

ASX Market Announcements

Australian Securities Exchange

Date: 28 March 2022

Subject: 2021 Annual Report

The 2021 Annual Report for Hutchison Telecommunications (Australia) Limited incorporating the full year financial statements for the year ended 31 December 2021, is attached.

Yours faithfully



Swapna Keskar
Joint Company Secretary

AUTHORISED FOR RELEASE: By order of the Board

For further information, please contact the Company Secretary by email at htalinvestors@company matters.com.au by telephone on (02) 9015 5088.

ANNUAL REPORT

2021

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AGM Details

The Annual General Meeting
of HTAL will be held at:

177 Pacific Highway
North Sydney NSW 2060

Wednesday 4 May 2022 at 10.00 am Sydney time

WHO WE ARE

Hutchison Telecommunications (Australia) Limited (“HTAL” or the “Company”) (ASX: HTA) has a 25.05% equity interest in TPG Telecom Limited (ASX: TPG) (“TPG”) (formerly named Vodafone Hutchison Australia Limited (“VHA”)). This comprises 11.14% interest directly held by Hutchison 3G Australia Holdings Pty Limited (“H3GAH”, a wholly owned subsidiary of HTAL) and an attributed 13.91% interest indirectly held by H3GAH through Vodafone Hutchison (Australia) Holdings Limited (“VHAH”), a company domiciled in the United Kingdom in which H3GAH has a 50% shareholding. VHAH has a direct 27.82% interest in TPG.

TPG operates a number of leading mobile and internet brands including Vodafone, TPG, iiNet, Internode, Lebara, AAPT and felix, providing consumers with a comprehensive portfolio of fixed and mobile products in the Australian telecommunications market.

1999

HTAL was listed on the ASX.

2003

HTAL launched Australia's first 3G service under the 3 brand.

2009

HTAL's operations were merged with Vodafone Australia to form VHA.

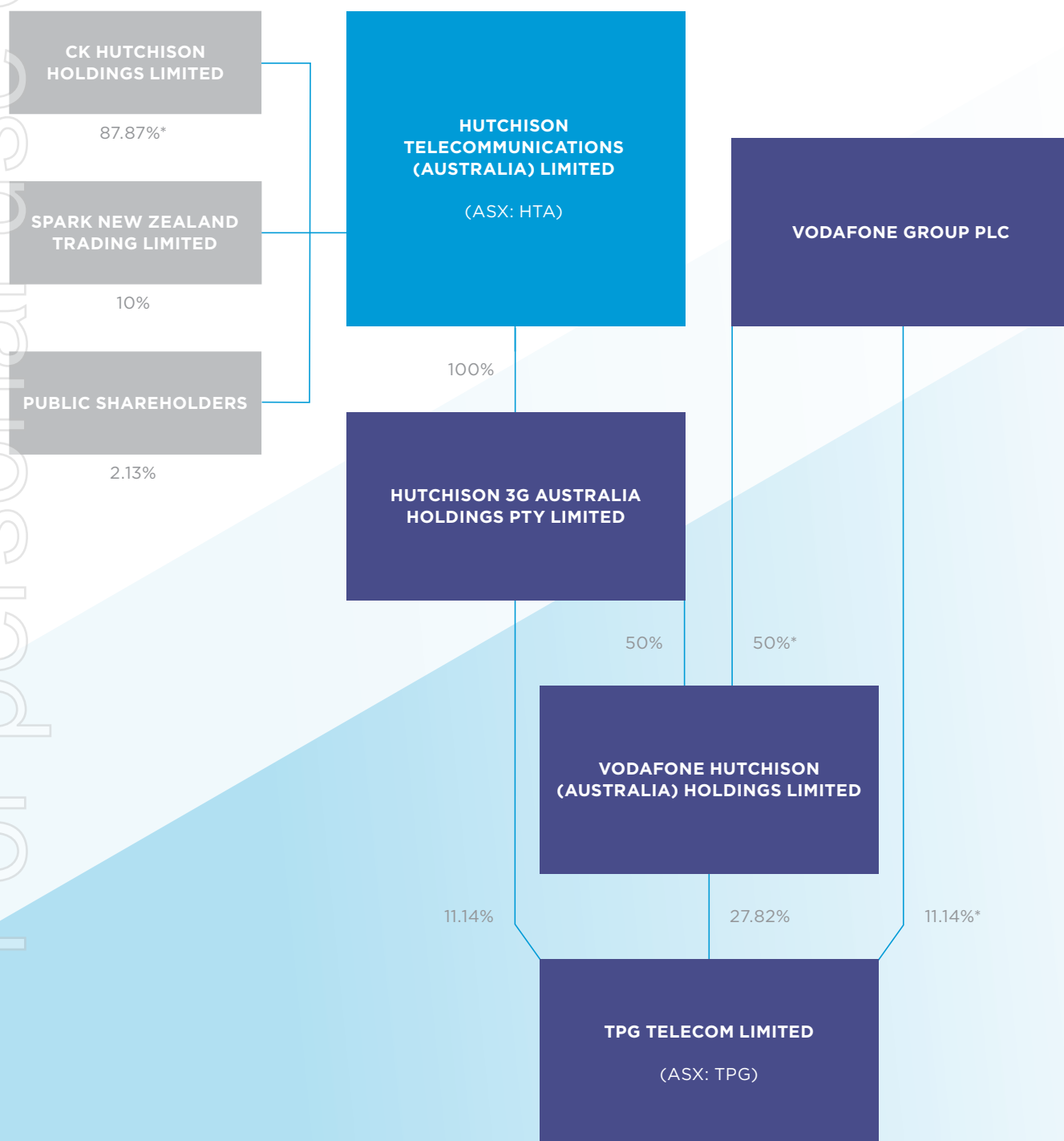
2020

VHA merged with TPG Telecom Limited creating the present TPG.

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OWNERSHIP STRUCTURE

Hutchison Telecommunications (Australia) Limited (HTAL) listed on the Australian Securities Exchange in August 1999.



FINANCIAL SUMMARY

HTAL – Financial Summary

	2021 (\$'000)	2020 (\$'000)	Movement (\$'000)	Movement (%)
Revenue from ordinary activities	121	1,272	(1,151)	(90%)
Profit/(loss) from ordinary activities after tax attributable to members	(21,677)	825,441	(847,118)	(103%)
Net profit/(loss) for the year attributable to members	(21,677)	825,441	(847,118)	(103%)

TPG – Financial Metrics

The items below represent the share of TPG attributable to HTAL¹:

	2021	2020 ²			YoY change (%)
		Pre-merger	Post-merger ³	Total	
Total revenue (\$m)	1,325.9	742.5	717.7	1,460.2	(9.2%)
EBITDA (\$m) ⁴	433.6	256.4	220.0	476.4	(9.0%)
Share of net (loss)/profit of TPG before equity accounted adjustments (\$m)	27.6	(52.5)	219.8	167.3	83.5%
Share of net (loss)/profit of TPG after equity accounted adjustments (\$m)	1.8	(358.6)	191.2	(167.4)	101.1%

HTAL uses the equity method of accounting to account for its interests in TPG. The amount of HTAL's 25.05% share of TPG net profit/(loss) for the year ended 31 December 2021 is a profit of \$1.8 million and is after an equity accounting adjustment for depreciation in TPG network assets. This amount is different from HTAL's share of net profit/(loss) of equity accounted investments for the year ended 31 December 2021 of a loss of \$19.9 million reported on the consolidated statement of profit or loss and other comprehensive income as 13.91% of HTAL's interests in TPG is indirectly held through a joint venture company, VHAH, for which there are financing costs which flow through into the equity accounted results. Further details are included in Notes 1 and 6 of the financial statements for the year ended 31 December 2021.

1 Effective from 27 June 2020, HTAL's 25.05% interest in TPG comprises 11.14% interest directly held by H3GAH, a wholly owned subsidiary of HTAL, and an attributed 13.91% interest indirectly held by H3GAH through VHAH, a company domiciled in the United Kingdom in which H3GAH has a 50% shareholding. VHAH has a direct 27.82% interest in TPG. Refer to Note 6 for further information.

2 HTAL had a share of 50% in VHA results up until 26 June 2020, when the merger between VHA and TPG Corporation Limited (formerly named TPG Telecom Limited ("TPM")) became effective for accounting purposes. On the same date, HTAL's ownership interest percentage in VHA diluted from 50% to 25.05%. Refer to Note 6 for further information.

3 Adjustments have been made to certain prior period comparatives to enhance comparability.

4 EBITDA is defined as earnings before net finance costs, tax and depreciation and amortisation.

CHAIRMAN'S MESSAGE

Hutchison Telecommunications (Australia) Limited (“HTAL” or the “Company”) (ASX: HTA) accounts for its investments in TPG Telecom Limited (“TPG”) and Vodafone Hutchison (Australia) Holdings Limited (“VHAH”) using the equity method of accounting. Under this method, revenue from TPG’s and VHAH’s ordinary activities are not included in HTAL’s consolidated revenues from ordinary activities.

