other operating expenses	3,740	(1,178)
Impairment loss in investment held within the Closed Group	(244,884)	(547,618)
Finance costs	(32)	(105)
Loss before income tax	(225,248)	(529,871)
Income tax expense	(3,982)	(2,479)
Loss for the year	(229,230)	(532,350)
Share of movements in consolidated accumulated losses		
Accumulated losses at the beginning of the financial year	(3,390,900)	(2,858,550)
Loss for the year	(229,230)	(532,350)
Accumulated losses at the end of the financial year	(3,620,130)	(3,390,900)

Note 18 Deed of Cross Guarantee continued

(b) Statement of Financial Position

Set out below is a statement of financial position as at 31 December 2013 of the Closed Group consisting of H3GAH and HTAL.

	2013 $'000	2012 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	2,972	10,891
Other	—	157
Total Current Assets	2,972	11,048
Non-current Assets		
Other financial assets	774,453	1,474,610
Deferred tax assets	336	4,318
Total Non-current Assets	774,789	1,478,928
Total Assets	777,761	1,489,976
LIABILITIES		
Current Liabilities		
Payables	18,774	22,783
Other financial liabilities	103,862	582,838
Total Current liabilities	122,636	605,621
Total Liabilities	122,636	605,621
Net Assets	655,125	884,355
EQUITY		
Contributed equity	4,204,488	4,204,488
Reserves	70,767	70,767
Accumulated losses	(3,620,130)	(3,390,900)
Total Equity	655,125	884,355

Note 19 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 2013 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:

	2013 $m	2012 $m
HTAL's share of VHA		
Total Revenue	1,776	2,049
Net Losses	246	409

Notes to the Financial Statements continued

Note 20 Reconciliation of loss after income tax to net cash inflows from operating activities

	Notes	2013 $'000	2012 $'000
Loss after income tax		(229,958)	(393,507)
Share of losses of joint venture partnership accounted for using equity method	7	245,612	408,775
Change in operating assets and liabilities			
Increase in other financial assets		(13,453)	(8,005)
Decrease in deferred tax assets	4	3,982	2,479
Decrease in other assets		157	—
Decrease in payables		(4,009)	(429)
Net cash inflows from operating activities		2,331	9,313

Note 21 Earnings per share

	2013 Cents	2012 Cents
(a) Basic earnings per share		
Loss attributable to the ordinary equity holders of the Consolidated Entity	(1.69)	(2.90)
(b) Diluted earnings per share		
Loss attributable to the ordinary equity holders of the Consolidated Entity	(1.69)	(2.90)

	Consolidated	
	2013 $'000	2012 $'000
(c) Earnings used in calculating earnings per share		
Basic earnings per share		
Loss attributable to the ordinary equity holders of the Consolidated Entity used in calculating basic earnings per share	(229,958)	(393,507)
Diluted earnings per share		
Loss attributable to the ordinary equity holders of the Consolidated Entity used in calculating diluted earnings per share	(229,958)	(393,507)

	Consolidated	
	2013 Number	2012 Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	13,572,508,577	13,572,508,577
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	13,572,508,577	13,572,508,577

There were no (2012 : 300,000) options outstanding at 31 December 2013 that are anti-dilutive and accordingly have no impact on the earnings per share calculation for the year ended 31 December 2013.

Note 22 Share-based payment

Option Plans

The HTAL Employee Option Plan was established by the Board on 4 June 2007. All permanent full-time, permanent part-time and casual employees who have been selected by the Board to receive an invitation or who have been approved for participation in the plan are eligible to participate in the plan.

When exercisable, each option is convertible into one Ordinary Share. The exercise price of options is the higher of the following:

(a) the closing price of HTAL shares on the Australian Securities Exchange on the day on which the options are granted; and

(b) the average closing price of HTAL shares for the five trading days immediately preceding the day on which the options are granted.

Set out below are summaries of options granted under each plan.

2013								
Grant date	Expiry date	Exercise price	Balance at the start of the year	Issued during the year	Exercised during the year	Lapsed / forfeited during the year	Balance at the end of the year	Exercisable at the end of the year
4-Jun-08	3-Jun-13	$0.139	300,000	—	—	300,000	—	—
Total			300,000	—	—	300,000	—	—
Weighted average exercise price			$0.139	—	—	$0.139	—	—

2012								
Grant date	Expiry date	Exercise price	Balance at the start of the year	Issued during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Exercisable at the end of the year
14-Jun-07	13-Jun-12	$0.145	22,475,000	—	—	22,475,000	—	—
14-Nov-07	13-Nov-12	$0.200	300,000	—	—	300,000	—	—
4-Jun-08	3-Jun-13	$0.139	300,000	—	—	—	300,000	300,000
Total			23,075,000	—	—	22,775,000	300,000	300,000
Weighted average exercise price			$0.146	—	—	$0.146	$0.139	$0.139

The number of options that were lapsed / forfeited during the year were 300,000 (2012: 22,775,000). The weighted average remaining contractual life of share options outstanding at the end of the period was nil (2012: 0.4 years).

