

Hutchison Global Enabling Services Limited

(Registered Number: 08710411)

Annual Report

For the year ended 31 December 2017

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Hutchison Global Enabling Services Limited

Annual Report

For the year ended 31 December 2017

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Hutchison Global Enabling Services Limited

Directors' Report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2017.

Principal activities

The Company is a private limited company incorporated and domiciled in the United Kingdom. The principal activity of the Company is the resale of wholesale telecoms services for the group companies of CK Hutchison Holdings Limited (the ultimate holding company of the Company).

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Results and dividends

The Company had a loss for the financial year of USD 4,555,649 (2016: Loss for the financial year of USD5,100,461) and net liabilities at the end of the year of USD 21,499,968 (2016: USD 16,944,319). The Directors do not recommend payment of a dividend (2016: Nil).

Future outlook

The future development of the Company is based on expanding the sales capability to sign new platform customers, together with finding new opportunities to leverage the centralised capability on behalf of the CK Hutchison Holdings Limited group. Part of this central capability was expanded further by launching an Internet of Things platform which has been integrated into two group companies during 2017.

Principal risks and uncertainties

Due to the nature of the wholesale telecommunications market, the key business risk would be a decline in customer demand. Such a reduction in customer demand is the Company's main financial risk, as it does not have any non-trading debts external to the CK Hutchison Holdings Limited group to fund the cost of running the business. The Company does not undertake any investment or other activities that would introduce additional risks.

Going concern

As at 31 December 2017, the Company had net current liabilities of USD 25,455,444. A going concern review has been performed by the Directors and the Company has received a letter of support from its ultimate parent, CK Hutchison Holdings Limited. The Directors are satisfied that the Company will be able to meet its liabilities as they fall due, so these financial statements have been prepared on a going concern basis.

Branches outside the UK

The Company has no branches outside the UK.

Financial risk management

The Company's financial risks are managed within the framework of financial and credit policies determined by the Board of Directors of the ultimate parent undertaking, CK Hutchison Holdings Limited. Management of these risks is largely centralised to the Group's Treasury Department, thereby minimising the Company's financial risks.

Hutchison Global Enabling Services Limited

Directors' Report (continued)

Directors

The Directors who held office during the year and up to the date of signing the financial statements, were as follows:

Christian Salbaing
Frank Sixt
Clemence Cheng
Jonathan Miller (Appointed 20 November 2017)
Robert Eckert (Resigned 20 November 2017)
Cliff Woo (Alternate Director to Christian Salbaing) (Resigned 20 November 2017)

Directors' and officers' liability insurance is provided by another Group company.

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to be reappointed as auditors and are deemed to be reappointed as auditors unless otherwise resolved by the directors or shareholders.

On behalf of the Board

Jonathan Miller
Director



Date 24 SEP 2018

Independent auditors' report to the members of Hutchison Global Enabling Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hutchison Global Enabling Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Hutchison Global Enabling Services Limited (continued)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

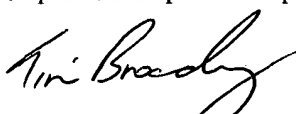
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Tim Broadway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

24 September 2018

Hutchison Global Enabling Services Limited

Statement of Comprehensive Income for the year ended 31 December 2017

	<i>Note</i>	2017 USD	2016 USD
Revenue	4	1,927,694	913,724
Cost of sales		(1,233,117)	(476,836)
Gross profit		694,577	436,888
Administrative expenses		(6,443,222)	(6,183,455)
Operating loss		(5,748,645)	(5,746,567)
Loss before taxation	5	(5,748,645)	(5,746,567)
Tax on loss	8	1,192,996	646,106
Loss for the financial year		(4,555,649)	(5,100,461)
Total comprehensive expense for the year		(4,555,649)	(5,100,461)

All of the Company's activities are in respect of continuing operations.

The notes on pages 8 to 17 form an integral part of these financial statements.

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Hutchison Global Enabling Services Limited

Statement of Financial Position as at 31 December 2017

	Note	USD	2017 USD	USD	2016 USD
Fixed assets					
Intangible assets	9		3,930,740		4,828,322
Tangible assets	10		24,736		44,028
			3,955,476		4,872,350
Current assets					
Debtors	11	1,217,526		871,838	
Cash at bank and in hand		1,340,360		424,065	
		2,557,886		1,295,903	
Current liabilities					
Creditors - amounts falling due within one year	12	(28,013,330)		(23,112,572)	
Net current liabilities			(25,455,444)		(21,816,669)
Net liabilities			(21,499,968)		(16,944,319)
Capital and reserves					
Called up share capital	13		2		2
Accumulated losses			(21,499,970)		(16,944,321)
Total shareholders' deficit			(21,499,968)		(16,944,319)

The notes on pages 8 to 17 form an integral part of these financial statements.