HTAL 2021 Financial Results

HTAL’s revenue from ordinary activities represents interest income. HTAL’s revenue from ordinary activities for the year ended 31 December 2021 decreased from \$1.3 million in the corresponding period in 2020 to \$0.1 million, due to the lower interest income for the year ended 31 December 2021 as the working capital facility previously provided to Vodafone Hutchison Australia Limited (“VHA”)¹ was terminated prior to the merger (between VHA and TPG Corporation Limited, formerly named TPG Telecom Limited, following which the merged entity renamed to TPG and listed on the Australian Securities Exchange (“ASX”)) completed in 2020.

Dividends of \$32.1 million were received from TPG by HTAL’s wholly owned subsidiary Hutchison 3G Australia Holdings Pty Limited (“H3GAH”) during the year. Dividend income received from equity accounted investment in TPG is recognised as a reduction in the carrying amount of the investment in the Group’s consolidated financial statements. Additionally, \$80.2 million of dividend income from TPG was received and retained by joint venture VHAH of which HTAL has a 50% interest, during the year. HTAL’s other operating expenses for the year ended 31 December 2021 had increased from \$1.4 million in the comparative period to \$1.9 million.

Dividends received by H3GAH of \$32.1 million was advanced to HTAL by way of an interest free loan. The proceeds of \$32.1 million along with the cash on hand was then used to fund a \$49.7 million partial repayment of a related party borrowing facility.

Post merger considerations

Upon completion of the merger referenced to above, HTAL now holds 25.05% ownership interest of TPG. This 25.05% ownership interest comprises of 11.14% interest directly held by H3GAH, and an attributed 13.91% interest indirectly held by H3GAH through VHAH, a company domiciled in the United Kingdom in which H3GAH has a 50% shareholding and which H3GAH jointly controls with Vodafone Europe B.V. VHAH has a direct 27.82% interest in TPG.

Under the TPG Scheme Implementation Deed, HTAL and its wholly-owned subsidiary, H3GAH and Vodafone Group Plc (“VGP”) and its relevant subsidiaries entered into an escrow deed under which, subject to certain exceptions, they must not dispose of, directly or indirectly, any of their TPG shares for a period of 24 months following merger implementation. Furthermore, the VHAH shareholders’ agreement entered into between HTAL, VGP, VHAH and others dated 24 June 2020: (i) places restrictions on direct and indirect transfers of shares in VHAH for a period of two years from the merger implementation, and (ii) places restrictions on VHAH from selling its shares in TPG for a period of two years from merger implementation and also provides that, on expiry of three years from the merger implementation, either VHAH shareholder group may require VHAH to sell no more than 10% of VHAH’s TPG shares in any nine-month period subject to the other shareholder group having a right of first offer to purchase the shares prior to them being sold to a third party.

¹ Vodafone Hutchison Australia Pty Limited (“VHA”) was converted to a public company on 19 June 2020 and changed its name to Vodafone Hutchison Australia Limited. On 29 June 2020, VHA changed its name from Vodafone Hutchison Australia Limited to TPG Telecom Limited, (the company that previously bore that name having changed its name to TPG Corporation Limited) and was listed on the ASX on 30 June 2020.

Key 2021 achievements and highlights of TPG

- EBITDA of \$1,731.0 million, resilient amid COVID-19 and industry headwinds
- Strong cash flow result reflecting merger benefits and disciplined financial management
- Final dividend of 8.5 cents per share, fully franked, up 13% on the final dividend in the financial year 2020
- Returning momentum in mobile subscriber numbers, up 33,000 since November 2021
- Strong fixed wireless growth: 80,000 subscribers in December 2021; to double in 2022
- Continued metro 5G upgrades with a further 1,000-plus sites to be delivered in 2022
- Strategic review of passive towers and rooftops infrastructure nearing completion
- On track to deliver \$125.0-\$150.0 million merger synergy target in 2022, a year ahead of schedule

On 21 February 2022 TPG announced a regional Multi-Operator Core Network ("MOCN") agreement with Telstra Corporation Limited (ASX: TLS) which will enable TPG to provide its subscribers with 4G and 5G coverage for data, calls and messaging from over 3,700 Telstra sites in regional and rural Australia. The MOCN Agreement, which is subject to regulatory and other approvals as may be required, will significantly expand TPG's mobile network footprint through an increase in regional sites.

TPG 2021 financial results

TPG announced a total revenue of \$5,293.0 million, EBITDA of \$1,731.0 million, and a net profit attributable to shareholders of \$110.0 million for the year ended 31 December 2021. For further details and an explanation of TPG's results for the year ended 31 December 2021, you may refer to TPG's 2021 annual report which was lodged with the ASX on 24 February 2022.

Outlook – COVID-19 Pandemic

The COVID-19 pandemic continues to persist and containment policies by the Australian Government and governments around the world remain in force to prevent the spread of COVID-19. The level of restrictions and measures to limit movement into and out of Australia, and also domestically, is ongoing, and continues to impact inbound related connections, visitor revenue and international roaming revenues of TPG. While there is prevailing uncertainty of the extent and duration of the COVID-19 pandemic, it is reasonably likely that the pandemic will continue to have an impact on the Group's results in future periods.

HTAL remains committed to its investment in TPG and will continue to support TPG in the future.



Fok Kin Ning, Canning
Chairman



BOARD OF DIRECTORS

1



2



3



4



1. Fok Kin Ning, Canning (Chairman) BA, DFM, FCA (ANZ)

Fok Kin Ning, Canning, aged 70, has been a Director since February 1999. Mr Fok has been an executive director and group co-managing director of CK Hutchison Holdings Limited ("CKHH") since 2015. He has been a director of Cheung Kong (Holdings) Limited and Hutchison Whampoa Limited ("HWL") since 1985 and 1984 respectively, both of which became wholly owned subsidiaries of CKHH in 2015. He has been chairman and a non-executive director of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") since 2009 and Hutchison Port Holdings Management Pte. Limited ("HPHM") as the trustee-manager of Hutchison Port Holdings Trust ("HPH Trust") since 2011, an executive director since 1985 and chairman since 2005 of Power Assets Holdings Limited ("Power Assets"), chairman and an executive director of HK Electric Investments Manager Limited ("HKEIML") as the trustee-manager of HK Electric Investments ("HKEI") and HK Electric Investments Limited ("HKEIL") since 2013. He has also been an executive director and deputy chairman of CK Infrastructure Holdings Limited ("CKI") since 1997. Mr Fok has also been a director and chairman of TPG Telecom Limited ("TPG") (formerly Vodafone Hutchison Australia Limited ("VHA"))¹ since 2001 and March 2021 respectively, a director of Cenovus Energy Inc. ("Cenovus Energy") since January 2021 and deputy president of the board of commissioners of PT Indosat Tbk ("PTI") since January 2022. The aforementioned companies are either the ultimate holding company of HTAL, or subsidiaries or associated companies of CKHH of which Mr Fok has oversight as director of CKHH. He was a co-chairman from 2000 to 2020 and was a director from 2000 to March 2021 of Husky Energy Inc. (delisted on 5 January 2021 following its combination with Cenovus Energy). He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a Fellow of Chartered Accountants Australia and New Zealand.

2. Barry Roberts-Thomson (Deputy Chairman)

Barry Roberts-Thomson, aged 72, has been a Director since February 1989 and was Managing Director of HTAL from its inception in 1989 until September 2001. In his capacity as Deputy Chairman, Mr Roberts-Thomson represents HTAL in government relations and strategic projects. Mr Roberts-Thomson has also served as a director of TPG from 2001 until his resignation in July 2020 and he also serves as a director on HTAL's subsidiary, Hutchison 3G Australia Holdings Pty Limited.

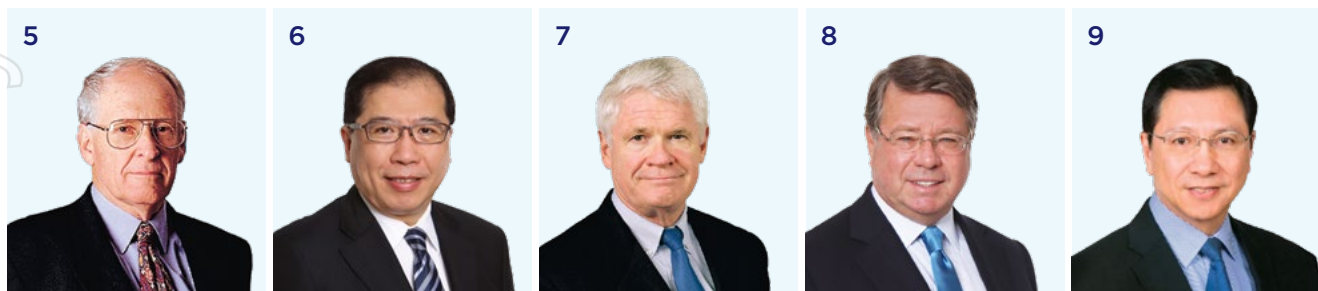
3. Melissa Anastasiou (Director)

Melissa Anastasiou, aged 50, has been a Director since March 2020. Ms Anastasiou is currently General Counsel for Spark New Zealand Limited ("Spark") where she is responsible for oversight of the legal and compliance functions, providing Spark with strategic legal and commercial guidance, ensuring the business acts lawfully and with the utmost integrity. Ms Anastasiou joined Spark in 2009 and undertook a range of legal roles across the organisation before being appointed as Group General Counsel in 2012 and to the Spark Leadership Squad on 1 July 2018. Ms Anastasiou is the Executive Sponsor for Spark's Wholesale business, a director on a number of Spark subsidiary boards (including Spark New Zealand Trading Limited and Spark Finance Limited (NZX Listed Issuer)) and has also played a pivotal role in leading Spark's diversity and inclusion programme. Prior to joining Spark, Ms Anastasiou spent a number of years as a Senior Legal Counsel for UK mobile provider Telefonica O2. She also has extensive experience working for leading corporate law firms in Auckland and the UK. Ms Anastasiou has a Bachelor of Laws from Victoria University of Wellington.