The expected price volatility is based on the historical 12 month period prior to grant date.

Employee Share Purchase Plan

The employee share purchase plan allows for HTAL's shares to be purchased on-market for employees. All Australian resident permanent employees and casual employees who have been employed by the company for more than one year are eligible to participate in the plan. Employees may elect not to participate in the plan.

Under the plan, up to $1,000 of HTAL shares are purchased for each participating employee with the company contributing up to $250 of the cost of the purchase, and brokerage and stamp duty costs. No shares were purchased during the year ended 31 December 2013, thus no expense arose.

Shares purchased under the plan may not be sold until the earlier of 3 years after purchase or cessation of employment with the company.

Expenses arising under share-based payment transactions

There were no expenses arising from share-based payment transactions recognised during the year as part of employment costs for the years ended 31 December 2013 and 31 December 2012.

Notes to the Financial Statements continued

Note 23 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgements under different assumptions and conditions.

(a) Critical accounting estimates and assumptions

Impairment of investments in controlled entities and joint venture

In accordance with the Consolidated Entity's accounting policy stated in note 1(f), the investments in controlled entities and the joint venture have been tested for impairment. The recoverable amount of the Company's investment in controlled entities (note 8), and the recoverable amount of the Consolidated Entity's investment in its joint venture (note 7) have been determined on the fair value less cost of disposal methodology. The fair value underlying the calculations have been based on the approved business plan for VHA. These calculations require the use of estimates and assumptions.

A discounted cash flow calculation has been undertaken on the approved business plan. A terminal value has been calculated on the cash flows. The cash flows have then been discounted using a suitable discount rate consistent with recent external assessments of the Consolidated Entity's weighted average capital cost. The resulting net present value (NPV) has been compared to the balance of the Consolidated Entity's equity accounted for investment in a joint venture. VHA's management has also run sensitivity analysis on discount rates, long term growth rates and customer churn rates in the model.

The Directors believe that the resulting NPV is appropriate to support the carrying values of the Consolidated Entity's investments in joint venture as at 31 December 2013. Refer to note 26 for details of impairment of HTAL's investment in its wholly owned subsidiary, H3GAH, in the parent entity separate financial statements.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits over the next two years together with future tax planning strategies.

(b) Critical judgements in applying the Consolidated Entity's accounting policies

There are no judgements made in applying the Consolidated Entity's accounting policies that have a significant effect on the amounts recognised in the financial report.

Note 24 Events occurring after the Reporting date

There has been no other matter or circumstance that has arisen subsequent to the reporting date that has significantly affected, or may significantly affect:

i. the operations of the Hutchison Telecommunications (Australia) Limited in future financial years, or

ii. the results of those operations in future financial years, or

iii. the state of affairs of the Hutchison Telecommunications (Australia) Limited in future financial years.

Note 25 Financial risk management

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity cautiously uses derivatives, principally forward foreign exchange contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's assets and liabilities. It is the Consolidated Entity's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest liquidity in financial products, including hedge funds or similar vehicles, with significant underlying leverage or derivative exposure.

Risk management is carried out by a central treasury department under policies approved by the Board of Directors. Treasury operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks. Treasury identifies, evaluates and hedges financial risks in close co-operation with the Consolidated Entity's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Note 25 Financial risk management continued

(a) Market risk

For the presentation of market risks (including interest rate risk, exchange rate risk and market price risk), *AASB 7 "Financial instruments: disclosures"* requires disclosure of a sensitivity analysis for each type of market risk that show the effects of a hypothetical change in the relevant market risk variable to which the Group is exposed at the reporting date on profit or loss and total equity.

The effect that is disclosed in the following sections assumes that (a) a hypothetical change of the relevant risk variable had occurred at the reporting date and had been applied to the relevant risk variable in existence on that date; and (b) the sensitivity analysis for each type of market risk does not reflect inter-dependencies between risk variables, e.g. the interest rate sensitivity analysis does not take into account of the impact of changes in interest rates would have on the relative strengthening and weakening of the currency with other currencies.

The preparation and presentation of the sensitivity analysis on market risk is solely for compliance with AASB 7 disclosure requirements in respect of financial instruments. The sensitivity analysis measures changes in the fair value and/or cash flows of the Group's financial instruments from hypothetical instantaneous changes in one risk variable (e.g. functional currency rate or interest rate), the amount so generated from the sensitivity analysis are what-if forward-looking estimates. The sensitivity analyses are for illustration purposes only and it should be noted that in practice market rates rarely change in isolation. Actual results in the future may differ materially from the sensitivity analyses due to developments in the global markets which may cause fluctuations in market rates (e.g. exchange or interest rate) to vary and therefore it is important to note that the hypothetical amounts so generated do not represent a projection of likely future events and profits or losses.