The financial statements on pages 5 to 17 were approved by the Board on
and signed on its behalf by:

24 SEP 2018



Jonathan Miller
Director

Hutchison Global Enabling Services Limited

Statement of Changes in Equity for the year ended 31 December 2017

	Called-up share capital	Accumulated losses	Total shareholders' deficit
	USD	USD	USD
Balance as at 1 January 2016	2	(11,843,860)	(11,843,858)
Loss for the financial year and total comprehensive expense	-	(5,100,461)	(5,100,461)
Balance as at 31 December 2016	2	(16,944,321)	(16,944,319)
Balance as at 1 January 2017	2	(16,944,321)	(16,944,319)
Loss for the financial year and total comprehensive expense	-	(4,555,649)	(4,555,649)
Balance as at 31 December 2017	2	(21,499,970)	(21,499,968)

Hutchison Global Enabling Services Limited

Notes to the Financial Statements for the year ended 31 December 2017

1 General Information

The principal activity of the Company is the resale of wholesale telecoms services for the Group companies of CK Hutchison Holdings Limited (the ultimate holding company of the Company).

The Company is a private limited company incorporated and domiciled in the United Kingdom.

(Registered address: Hutchison House, 5 Hester Road, London, SW11 4AN)

2 Accounting policies

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

(a) Basis of preparation

The financial statements of Hutchison Global Enabling Services Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed if applicable.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and input used for fair value measurement of assets and liabilities).
- Paragraphs 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment'.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraph 17 of IAS 24 'Related party disclosures' (key management compensation);
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more member of a group.

(b) Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate holding company, CK Hutchison Holdings Limited. The directors have received confirmation that CK Hutchison Holdings Limited intend to support the Company for at least one year after these financial statements are signed.

Hutchison Global Enabling Services Limited

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

2 Accounting policies (continued)

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; and when it is probable that future economic benefits will flow to the entity. The Company bases its estimate of the return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(d) Tangible assets

Tangible assets are stated at historic cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replacement part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows:

- Leasehold improvements to end of lease agreement
- Computer equipment over 3 years

The assets residual values and useful economic lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An assets carrying value amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount.

(e) Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and,
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development, employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

The intangible assets represents the right to access a mobile virtual network platform and an Internet of Things platform. The mobile virtual network platform agreement expires in October 2019 and is being amortised over the remaining useful life to that date. The Internet of Things platform is also being amortised under the same principle but over a five year term up to 2022.

Hutchison Global Enabling Services Limited

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

2 Accounting policies (continued)

(f) Financial Instruments

(i) Financial assets

Basic financial instruments, including trade receivables, cash and bank balances, loans and other receivables are recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying value and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies, are initially recognised at transaction price.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged or expires.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liability simultaneously.

(g) Cash at bank and in hand

In the statement of financial position, cash at bank and in hand includes deposits held at call with banks.

(h) Related party transactions

The Company discloses transactions with related parties that are not wholly owned within the same Group. It does not disclose transactions with its parent or with members within the same Group that are wholly owned.

(i) Share capital and distributions to shareholders

Ordinary shares are classified as equity. Dividends to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

Hutchison Global Enabling Services Limited

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

2 Accounting policies (continued)

(j) Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease costs are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

(k) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and law) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income tax levied by the same taxation authority on either the same entity or different taxable entities where there is an intention to settle the balances on a net basis.

(l) Foreign currency

The financial statements are presented in US Dollars, which is the Company's functional and presentational currency. Transactions denominated in foreign currencies are translated at the rate prevailing at the time of the transaction. Monetary assets or liabilities denominated in foreign currencies, which are held at the end of the year, are translated at the year-end rate of exchange. Exchange differences on monetary items are taken to the statement of comprehensive income.

3 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charges for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-amended annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and, where applicable, the physical condition of the assets. See notes 10 and 11 for the carrying amount of the tangible and intangible assets, and notes 2 (d) and 2 (e) for the useful economic lives of each class of asset.

Hutchison Global Enabling Services Limited

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

4 Revenue

Revenue by category	2017 USD	2016 USD
Revenue arises from provision of the following services:		
Platform traffic and active subscriber charges	1,254,307	480,076
Platform management services and development charges	673,387	433,648
	<u>1,927,694</u>	<u>913,724</u>
Revenue by geography	2017 USD	2016 USD
Austria	282,291	212,955
United Kingdom	90,099	62,572
United States of America	1,555,304	638,197
	<u>1,927,694</u>	<u>913,724</u>

5 Loss before taxation

	2017 USD	2016 USD
The loss before taxation is stated after charging / (crediting):		
Consultancy recharge from fellow group undertaking	3,482,467	3,280,362
Depreciation and amortisation	1,623,049	1,971,540
Operating lease charges	58,939	55,322
Foreign exchange gain	(44,032)	(695,774)
Services provided by the Company's auditors	2017 USD	2016 USD
Auditors' remuneration for audit services	12,000	9,359
Amount paid to auditors in respect of tax services	3,000	2,179

Hutchison Global Enabling Services Limited

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

6 Directors' emoluments

No fees or other emoluments were paid to the Directors in respect of their services to the Company during the year (2016: Nil) as their services to the Company were merely incidental to their employment in other Hutchison Group companies.