4. Susan Mo Fong Chow, also known as Woo Mo Fong, Susan (alias Chow Woo Mo Fong, Susan) (Director) BSc

Susan Mo Fong Chow, aged 68, has been a Director since December 2019. Mrs Chow has been a non-executive director of CKHH since 2017. She was an executive director and group deputy managing director from June 2015 to July 2016 and senior advisor from August 2016 to December 2016 of CKHH. From 1993 to 2016, she was a director of HWL which became a wholly owned subsidiary of CKHH in 2015. Prior to joining HWL, Mrs Chow was a partner of Woo Kwan Lee & Lo, a major law firm in Hong Kong. Mrs Chow is an alternate director to a director of CKI since 2006, HKEIML as the trustee-manager of HKEI and HKEIL since 2014. She is an independent non-executive director of Hong Kong Exchanges and Clearing Limited since 2020. She previously served as a member of the Listing Committee of The Stock Exchange of Hong Kong Limited, the Joint Liaison Committee on Taxation of the Law Society of Hong Kong, the Committee on Real Estate Investment Trusts of the Securities and Futures Commission, the Trade and Industry Advisory Board, the Court of the Hong Kong University of Science and Technology and the Appeal Boards Panel (Education). Mrs Chow is a qualified solicitor and holds a Bachelor's degree in Business Administration.

¹ Vodafone Hutchison Australia Pty Limited ("VHA") was converted to a public company on 19 June 2020 and changed its name to Vodafone Hutchison Australia Limited. On 29 June 2020, VHA changed its name from Vodafone Hutchison Australia Limited to TPG Telecom Limited, (the company that previously bore that name having changed its name to TPG Corporation Limited) and was listed on the ASX on 30 June 2020.



5. Justin Herbert Gardener
(Director) BEc, FCA, AGIA

Justin Herbert Gardener, aged 85, has been a Director since July 1999. Mr Gardener 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 is a Fellow of the Institute of Chartered Accountants and an Associate of the Governance Institute and holds a Bachelor of Economics Degree.

6. Lai Kai Ming, Dominic
(Director) BSc, MBA

Lai Kai Ming, Dominic, aged 68, has been a Director since May 2004 and Alternate Director to Mr Sixt since May 2006 and to Mr Fok since December 2016. Mr Lai has been an executive director and deputy managing director of CKHH since 2015. He was finance director and chief operating officer of the A.S. Watson Group, the retail arm of CKHH, from 1994 to 1997 and group managing director of the Harbour Plaza Hotel Management Group, the former hotel business of HWL, from 1998 to 2000. Since 2000, he has been a director of HWL which became a wholly owned subsidiary of CKHH in 2015. Mr Lai has been a non-executive director since 2009 and an alternate director to directors since 2017 of HTHKH. He has been an alternate director to a director of TOM Group Limited ("TOM") since 2016. He has been a member of the board of commissioners of PT Duta Intidaya Tbk ("PTDI") since 2018. The aforementioned companies are either the ultimate holding company of HTAL, or subsidiaries or associated companies of CKHH of which Mr Lai has oversight as director of CKHH. He was a director of TPG from 2016 to 2020. Mr Lai has over 35 years of management experience in different industries. He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration.

7. John Michael Scanlon
(Director)

John Michael Scanlon, aged 80, has been a Director since July 2005. Mr Scanlon 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 chief executive officer of Asia Global Crossing, chief executive officer of Global Crossing and chairman and chief executive officer of PrimeCo Cellular.

8. Frank John Sixt
(Director) MA, LLL

Frank John Sixt, aged 70, has been a Director since January 1998 and Alternate Director to Mr Lai since February 2008. Mr Sixt has been an executive director, group finance director and deputy managing director of CKHH since 2015. Since 1991, he has been a director of Cheung Kong (Holdings) Limited and HWL, both of which became wholly owned subsidiaries of CKHH in 2015. He has been chairman and a non-executive director of TOM since 1999 and an executive director of CKI since 1996. He has been an alternate director to a director of HKEIML as the trustee-manager of HKEI and HKEIL since 2015, a director of TPG since 2001 and a director of Cenovus Energy since January 2021. He has also been a member of the board of commissioners of PTI since January 2022. The aforementioned companies are either the ultimate holding company of HTAL, or subsidiaries or associated companies of CKHH of which Mr Sixt has oversight as director of CKHH. He has almost four decades of legal, global finance and risk management experience, and possesses deep expertise in overseeing financial reporting system, risk management and internal control systems as well as sustainability issues and related risks. Mr Sixt was a director of Husky Energy (delisted on 5 January 2021 upon its combination with Cenovus Energy) from 2000 to March 2021. Mr Sixt 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 Québec and Ontario, Canada.

9. Woo Chiu Man, Cliff
(Director) BSC

Woo Chiu Man, Cliff, aged 68, has been a Director since August 2016. Mr Woo has been an executive director and chief executive officer of HTHKH since 2017 and was re-designated as co-deputy chairman and a non-executive director of HTHKH in 2018. He has also been a member of the board of commissioners of PTI since January 2022. He held various senior technology management positions in the telecommunications industry before joining the group of HWL in 1998. He was deputy managing director of Hutchison Telecommunications (Hong Kong) Limited from 2000 to 2004. He was also an executive director of Hutchison Telecommunications International Limited in 2005. He was seconded to Vodafone Hutchison Australia Pty Limited (now known as TPG) as chief technology officer from 2012 to 2013 and was part of the core management team. He was an alternate director to a director of TPG from 2016 to 2020. He possesses extensive operations experience in the telecommunications industry and has been involved in cellular technology for over 30 years. Mr Woo holds a Bachelor's degree in Electronics and a Diploma in Management for Executive Development. He is a Chartered Engineer and also a Member of The Institution of Engineering and Technology (UK) and The Hong Kong Institution of Engineers.

CORPORATE GOVERNANCE

This Corporate Governance Statement is dated 23 February 2022 and has been approved by the Board of the Company. Information about the Company and its corporate governance including current policies and charters are available on the Company's website at www.hutchison.com.au. The Company and its Directors are committed to high standards of corporate governance. This report reflects the main corporate governance practices adopted by the Company and its subsidiaries (collectively, the "Group") during the 2021 financial year ("Reporting Period"), noting where the Company does not comply with the ASX Corporate Governance Council's Principles and Recommendations (4th edition) ("ASX Principles").

The Board

Role of the Board

The Board has responsibility for approving strategy, monitoring the implementation of the strategy and the performance of the Group, protecting the rights and interests of shareholders and overseeing the overall corporate governance within the Group.

The Board Charter is available on the Company's website.

The Board's responsibilities include:

- reviewing and approving the statement of values, strategic direction of the Group 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 management in its implementation of the Group's strategic objectives, instilling of the Group's values and performance generally;
- overseeing the integrity of the Group's accounting and corporate reporting systems, including the external audit, control and accountability systems;
- satisfying itself that the Group has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- satisfying itself that the Group's remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite;
- ensuring the business risks facing the Group are identified and reviewing, ratifying and monitoring sound systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- satisfying itself of the effectiveness of the governance processes in place and that an appropriate framework exists for relevant information to be reported by management to the Board and whenever required, challenging management and holding it to account;
- 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 the Group;
- reviewing and approving annual financial plans and monitoring corporate performance against both short-term and long-term financial plans;
- appointing the chief executive officer, evaluating performance and determining the remuneration of senior executives and ensuring that appropriate policies and procedures are in place for recruitment, training, occupational health & safety, environmental issue remuneration and succession planning; and
- delegating to the chief executive officer the authority to manage and supervise the business of the Group with senior executives and other management, including the making of all decisions regarding the Group's operations that are not specifically reserved to the Board.

Composition of the Board

The Board comprises nine Directors whose appointment reflects the shareholding of the Company and the need to ensure that the Company is run in the best interest of all shareholders. Eight of the Directors, including the Chairman, Mr Fok Kin Ning, Canning, are non-executives. One Director, Mr Frank Sixt is considered to be an executive Director as he is the person directly responsible to the Board in respect of carrying out the Chief Executive Officer function and Chief Financial Officer function pursuant to section 295A of the *Corporations Act 2001 (Cth)*. Mr Sixt is not formally appointed to either role and accordingly, the Company does not have "senior executives".