(i) Interest rate risk

The Consolidated Entity's main interest rate risk arises from cash balances and other financial assets.

(ii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Consolidated Entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31/12/2013									
		Interest rate risk				Foreign exchange risk			
		-1%		+1%		-10%		+10%	
	Carrying amount $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000
Financial assets									
Cash and cash equivalents	2,972	(30)	—	30	—	—	—	—	—
Other financial assets	10,074	—	—	—	—	—	—	—	—
Total increase/ (decrease)	13,046	(30)	—	30	—	—	—	—	—

31/12/2012									
		Interest rate risk				Foreign exchange risk			
		-1%		+1%		-10%		+10%	
	Carrying amount $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000
Financial assets									
Cash and cash equivalents	10,891	(109)	—	109	—	—	—	—	—
Other financial assets	465,347	(3,776)	—	3,776	—	—	—	—	—
Total increase/ (decrease)	476,238	(3,885)	—	3,885	—	—	—	—	—

Notes to the Financial Statements continued

Note 25 Financial risk management continued

(b) Credit risk

Credit risk is managed on an entity basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to related parties. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Credit risk further arises in relation to financial guarantees given to certain parties (see note 15 for details). Such guarantees are only provided in exceptional circumstances and are subject to board approval.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the support from related parties.

The Consolidated Entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Treasury aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

The table below analyses the Consolidated Entity's financial assets and liabilities relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

31/12/2013	Weighted average interest rate	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
Cash and cash equivalents	3.0%	2,972	—	—	—	2,972
Other financial assets	5.4%	—	—	—	10,074	10,074
Payables	—	(18,774)	—	—	—	(18,774)
Other financial liabilities	—	(103,862)	—	—	—	(103,862)
Total		(119,664)	—	—	10,074	(109,590)

31/12/2012	Weighted average interest rate	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
Cash and cash equivalents	4.2%	10,891	—	—	—	10,891
Other financial assets	6.6%	—	—	—	465,347	465,347
Payables	—	(22,783)	—	—	—	(22,783)
Other financial liabilities	—	(582,838)	—	—	—	(582,838)
Total		(594,730)	—	—	465,347	(129,383)

Note 26 Parent entity disclosures

(a) Summary financial information

	2013 $'000	2012 $'000
Financial position		
ASSETS		
Current Assets	2,972	11,048
Non-current Assets	774,787	1,478,931
Total Assets	777,759	1,489,979
LIABILITIES		
Current Liabilities	122,636	605,626
Total Liabilities	122,636	605,626
Net Assets	655,123	884,353
EQUITY		
Contributed equity	4,204,488	4,204,488
Reserves	15,880	15,880
Accumulated losses	(3,565,245)	(3,336,015)
Total Equity	655,123	884,353
Financial performance		
Loss for the year	(229,230)	(757,658)
Total comprehensive loss for the year	(229,230)	(757,658)

(b) Guarantees entered into by the parent entity

	2013 $'000	2012 $'000
Guarantees		
Unsecured guarantees in respect of leases held by the joint venture	934	940

(c) Commitments

Operating leases

There were no commitments contracted for but not recognised as liabilities, payable at 31 December 2013 and 31 December 2012.

The Directors of the parent entity are not aware of any other material contingent liabilities existing at the reporting date.

As at 31 December 2013, the Parent Entity has a deficiency of net current assets of $120 million (2012: $595 million). Included in the Parent Entity's current liabilities is an amount of $104 million (2012: $583 million) which relates to an interest free financing facility provided from the ultimate parent entity, HWL, which is repayable on demand. The Parent Entity has unused financing facilities of $1,496 million at 31 December 2013. HWL has confirmed its current intention to provide sufficient financial support to enable the Parent Entity to meet its financial obligations as and when they fall due. This undertaking is provided for a minimum period of twelve months from the date of signing these financial statements. Consequently, the Directors have prepared the financial statements on a going concern basis.

(d) Impairment in HTAL's investment in H3GAH

	2013 $'000	2012 $'000
Impairment loss		
Investment in H3GAH	244,884	772,927

HTAL has written down this investment to its recoverable amount in its separate parent entity financial statements.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 21 to 47 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 31 December 2013 and of its performance for the financial 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; and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 18 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in note 18.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer of Vodafone Hutchison Australia Pty Limited required by section 295A of the *Corporations Act 2001*.