There were no employees during the year (2016: Nil), apart from the directors.

7 Staff costs

There were no employees during the year (2016: Nil) except for the directors. The Company was recharged USD 3,183,532 (2016: USD 2,776,958) by a fellow group undertaking for services provided by their employees.

8 Tax on loss

	2017 USD	2016 USD
a) Analysis of tax charge in the year		
Current tax		
Total current tax	1,192,996	646,106
Tax credit	1,192,996	646,106

b) Factors affecting current tax charge for the year

The tax assessed on the loss before taxation for the year is lower (2016: lower) than the standard rate of corporation tax in the United Kingdom at 19.25% (2016: 20.00%).

	2017 USD	2016 USD
Loss before taxation	(5,748,645)	(5,746,567)
Corporation tax on loss before taxation at 19.25% (2016: 20.00%)	(1,106,614)	(1,149,313)
Effect of:		
Losses surrendered as group relief for nil consideration	1,106,614	1,149,313
Payment for group relief	(1,192,996)	(646,106)
Tax credit	(1,192,996)	(646,106)

Whilst the Company develops its capability and commercial models, the Directors have opted not to recognise any deferred tax asset until higher certainty of recovery can be established.

Hutchison Global Enabling Services Limited

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

8 Tax on loss (continued)

c) Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantially enacted as part of the Finance Bill 2017. These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and are reflected in these financial statements.

d) Group relief

The Company has surrendered the benefit of tax losses to other group companies. The Company is carrying forward unrecognised tax losses of USD 2,250,184 (2016: 1,148,185) in respect of unutilised tax losses.

9 Intangible assets

	USD
Cost	
At 1 January 2017	8,759,386
Additions	706,176
<u>At 31 December 2017</u>	<u>9,465,562</u>
Accumulated amortisation	
At 1 January 2017	3,931,064
Charge for the year	1,603,758
<u>At 31 December 2017</u>	<u>5,534,822</u>
Net book amount	
At 31 December 2017	3,930,740
At 31 December 2016	4,828,322

The intangible asset represents the right to access a mobile virtual network platform until October 2019.

Hutchison Global Enabling Services Limited

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

10 Tangible assets

	Leasehold Improvements	Computer Equipment	Total
	USD	USD	USD
Cost			
At 1 January 2017	75,321	8,666	83,987
At 31 December 2017	75,321	8,666	83,987
Accumulated depreciation			
At 1 January 2017	37,046	2,913	39,959
Charge for the year	16,403	2,889	19,292
At 31 December 2017	53,449	5,802	59,251
Net book amount			
At 31 December 2017	21,872	2,864	24,736
At 31 December 2016	38,275	5,753	44,028

Hutchison Global Enabling Services Limited

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

11 Debtors

	2017 USD	2016 USD
Trade debtors	160,339	234,566
Amounts owed by Group undertakings	319,471	74,724
VAT receivable	212,378	259,719
Prepayments and accrued income	525,338	302,829
	<u>1,217,526</u>	<u>871,838</u>

Amounts owed by Group undertakings are unsecured, interest-free, have no fixed date of repayment and repayable on demand.

12 Creditors: amounts falling due within one year

	2017 USD	2016 USD
Amounts owed to Group undertakings	25,942,301	20,375,858
Other creditors	564,923	936,610
Accruals and deferred income	1,506,106	1,800,104
	<u>28,013,330</u>	<u>23,112,572</u>

Amounts owed to Group undertakings are unsecured, interest-free, have no fixed date of repayment and repayable on demand.

13 Called up share capital

	2017 USD	2016 USD
Allotted, called up and fully paid:		
1 (2016: 1) ordinary share at GBP1.00	2	2

14 Related party transactions

There are no transactions with related parties not wholly owned by the Group headed by CK Hutchison Holdings Limited. The Company is exempt from disclosing related party transactions with its parent or with members of the same Group headed by CK Hutchison Holdings Limited.

Hutchison Global Enabling Services Limited

Notes to the Financial Statements for the year ended 31 December 2017 (continued)

15 Obligations under operating leases

As at 31 December, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	2017 USD	2016 USD
Within one year	58,939	54,494
Within two to five years	19,646	77,200

There are no obligations under the operating leases greater than five years.

16 Ultimate parent undertaking

The immediate parent undertaking is Harmonic Sky Limited, a company incorporated in the British Virgin Islands.

The Company's ultimate parent undertaking and controlling party is CK Hutchison Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands.

The registered address of CK Hutchison Holdings Limited is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.