The Board has considered the factors relevant to assessing the independence of a Director contained in the ASX Principles, and in light of this, the Board determined that the independent Directors are not substantial shareholders or officers of substantial shareholders, have not been employed as an executive of the Group or its majority shareholder, nor are they associated with any significant supplier, customer or professional adviser of the Group. Further, an independent Director does not have any significant contractual relationship with the Group 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 Justin Herbert Gardener and Mr John Michael 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 the Group, are considered by the Board to be independent Directors. The Board does not consider that the length of service of either Mr Gardener or Mr Scanlon has compromised their independence. In light of the majority ownership by CK Hutchison Holdings Limited ("CKHH"), 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.

Board skills matrix

The Board has considered the mix of skills which are appropriate for the Board as a whole, that is currently required and that the Board would seek to maintain in its membership. These include experience in:

- general business management, strategy and entrepreneurship;
- information and technology particularly in telecommunications or multimedia;
- marketing, sales and distribution in highly competitive markets;
- Government relations and policy;
- legal, governance and compliance risk management;
- human resources and remuneration;
- accounting, finance and audit; and
- banking, treasury and capital markets.

Details of the individual Directors' skills set, experience and date of appointment are set out on pages 6 and 7 of the Annual Report. Details of the executive and non-executive Director remuneration are set out in the Remuneration Report which forms part of the Directors' Report on pages 18 to 21.

Subject to the Company's Constitution requirements in relation to the retirement of Directors, the appointment of all the current Directors will continue until the next Annual General Meeting ("AGM") in 2022, and will be automatically renewed for successive 12-month periods unless otherwise terminated. An election of Directors is held at the AGM each year, and information on the Directors standing for re-election is provided to shareholders in the Notice of Meeting for the AGM. Any Director who has been appointed during the year must stand for election at the next AGM. Each Director must retire every three years, and if eligible, may stand for re-election. Retiring Directors are not automatically reappointed.

Prior to the appointment of a new Director, appropriate checks are undertaken in areas such as education, employment and character references, and the balance of skills set and experience collectively on the Board will be taken into consideration. Each new Director receives a letter of appointment detailing the Company's expectations having regard to their familiarity with the Company, and its core activities being its investment in TPG Telecom Limited ("TPG"). Written agreements are in place with each of the Directors setting out their terms of appointment.

Upon appointment to the Board, a new Director receives an induction process arranged by the Company Secretary which includes a package of orientation materials on the Company. Thereafter, the Company provides professional development materials to Directors and facilitates their attendance at appropriate external seminars and information sessions to help them to keep abreast of current trends and issues facing the Group, including the latest changes in the commercial (including industry-specific and innovative changes), legal and regulatory environment in which the Group conducts its business and to refresh their knowledge and skills on the roles, functions and duties of a listed company director.

There were no new board appointments during the 2021 financial year.

The Company evaluates the performance of the Board as a whole, the Board Committees and the Directors by questionnaire at the beginning of each year. The evaluation for the financial year ended 31 December 2020 was undertaken at the beginning of 2021 and that for the financial year ended 31 December 2021 has commenced. The objective of such evaluation is to ensure that the Board, its Committees and the Directors continue to act effectively in fulfilling the duties and responsibilities expected of them. It also includes an evaluation of whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to adequately perform their roles as Directors. The Company does not employ any senior executives and accordingly, no performance evaluation was conducted in respect of senior executives.

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.

CORPORATE GOVERNANCE CONTINUED

Board 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 & Risk Committee and a Governance, Nomination & 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 & Risk Committee

The responsibility of the Audit & Risk Committee is to assist the Board in fulfilling its duties through review and supervision of the Group's financial reporting process and the Group's system of risk management, internal control and legal compliance.

This Committee comprises three non-executive Directors, a majority of whom are independent Directors and is chaired by an independent Director who is not the Chairman of the Board. The composition of the Committee meets the requirements of the ASX Principles. It has appropriate financial expertise and knowledge of the telecommunications industry. Details of the Committee members, and their qualifications, expertise, experience and attendance at Committee meetings are set out on pages 6, 7 and 17 of the Annual Report.

This 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 the Group. It is also responsible for overview of the relationship between the Group and its external auditor, including periodic review of the performance and the terms of appointment of the auditor. Furthermore, it considers any matters relating to the financial affairs of the Group and any other matter referred to it by the Board.

The main responsibilities delegated to this 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;
- to 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;
- to review the interim and annual financial statements of the Company before their submission to the Board;
- to ensure the Group's practices and procedures with respect to related party transactions are appropriate for compliance with the relevant legal and securities exchange requirements;
- to review the risk management practices and oversee the implementation and effectiveness of the risk management system including overseeing appropriate governance standards for tax management and the effectiveness of the tax control and governance framework including the monitoring of tax risk management strategies;
- to review and make recommendations to the Board regarding the adequacy of the Group's processes for managing risk and any changes that should be made to the Group's risk management framework or to the risk appetite set by the Board;
- to consider new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
- to review with management and the external auditor the presentation and impact of significant risks and uncertainties associated with the business of the Group and their effects on the financial statements of the Group; and
- to ensure corporate compliance with applicable legislation.

The Board, prior to approving the half year results for the period ended 30 June 2021 as well as the full year results for the year ended 31 December 2021, received a signed declaration provided in accordance with section 295A of the *Corporations Act 2001 (Cth)* by Mr Frank Sixt.

In reviewing and approving periodic corporate reports for the Company, the Audit & Risk Committee and Board relies on a signed statement by persons responsible for preparing and verifying information contained in such reports. The appropriate persons are required to confirm that the information contained in such corporate reports have been validated with supporting documents including but not limited to confirmation of balances with financial institutions, contracts with business partners, and/or other source documents maintained by the Company. The Company has received signed verification statements for the Directors' Report and operating review in respect of the half year and annual reports during the Reporting Period.

Governance, Nomination & Compensation Committee

This Committee comprises three non-executive Directors and is chaired by the Chairman of the Board. In light of the majority ownership by CKHH and that the Company does not currently have any senior executives, 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 or that the Chair of this Committee be independent. Details of the Committee members, and their qualifications, expertise and experience are set out on pages 6, 7 and 17 of the Annual Report. No meetings of this Committee were required during the year ended 31 December 2021, as any matters that arose for possible consideration by this Committee were dealt with by the full Board.

Compensation responsibilities

This Committee is responsible for the review of remuneration and other benefits, and the Group's policies in relation to recruitment and retention of staff. It will, where relevant, obtain independent advice from external consultants on the appropriateness of the remuneration policies of the Group.

Details of the compensation philosophy and practices of the Company, including equity based remuneration schemes, are set out in the Remuneration Report. As the Company does not currently have any senior executives, no process is in place for the evaluation of the performance of senior executives, although formal performance evaluation has been a part of the Company's practices in the past.

Governance and nomination responsibilities

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 as a whole, the Board Committees, 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 in respect of Board nomination and remuneration matters;
- to oversee and periodically review the induction and education, and continuing professional development programs for Directors including whether there is a need for existing directors to undertake professional development;
- to ensure appropriate structures and procedures are in place so that the Board can function independently of management;
- 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 the Group and consider any disclosure requirements.

The governance and nomination responsibilities related to the Directors are:

- to recommend to the Board criteria regarding personal qualifications for Board membership such as background, experience, technical skills, affiliations and personal characteristics; and
- to consider and recommend to the Board the skills matrix required for the Board generally including Director independence.

The governance and nomination responsibilities related to Board Committees 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 the length of service of members on Board Committees, meeting procedures, quorum and notice requirements, records and minutes, resignations and vacancies on Board Committees.

Diversity

The Company recognises the corporate benefit of diversity as that term is defined in the ASX Corporate Governance recommendations and its Diversity Policy is available on the Company's website.

The Company recognises the benefits of a Board that possesses a balance of skills set, experience, expertise and diversity of perspectives appropriate for the strategies of the Company. The Company supports diversity, with Directors from various parts of the world with experience of different cultures and possessing varied expertise, in finance and accounting, sales and marketing, operations, legal and technology relevant to operating a telecommunications company.

In assessing candidates for appointment to the Board, the Board or Governance, Nomination & Compensation Committee will have regard to the diversity balance on the Board and the skills and experience of each candidate. The Board will give due consideration to ensuring that the diversity of the Board increases.

No measurable gender diversity objectives have been set having regard to the Company's current structure, size and type of operations. The Company currently only has two employees and no senior executives. Notwithstanding, the Company will continue to consider and make future appointments to its Board, senior executives (if required) and workforce generally based on merit, skill and experience necessary.

The Board currently comprises seven males (78%) and two females (22%) (2020: 78% male, 22% female). The Company has only two (male) employees who are not considered to be a senior executives (2020: 100% male).

CORPORATE GOVERNANCE CONTINUED

Company secretaries

The Company has two company secretaries, Ms Edith Shih and Ms Swapna Keskar, who are responsible to the Board for ensuring that Board processes are followed and board activities are efficiently and effectively conducted.

External auditors

The performance of the external auditor is reviewed annually and applications for the tender of external audit services will be requested as deemed appropriate. PricewaterhouseCoopers was appointed as the external auditor in June 2014.