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

Director
24 February 2014

Director
24 February 2014

Independent Auditor's Report

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of Hutchison Telecommunications (Australia) Limited

Report on the Financial Report

We have audited the accompanying financial report of Hutchison Telecommunications (Australia) Limited ("HTAL" and "the Company"), which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 21 to 48.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the Company's preparation of the financial report that gives a true and fair view, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Independent Auditor's Report continued

Deloitte.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Hutchison Telecommunications (Australia) Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Hutchison Telecommunications (Australia) Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 17 of the directors' report for the year ended 31 December 2013. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Hutchison Telecommunications (Australia) Limited for the year ended 31 December 2013, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Sandeep Chadha

Sandeep Chadha
Partner
Chartered Accountants
Sydney, 24 February 2014

Shareholder Information

The shareholder information set out below was applicable as at 24 February 2014.

Substantial shareholders

Substantial shareholders in the Company are:

	Shareholding	Percentage
Hutchison Whampoa Limited and its subsidiaries#	12,009,393,175	88.48
Vodafone Group Plc and subsidiaries*	12,009,393,175	88.48
Telecom 3G (Australia) Limited and Telecom Corporation of New Zealand Limited	1,357,250,858	10.00

Notes:

Substantial shareholding includes relevant interest arising from an equitable mortgage of shares from Leanrose Pty Limited.

* Substantial shareholding arises solely as a result of the relevant interests which Vodafone Group Plc and its subsidiaries have in shares in the Company in which Hutchison Whampoa Limited and its subsidiaries have a relevant interest. Vodafone Group Plc's relevant interests arise under a Shareholders Agreement between Vodafone Group Plc, Hutchison Whampa Limited and other parties in relation to Vodafone Hutchison Australia Pty Limited. The acquisitions of such relevant interests were approved by shareholders on 2 April 2009. None of Vodafone Group Plc or any of its subsidiaries holds any shares in the Company.

Distribution of equity securities

Range	Ordinary Shares
1–1000	1,456
1,001–5,000	2,609
5,001 –10,000	954
10,001 – 100,000	1,324
100,001 – OVER	276
Total	6,619

Shareholder Information continued

Twenty largest shareholders

There were 3,756 holders of less than a marketable parcel of ordinary shares. The names of the 20 largest holders of quoted ordinary shares as at 24 February 2014 are as follows:

Shareholder	Shareholding	% Issued Capital	Rank
Hutchison Telecommunications (Amsterdam) B.V.	11,925,479,378	87.87	1
Telecom 3G (Australia) Limited	1,357,250,858	10.00	2
Leanrose Pty Limited	83,913,797	0.62	3
JP Morgan Nominees Australia	9,975,816	0.07	4
HSBC Custody Nominees (Australia) Limited	8,649,433	0.06	5
George Thomson	8,003,480	0.06	6
Dimitrios Piliouras & Konstantina Piliouras	5,800,000	0.04	7
Kenneth Kin Kau Heung & Rene Conrad Heung	4,830,000	0.04	8
Citicorp Nominees Pty Limited	4,465,266	0.03	9
Arjee Pty Ltd	4,033,575	0.03	10
Yet Kwong Chiang & Ho Yuk Lin Chiang	2,700,138	0.02	11
Yim Fong Leung	2,255,000	0.02	12
William Charles Wheelahan	2,003,675	0.01	13
Justin Herbert Gardener & Anne Louise Gardener	1,957,358	0.01	14
Hung Fong Chong	1,779,000	0.01	15
Bin Liu	1,700,000	0.01	16
John Franciszek Chodorowski	1,652,456	0.01	17
Kurt Ruegg & Ursula Ruegg	1,500,000	0.01	18
Rene H Investments Pty Limited	1,470,000	0.01	19
Jason Boua Hong Lo	1,470,000	0.01	20

Voting rights

The voting rights attaching to each class of equity securities are:

Ordinary shares

On a show of hands, every member present, in person or by proxy, attorney or representative, has one vote.

On a poll every member has one vote for each share.

Corporate Directory

Directors
Fok Kin Ning, Canning
Barry Roberts-Thomson
Chow Woo Mo Fong, Susan
Justin Herbert Gardener
Lai Kai Ming, Dominic
John Michael Scanlon
Frank John Sixt
Ronald Joseph Spithill

Company Secretaries
Edith Shih
Louise Sexton

Investor Relations
Tel: 133 121
Email: investors@hutchison.com.au
www.hutchison.com.au

Registered Office
Level 7, 40 Mount Street
North Sydney NSW 2060

Tel: 133 121
www.hutchison.com.au

Share Registry
Link Market Services
Level 12, 680 George Street
Sydney NSW 2000

Tel: (02) 8280 7111
www.linkmarketservices.com.au

Auditor
Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000

Securities Exchange Listing
HTAL shares are listed on the Australian Securities Exchange (ASX)

ASX Code: HTA

Notice of Annual General Meeting
The Annual General Meeting of HTAL will be held at:

40 Mount Street
North Sydney NSW 2060

Date: 2 May 2014
Time: 10.00am (Sydney time)

CREATED BY DESIGNATE