An analysis of fees paid to the external auditor, including a break-down of fees for non-audit services, is provided in Note 13 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 & Risk Committee and will only be awarded to the external auditor after completion of a competitive tendering process (where appropriate) 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 & Risk Committee.

The external auditor attends and is available for questioning at the AGM by shareholders in relation to the conduct of the audit.

Risk management

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 & Risk 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.

Following the TPG merger completed in July 2020, the Company undertook a review of its corporate governance practices and reporting processes. Changes were implemented, reflective of the Company's holding in TPG reducing from a 50% to 25.05% interest. HTAL's sole activity is its investment in TPG. The operational activities of TPG are undertaken entirely by TPG and the associated operational risks are in that entity. Two of HTAL's Directors, Mr Canning Fok and Mr Frank Sixt are nominated to the TPG board and additionally, Mr Frank Sixt also served as an observer until August 2021 and was appointed as a member in September 2021 of the TPG board's audit & risk committee.

TPG has its own policies and risk management framework and is required to report to ASX and its investors in its own capacity as an ASX-listed entity. These may be accessed on the ASX announcements platform under ASX ticker code "TPG", and on its website at www.tpgtelecom.com.au.

HTAL's Audit & Risk Committee has undertaken a review of its risk management framework in respect of the Reporting Period and considers it to be sound and operating with due regard to the risk appetite as set by CKHH, being the Company's ultimate parent company and holder of 87.87% of the issued capital in the Company. Further, in February 2022, the HTAL Board approved a risk appetite statement for HTAL and HTAL's Audit & Risk Committee oversees that the operations of HTAL are within the scope of its risk appetite statement.

Material business/operational risks faced by the Company are those associated with the Company's investment in TPG. As set out earlier, information in respect of TPG may be accessed via TPG's separate disclosures available on the ASX announcements platform and on the TPG website. The Company has not identified any material exposures to environmental and social risks.

Due to the size and structure of the Company, an internal audit function has not been established. The Audit & Risk Committee is the responsible body for receiving risk reporting, reviewing the Company's risk register and framework and considering the effectiveness of the Company's governance, risk management and internal control processes, in accordance with its charter.

Our values and expected behaviour

The need to ensure that a strong ethical culture within the Group has led to greater emphasis on the development of a strong culture with values 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 working life with the Group. The Code of Conduct applies to all Directors, officers, employees, consultants, contractors, agents and other representatives engaged by the Company and compliance with the values underlying the Company's culture forming part of the performance appraisal of senior executives and managers.

The Code of Conduct also sets out the Company's zero-tolerance approach to bribery and corruption.

HTAL aspires to operate openly, fairly, lawfully, ethically and responsibly with honesty and integrity. The Company's Code of Conduct sets out HTAL's values in which we strive to:

- make everything we do simple and relevant;
- always look for ways to make our way of doing business better;
- be courageous and bold in our thinking;
- think of others in everything we do;
- deliver on our promises;
- listen, understand and treat others as an individual;
- be honest and open, have real conversations;
- make conscious commitments – keep your word;
- celebrate success; and
- listen to and learn from each other.

Whistleblower policy

The Company encourages a culture of reporting actual or suspected conduct which is illegal, unacceptable or undesirable and any person who reports conduct as a whistleblower who is acting honestly, reasonably and with a genuine belief about the conduct will be supported and protected. The Company has adopted a Whistleblower Policy that outlines the protected disclosure can be reported, how the Company will investigate and deal with improper conduct, and how persons making a disclosure will be supported and protected throughout this process.

Copies of the Company's Code of Conduct and Whistleblower Policy are available on the Company's website. The Board or the Audit & Risk Committee will be informed of any material breaches or any material incidents reported under the Code of Conduct and Whistleblower Policy.

Dealing in shares

The Company has the following policy regarding dealing in its shares:

- the Chairman discusses any proposed dealing in HTAL shares with an independent Director prior to any dealing;
- Directors discuss any proposed dealing in HTAL shares with the Chairman prior to any dealing; and
- any other designated officer (being any person engaged in the management of the Company, whether as an employee or consultant) discuss any proposed dealing in HTAL shares with the Company Secretary or the chief executive officer prior to any dealing.

Unless there are unusual circumstances, dealings in HTAL shares by designated officers 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 lodgement of the Company's annual report with the ASX up to one month after the AGM of HTAL.

Directors, officers and employees must not engage in insider dealing in breach of the *Corporations Act 2001 (Cth)* and are prohibited from dealing in HTAL shares if in possession of price sensitive information. Directors and senior executives are also prohibited from engaging in short term speculative dealing. All Directors, officers and employees within the Group have been advised of their obligations in regard to price sensitive information. Directors, officers and employees are also aware of their obligations not to communicate price sensitive information to any other person who might deal in HTAL shares or communicate that information to another party.

The Company does not have an equity-based remuneration scheme in place.

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 the Group 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. All Directors receive a copy of all material ASX announcements promptly after they have been made.

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 information in addition to the reports required by legislation. Shareholders have the option to receive communications from the Company and to communicate with the Company and the Share Registry electronically. The Company does not currently prepare investor or analyst presentations, but if it were to do so, and contain new and substantive information, a copy of such presentation will be released to the ASX and also made available on the Company's website.

Shareholders are encouraged to participate in general meetings physically or through the use of one or more technologies or to appoint proxies to attend and vote at such meetings for and on their behalf if they are unable to attend in person. Notices of general meetings and the accompanying papers are provided within the prescribed time prior to the meetings on the Company's website and the ASX website (www.asx.com.au), by email to shareholders or by post to those shareholders who have elected to receive a hard copy version of such communication. All substantive resolutions put to shareholders in general meeting are decided on a poll, rather than a show of hands. All resolutions put to the 2021 AGM were conducted by a poll with the results of the meeting announced to the ASX.

CORPORATE GOVERNANCE CONTINUED

The Company's investor relations program is based upon appropriately responding to requests from shareholders and analysts for information to enable them to gain an understanding of the Company's business, governance, financial performance and prospects.

The Company's existing practices on information disclosure and shareholder communications are documented in the Continuous Disclosure Policy and the Shareholder Communications Policy, details of which are available on the Company's website.

Related party transactions

The Group draws great strength from its relationship with CKHH and other companies in the CKHH 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 16 to the financial statements.

DIRECTORS' REPORT

The Directors present their report of Hutchison Telecommunications (Australia) Limited ("HTAL" or the "Company") and the entity it controlled (the "Group") at the end of, or during, the year ended 31 December 2021.

Principal activities

The Group's principal activity is the ownership of a combined 25.05% equity interest in TPG Telecom Limited ("TPG") (formerly Vodafone Hutchison Australia Limited ("VHA"))¹. TPG operates a number of leading mobile and internet brands including Vodafone, TPG, iiNet, AAPT, Internode, Lebara and Felix, providing consumers with a comprehensive portfolio of fixed and mobile products in the Australian telecommunications market. From 1 January until 26 June 2020 when the merger between VHA and TPG Corporation Limited (formerly named TPG Telecom Limited) ("TPM") occurred, the Group's principal activity was the ownership of a 50% equity interest in VHA.

Review of operations

Comments on the operations of the Group, results of those operations, the Company's business strategies and its prospects for future years are set out on pages 4 to 5. Details of the financial position of the Company are contained in page 27 of this report.

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

There were no significant changes in the state of affairs of the Group during the financial year.

On 21 February 2022 TPG announced a regional Multi-Operator Core Network ("MOCN") agreement with Telstra Corporation Limited (ASX: TLS) which will enable TPG to provide its subscribers with 4G and 5G coverage for data, calls and messaging from over 3,700 Telstra sites in regional and rural Australia. The MOCN Agreement, which is subject to regulatory and other approvals as may be required, will significantly expand TPG's mobile network footprint through an increase in regional sites.

Subject to finalisation of the regulatory and other approvals, TPG will recognise one-off, non-cash accounting impacts in its financial results for the year ending 31 December 2022 arising from the decommissioning of sites as follows: the recognition of onerous lease related charges of up to \$150 million and a write-down to the value of network infrastructure assets of up to \$75 million. In addition, the costs of site decommissioning (which is expected to take two years to complete) to be incurred by TPG are expected to be up to \$50 million. HTAL will equity account (see note 1(u)(iii)) for the accounting impacts in its financial results for the year ending 31 December 2022 accordingly.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the results of those operations in future financial years; or
- the Group'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 Group has not been included in this report because the Directors believe that it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group's operations and business activities, through its investment in TPG, are subject to environmental regulations under both Commonwealth and State legislation and the requirements of the *Telecommunications Act 1997*. TPG's compliance framework is designed to ensure TPG meets its obligations under current legislation.

TPG is subject to the *National Greenhouse and Environmental Reporting Act 2007* ("NGER Act") and is required to report information about greenhouse gas emissions, energy production, energy consumption and other information specified by the NGER Act. TPG has fulfilled its reporting requirements for its operations annually since 2010 under the NGER Act.

Dividends

No dividend was declared or paid during the year.

Directors

The following persons were Directors of HTAL during the whole of the year ended 31 December 2021 and up to the date of this report, unless otherwise stated:

FOK Kin Ning, Canning

Barry ROBERTS-THOMSON

Melissa ANASTASIOU

Susan Mo Fong CHOW, also known as WOO Mo Fong, Susan (alias CHOW WOO Mo Fong, Susan)

Justin Herbert GARDENER

LAI Kai Ming, Dominic, also alternate to FOK Kin Ning, Canning and Frank John SIXT

John Michael SCANLON

Frank John SIXT, also alternate to LAI Kai Ming, Dominic

WOO Chiu Man, Cliff

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

¹ Vodafone Hutchison Australia Pty Limited ("VHA") was converted to a public company on 19 June 2020 and changed its name to Vodafone Hutchison Australia Limited. On 29 June 2020, VHA changed its name from Vodafone Hutchison Australia Limited to TPG Telecom Limited, (the company that previously bore that name having changed its name to TPG Corporation Limited) and was listed on the ASX on 30 June 2020.

DIRECTORS' REPORT CONTINUED

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

* Direct holding of 100,000 shares

** Direct holding of 4,540 shares

Notes:

Fok Kin Ning, Canning, holds a relevant interest in (i) 6,011,438 ordinary shares of CK Hutchison Holdings Limited ("CKHH"), a related body corporate of HTAL; and (ii) 1,202,380 ordinary shares of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), a related body corporate of HTAL.

Susan Mo Fong Chow holds a relevant interest in (i) 129,960 ordinary shares of CKHH; and (ii) 250,000 ordinary shares of HTHKH.

Lai Kai Ming, Dominic holds a relevant interest in 34,200 ordinary shares of CKHH.

Frank John Sixt holds a relevant interest in (i) 166,800 ordinary shares of CKHH; and (ii) 255,000 ordinary shares of HTHKH.

Woo Chiu Man, Cliff holds a relevant interest in (i) 3,420 ordinary shares of CKHH; and (ii) 2,001,333 ordinary shares of HTHKH.

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 2021 and the number of meetings attended by each Director were:

Director	Board Meetings held during the year	Board Meetings attended as Director	Audit & Risk Committee Meetings held during the year	Audit & Risk Committee Meetings attended as Member of the Committee	Governance, Nomination & Compensation Committee Meetings held during the year	Governance, Nomination & Compensation Committee Meetings attended as Member of the Committee
Fok Kin Ning, Canning*	4	4	N/A	N/A	Nil	Nil
Barry Roberts-Thomson	4	4	N/A	N/A	N/A	N/A
Melissa Anastasiou	4	4	N/A	N/A	N/A	N/A
Susan Mo Fong Chow	4	4	N/A	N/A	N/A	N/A
Justin Herbert Gardener	4	4	4	4	Nil	Nil
Lai Kai Ming, Dominic	4	4	4	4	Nil	Nil
John Michael Scanlon	4	4	4	4	N/A	N/A
Frank John Sixt**	4	4	N/A	N/A	N/A	N/A
Woo Chiu Man, Cliff	4	4	N/A	N/A	N/A	N/A

* Mr Lai attended three Board meetings as Alternate Director for Mr Fok

** Mr Lai attended two Board meetings as Alternate Director for Mr Sixt

No meeting of the Governance, Nomination & Compensation Committee was held during the year as any matters that arose for possible consideration by the Committee were dealt with by the full Board.

Retirement, election and continuation in office of Directors

Mr Frank John Sixt, is a Director retiring by rotation in accordance with the Constitution who, being eligible, offers himself for re-election.

Ms Melissa Anastasiou, is a Director retiring by rotation in accordance with the Constitution who, being eligible, offers herself for re-election.

Mr Woo Chiu Man, Cliff, is a Director retiring by rotation in accordance with the Constitution who, being eligible, offers himself for re-election.

DIRECTORS' REPORT CONTINUED

Company secretaries

Edith Shih

BSE, MA, MA, EdM, Solicitor, FCG(CS, CGP), HKFCG(CS, CGP)(PE)

Edith Shih has been a Company Secretary of the Company since 1999. She has over 35 years of experience in the legal, regulatory, corporate finance, compliance and corporate governance fields. Ms Shih is an executive director and company secretary of CKHH. She has been with the Cheung Kong (Holdings) Limited group since 1989 and with HWL from 1991 to 2015. Both Cheung Kong (Holdings) Limited and HWL became wholly owned subsidiaries of CKHH in 2015. She has acted in various capacities within the HWL Group, including head group general counsel and company secretary of HWL and director and company secretary of HWL subsidiaries and associated companies. Ms Shih is a non-executive director of HTHKH, HUTCHMED (China) Limited (formally known as Hutchison China MedTech Limited) and HPHM as the trustee-manager of HPH Trust, and a member of the Board of Commissioners of PTDI. The aforementioned companies are either the ultimate holding company of HTAL, or subsidiaries or associated companies of CKHH of which Ms Shih has oversight as director of CKHH. Ms Shih is the immediate past International President and current member of the Executive Committee of The Chartered Governance Institute ("CGI") as well as a past President of The Hong Kong Chartered Governance Institute ("HKCGI", formerly known as The Hong Kong Institute of Chartered Secretaries) and current chairperson of its Nomination Committee. She is also a member of the Hong Kong-Europe Business Council. She is a solicitor qualified in England and Wales, Hong Kong and Victoria, Australia and a Fellow of both CGI and HKCGI, holding Chartered Secretary and Chartered Governance Professional dual designations. She holds a Bachelor of Science degree in Education, Master of Arts degrees and a Master of Education degree.

Swapna Keskar

MCom., LLB, FGIA, FCIS, FCS, GAICD

Swapna Keskar has been a Company Secretary of the Company since 3 December 2020. She has extensive experience in providing company secretarial, governance consulting and corporate administration services to clients, including a large number of ASX companies, across a range of different industries, including financial services, retail, resources and energy. Ms Keskar is a Graduate of the Australian Institute of Company Directors and a Fellow member of the Governance Institute of Australia, The Chartered Governance Institute and the Institute of Company Secretaries of India.

Remuneration Report

As at 31 December 2021, the Company had two employees who are not 'key management personnel'. As at the date of this report, the Company does not have any employees who are 'key management personnel'. This report does not include any information relating to the employees or employment practices of TPG as it is not a subsidiary of the Company.

Mr Frank John Sixt is the person directly responsible to the Board in respect of carrying out the Chief Executive Officer function and Chief Financial Officer function pursuant to section 295A of the *Corporations Act 2001 (Cth)*, however Mr Sixt is not formally appointed to either role. He was not remunerated in the current year for this responsibility.

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

Compensation philosophy and practice

The Governance, Nomination & Compensation Committee is responsible for making recommendations to the Board on compensation policies and packages for all staff, including Board members. The Company's compensation policy is 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. The Group 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 is 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 would 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 would reflect the contribution to achieving a range of key performance indicators as well as building a high performance company culture. The performance conditions are 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 Justin Herbert Gardener and Mr John Michael Scanlon, comprised a fixed amount only and was not performance based. The non-executive and non-independent Directors, Mr Fok Kin Ning, Canning, Mr Barry Roberts-Thomson, Ms Melissa Anastasiou, Mrs Susan Mo Fong Chow, Mr Lai Kai Ming, Dominic and Mr Woo Chiu Man, Cliff did not receive any remuneration for their services as Directors. Mr Frank John Sixt also did not receive any remuneration for his service as an executive Director of the Company.

Retirement allowances for Directors

No retirement allowances are payable to non-executive and executive Directors.

Key management personnel

The Directors of HTAL are the key management personnel ("KMP") of HTAL having the authority and responsibility for planning, directing and managing activities for the period 1 January 2021 to 31 December 2021.

The appointment of Mr Fok Kin Ning, Canning, Mr Lai Kai Ming, Dominic, Mr Frank John Sixt, and Mr Woo Chiu Man, Cliff is part of and in conjunction with their executive duties within the CKHH group. Mrs Susan Mo Fong Chow's appointment is also in conjunction with her directorship within the CKHH Group. They are not separately remunerated by the Company for their services. The remuneration details of these directors are available from the disclosure in their respective CKHH group annual reports.

Details of remuneration

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

Directors of HTAL

2021	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	
Name	Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Options \$	Total \$
Fok Kin Ning, Canning	-	-	-	-	-	-
Barry Roberts-Thomson	-	-	-	-	-	-
Melissa Anastasiou	-	-	-	-	-	-
Susan Mo Fong Chow	-	-	-	-	-	-
Justin Herbert Gardener	50,000	-	-	4,875	-	54,875
Lai Kai Ming, Dominic	-	-	-	-	-	-
John Michael Scanlon	50,000	-	-	4,875	-	54,875
Frank John Sixt	-	-	-	-	-	-
Woo Chiu Man, Cliff	-	-	-	-	-	-
Total	100,000	-	-	9,750	-	109,750

Mr Fok Kin Ning, Canning, Mrs Susan Mo Fong Chow, Mr Lai Kai Ming, Dominic, Mr Frank John Sixt and Mr Woo Chiu Man, Cliff, as officers of CKHH group, are remunerated for their duties within the CKHH Group which include their directorships of HTAL.

DIRECTORS' REPORT CONTINUED

2020	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	
Name	Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Options \$	Total \$
Fok Kin Ning, Canning	-	-	-	-	-	-
Barry Roberts-Thomson	-	-	-	-	-	-
Melissa Anastasiou [^]	-	-	-	-	-	-
Susan Mo Fong Chow	-	-	-	-	-	-
Justin Herbert Gardener	50,000	-	-	4,750	-	54,750
Lai Kai Ming, Dominic	-	-	-	-	-	-
John Michael Scanlon	50,000	-	-	4,750	-	54,750
Frank John Sixt	-	-	-	-	-	-
Woo Chiu Man, Cliff	-	-	-	-	-	-
Ronald Joseph Spithill ^{^^}	-	-	-	-	-	-
Total	100,000	-	-	9,500	-	109,500

[^] Appointed as Director with effect from 20 March 2020

^{^^} Resigned as Director with effect from 20 March 2020

Statutory performance indicators

The below table shows measures of the Company's financial performance over the last five years as required by the *Corporations Act 2001 (Cth)*.

	2021	2020	2019	2018	2017
Profit/(loss) for the year attributable to owners of HTAL (\$'000)	(21,677)	825,441	(154,870)	4,475	(37,557)
Basic earnings/(loss) per share (cents)	(0.16)	6.08	(1.14)	(0.03)	(0.28)
Dividend payments (\$'000)	-	-	-	-	-
Dividend payout ratio (%)	n/a	n/a	n/a	n/a	n/a
Increase/(decrease) in share price (%)	(17)	21	9	69	(14)
Total KMP incentives as percentage of profit/(loss) for the year (%)	(0.51)	0.01	(0.1)	2.3	(0.3)

The dividend payout ratio is calculated based on dividends paid and profit/(loss) for the year.

Share-based compensation

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 exercisable at the end of the year.

Shareholdings

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

Name	ORDINARY SHARES			
	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
Fok Kin Ning, Canning	5,100,000*	-	-	5,100,000*
Barry Roberts-Thomson	83,918,337**	-	-	83,918,337**
Melissa Anastasiou	-	-	-	-
Susan Mo Fong Chow	-	-	-	-
Justin Herbert Gardener	1,957,358	-	-	1,957,358
Lai Kai Ming, Dominic	-	-	-	-
John Michael Scanlon	-	-	-	-
Frank John Sixt	1,000,000	-	-	1,000,000
Woo Chiu Man, Cliff	-	-	-	-

* 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.

Shares issued on the exercise of options

No ordinary shares of HTAL were issued during the year ended 31 December 2021 or up to the date of this report on the exercise of options.

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 2021 and 31 December 2020.

Other transactions with Directors and key management personnel

There were no other transactions with Directors for the years ended 31 December 2021 or 31 December 2020.

The above Remuneration Report has been audited by PricewaterhouseCoopers.

DIRECTORS' REPORT CONTINUED

Non-audit services

HTAL may engage the auditor, PricewaterhouseCoopers, 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 & Risk 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 (Cth)*. 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 (Cth)* for the following reasons:

- all non-audit services have been reviewed by the Audit & Risk 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 APES 110 Code of Ethics for Professional Accountants, 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 PricewaterhouseCoopers for audit and non-audit services provided during the year are set out in Note 13, Remuneration of auditors, on page 44 of the financial report.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out on page 23.

Corporate Governance

HTAL is committed to conduct the business with the highest standards of business ethics and adhering to the legal and regulatory obligations. HTAL's Board of Directors has put in place formal guidelines representing the Board's policy on best practice corporate governance. These guidelines outline the composition and responsibilities of the Board and Board committees, and the Company's policies relating to, inter alia, continuous disclosure, shareholder communications, share dealing policy and corporate code of conduct. Refer to <http://www.hutchison.com.au/about-hutchison/corporate-governance/> for further details.

Directors' and officers' liability insurance

During the financial year, CKHH paid a premium to insure the Directors and officers of the Group 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. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officer or the improper use by the officers of their position to gain advantage for themselves or someone else or to cause detriment to the Company.

Indemnity of auditors

HTAL has agreed to reimburse their auditors, PricewaterhouseCoopers, for any liability (including reasonable legal costs) incurred by PricewaterhouseCoopers in connection with any claim by a third party arising from the Company's breach of the audit agreement between HTAL and PricewaterhouseCoopers. The reimbursement obligation is subject to restrictions contained in the *Corporations Act 2001 (Cth)*. No payment has been made to indemnify the auditors during or since the end of the financial year.

Proceedings on behalf of HTAL

No person has applied to the Court under section 237 of the *Corporations Act 2001 (Cth)* 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 (Cth)*.

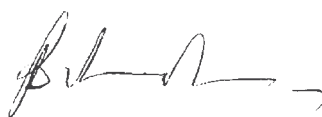
Rounding of amounts

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

Auditor

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

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



Director
24 February 2022



Director
24 February 2022

AUDITOR'S INDEPENDENCE DECLARATION



Auditor's Independence Declaration

As lead auditor for the audit of Hutchison Telecommunications (Australia) Limited for the year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink, reading 'Rosalie Wilkie'.

Rosalie Wilkie
Partner
PricewaterhouseCoopers

Sydney
24 February 2022

FINANCIAL REPORT

For the year ended 31 December 2021

These financial statements cover the consolidated financial statements for the group consisting of Hutchison Telecommunications (Australia) Limited ("HTAL") and its controlled entities. The financial statements are presented in Australian dollars.

HTAL is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1, 177 Pacific Highway,
North Sydney NSW 2060

The financial statements were authorised for issue by the Directors on 24 February 2022. The Company has the power to amend and reissue the financial statements.

FINANCIAL REPORT

For the year ended 31 December 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 \$'000	2020 \$'000
Revenue	2	121	1,272
Operating expenses		(1,901)	(1,457)
Net gain on dilution of interest in joint venture		-	677,315
Share of net profit/(loss) of equity accounted investments, net of tax	6	(19,897)	148,311
Profit/(loss) before income tax		(21,677)	825,441
Income tax expense	3	-	-
Profit/(loss) for the year	11	(21,677)	825,441
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified to profit or loss			
Recycling of hedging reserve		-	2
Net gain on cash flow hedges taken to equity (share of equity accounted investments)		150	64
Tax relating to items that may be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax	11	150	66
Total comprehensive income/(loss) for the year attributable to members of the Company		(21,527)	825,507
		Cents	Cents
Earnings/(loss) per share for profit/(loss) attributable to members of the Company			
Basic earnings/(loss) per share	20	(0.16)	6.08
Diluted earnings/(loss) per share	20	(0.16)	6.08

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 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	3,737	23,657
Loans and receivables	5	-	7
Prepayments		52	-
Other receivables		-	20
Total Current Assets		3,789	23,684
Non-current Assets			
Investment accounted for using the equity method	6	774,578	825,742
Total Non-current Assets		774,578	825,742
Total Assets		778,367	849,426
LIABILITIES			
Current Liabilities			
Payables	8	474	991
Other financial liabilities	9	38,316	88,013
Total Current Liabilities		38,790	89,004
Total Liabilities		38,790	89,004
Net Assets		739,577	760,422
EQUITY			
Contributed equity	10	4,204,488	4,204,488
Reserves	11	71,266	70,434
Accumulated losses	11	(3,536,177)	(3,514,500)
Total Equity		739,577	760,422

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 2021

	ATTRIBUTABLE TO MEMBERS OF THE COMPANY					
	RESERVES					Total equity \$'000
	Contributed equity \$'000	Capital redemption reserve ¹ \$'000	Cash flow hedging reserve ¹ \$'000	Share-based payments reserve ¹ \$'000	Accumulated losses ² \$'000	
Balance at 1 January 2020	4,204,488	54,887	(399)	15,880	(4,339,941)	(65,085)
Profit for the year	-	-	-	-	825,441	825,441
Other comprehensive income:						
Recycling of hedging reserve	-	-	2	-	-	2
Net gain on cash flow hedges (share of equity accounted investments)	-	-	64	-	-	64
Tax relating to components of other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	66	-	825,441	825,507
Balance at 31 December 2020	4,204,488	54,887	(333)	15,880	(3,514,500)	760,422
Balance at 1 January 2021	4,204,488	54,887	(333)	15,880	(3,514,500)	760,422
Loss for the year	-	-	-	-	(21,677)	(21,677)
Other comprehensive income:						
Net gain on cashflow hedges (share of equity accounted investments)	-	-	150	-	-	150
Tax relating to components of other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	150	-	(21,677)	(21,527)
Equity-settled share-based payments (share of equity accounted investments), net of tax	-	-	-	682	-	682
Balance at 31 December 2021	4,204,488	54,887	(183)	16,562	(3,536,177)	739,577

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

1 See note 11 (a) and (c).

2 See note 11 (b).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Notes	2021 \$'000	2020 \$'000
Cash Flows from Operating Activities			
Payments to suppliers and employees (inclusive of GST)		(2,443)	(1,088)
Interest received		121	1,272
Dividends from associate		32,099	-
Net cash inflows from operating activities	19	29,777	184
Cash Flows from Investing Activities			
Repayment of loans from associate	16	-	76,193
Net cash inflows from investing activities		-	76,193
Cash Flows from Financing Activities			
Repayment of borrowings - entity within the CKHH Group	16	(49,697)	(160,777)
Net cash outflows from financing activities		(49,697)	(160,777)
Net decrease in cash and cash equivalents		(19,920)	(84,400)
Cash and cash equivalents at 1 January		23,657	108,057
Cash and cash equivalents at 31 December	4	3,737	23,657

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies

(a) Reporting entity

Hutchison Telecommunications (Australia) Limited ("HTAL" or the "Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. A description of the nature of the operations and principal activities of the Company and its controlled entities (together the "Group") is included in the Directors' report on pages 15 to 22. The financial report was authorised for issue by the Board on the 24 February 2022. The Company has the power to amend and reissue the financial 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.

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. For the purposes of preparing the financial statements, the Company is a for-profit entity.

The consolidated financial statements are presented without the parent entity financial statements. Disclosures in relation to the parent entity required under paragraph 295(3)(a) of the *Corporations Act 2001* have been included in Note 23.

These financial statements have been prepared under the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative figures have been adjusted to conform to the presentation of the financial statements and notes for the current financial year, where required, to enhance comparability.

(c) Net current asset deficiency

As at 31 December 2021, the Group has a deficiency of net current assets of \$35.0 million (2020: a deficiency of \$65.3 million). Included in the Group's current liabilities is an amount of \$38.3 million (2020: \$88.0 million) which relates to an interest free financing facility provided from a subsidiary of the ultimate parent entity, CK Hutchison Holdings Limited ("CKHH"), which is repayable on demand. The Group has unused financing facilities of \$1,561.7 million at 31 December 2021 (2020: \$1,512.0 million). CKHH has confirmed its current intention is to provide sufficient financial support to enable the Group 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.

(d) Principles of consolidation

(i) Subsidiaries

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

(ii) Joint arrangements

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

Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has under the relevant contract. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement. Joint ventures are accounted for under the equity method, after initially being recognised at cost in the consolidated balance sheet. (Refer to Note 6 for further details).

(iii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights directly or indirectly. Where the Group holds less than 20% of the voting rights of an investee, representation on the board of directors or equivalent governing body of the investee and participation in the investee's policy making processes, including participation in decisions about dividends or other distributions, are also considered when determining whether the Group has significant influence. Investments in associates are accounted for under the equity method after initially being recognised at cost in the consolidated statement of financial position. (Refer to Note 6 for further details).

(iv) Equity method

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

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

On acquisition of the equity accounted investment, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in the consolidated statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method of accounting and does not remeasure the retained interest.

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

When there is a decrease in the ownership percentage of an investment, this will give rise to a deemed disposal of the investment. A gain or loss on the deemed disposal should be recognised in profit or loss upon completion of the dilution/deemed disposal.

The dilution gain or loss is calculated by comparing the difference between the carrying amount of interest deemed to be disposed (i.e. change in ownership %) to the fair value of the interest deemed to be received, plus amounts reclassified from other comprehensive income.

(e) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group'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 HTAL's functional and presentation currency.

(f) 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 as described below:

Interest income

Interest income is recognised using the effective interest method.

(g) 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 statement 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 Group'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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

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 assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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.

HTAL and its wholly owned Australian subsidiary have not implemented the tax consolidation legislation.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies continued

(h) Impairment of assets

Equity accounted investments are tested for impairment annually or when there is an indication that it may be impaired. The requirements to test for impairment are applied to the net investment in the equity accounted investee. Fair value adjustments and goodwill recognised on acquisitions of equity-accounted investees are not recognised separately. The guidance in *AASB 128 Investments in Associates and Joint Ventures* is used to determine whether it is necessary to perform an impairment test for investments in equity-accounted investees. If there is an indication of impairment, then the impairment test applied follows the principles in *AASB 136 Impairment of Assets*.

Other assets are tested for impairment whenever there is any indication that the carrying value of these assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss. Non-financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period or when there is an indication that the impairment loss may no longer exist. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Cash and cash equivalents

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

(j) Other receivables

Other receivables are initially recognised at fair value and subsequently at amortised cost, collectability is then reviewed on an ongoing basis.

(k) Loan receivables at amortised cost

Loan receivables are initially recognised at fair value and subsequently amortised cost, collectability is then reviewed on an ongoing basis. Contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved by collecting contractual cash flows.

(l) 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 and are subsequently remeasured to fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged items is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

As at 31 December 2021, the Group has not engaged in any hedging activities and only equity accounts for the share of the fair value changes of the cash flow hedge from the TPG Telecom Limited ("TPG") equity accounted investment.

(m) Goodwill

Goodwill as part of equity accounted investments is initially 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 fair value of the net 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's 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 associates/joint ventures is not recognised separately and is included in the net investments in the equity accounted investee which is tested for impairment annually or when there is an indication that it may be impaired.

(n) Payables

These amounts represent liabilities for goods and services provided to the Group 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) Borrowings

Borrowings are initially recognised at fair value. Borrowings are subsequently measured at amortised cost. Transaction costs associated with the borrowings are capitalised and amortised over the term of the debt.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(p) Contributed equity

Ordinary shares are classified as equity. Refer to Note 10 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.

(q) Earnings/(loss) per share**(i) Basic earnings/(loss) per share**

Basic earnings/(loss) per share is calculated by dividing:

- the profit or loss attributable to members of the Company; and
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share to consider:

- 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.

(r) 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 within 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.

(s) Segment reporting

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

Operating segments have been identified based on the information provided to the chief operating decision maker. Operating segments that meet the quantitative criteria as prescribed by *AASB 8 Operating Segments* are reported separately. Refer to Note 18 for details of the Group's operating segment, being investment in telecommunication services.

(t) Leases

The Group does not have any outstanding leases as at the balance date. The TPG equity accounted investment leases various network sites, offices, retail stores and data centres. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies continued

(t) Leases continued

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(h)). The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and typically have an underlying value of less than \$10,000.

(u) Critical accounting estimates and judgements

The preparation of financial statements often requires the exercise of judgements to select specific accounting methods and policies from several acceptable alternatives. Furthermore, significant estimates and judgements concerning the future may be required in applying those methods and policies in the accounts. In preparing the annual financial report, the Group has made accounting related estimates based on assumptions about current and, for some estimates, future economic and market conditions. Although our estimates and assumptions contemplate current and, as applicable, expected future conditions that the Group considers are relevant and reasonable, including but not limited to the potential impacts to our operations arising from Coronavirus Disease 2019 ("COVID-19") the pandemic and different monetary, fiscal and government policy responses aimed at reviving the economy, it is reasonably possible that actual conditions could differ from our expectations.

In particular, a number of estimates in relation to impairment of investments in controlled entities and equity accounted investments have been and will continue to be affected by the ongoing COVID-19 outbreak. The severity, magnitude and duration, as well as the economic consequences of the COVID-19 pandemic, are uncertain, rapidly changing and it is currently impossible to predict. As a result, our accounting estimates and assumptions may change over time in response to how market conditions develop. In addition, actual results could differ significantly from those estimates and assumptions. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected and the amount and timing of results of operations, cash flows and disclosures in future periods.

(i) Impairment assessment on investments in equity accounted investments

In accordance with the Group's accounting policy, the investments in equity accounted investments are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment test for the Group's equity accounted investments in TPG Telecom Limited ("TPG") is carried out at 31 December 2021. Carrying value of the investment is compared with its recoverable amount for the impairment testing. The recoverable amount of the investment is determined based on its fair value less cost of disposal. Fair value is derived using the volume weighted average price of TPG shares where share prices might be driven by incidents or market sentiment which a company cannot control. A block premium on the basis of HTAL's significant influence on TPG was considered. The result of the impairment testing undertaken on 31 December 2021 indicated that the recoverable amount is in excess of the carrying amount, as a result no impairment is deemed necessary for the year.

(ii) Recovery of deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences if management considers that it is probable that sufficient future taxable profits will be available to utilise those temporary differences. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of taxable profits generated in the foreseeable future together with future tax profit. Deferred tax assets have not been recognised as there is no convincing evidence that sufficient future taxable profits will be available against which unused tax losses or unused tax credits can be utilised. The Group has carried forward tax losses for unused deferred tax assets that have not been recognised. (Refer to Note 3 for further details).

(iii) TPG equity accounting

When assessing whether HTAL has significant influence over TPG, management has considered HTAL's combined 25.05% interest in TPG.

Depreciation of operating assets constitutes a substantial operating cost for TPG. The cost of fixed assets is charged as a depreciation expense over the estimated useful lives of the respective assets using the straight-line method and this is reflected in the "Share of net profit/(loss) of equity accounted investments" in HTAL's consolidated statement of profit or loss and other comprehensive income. In 2019, the Group decided to revise the useful life of some of TPG's existing network assets from up to 20 years to between 3 and 18 years, which is consistent with the estimates adopted by TPG.

In implementing the revised useful lives, management applied the change in the depreciation of the TPG existing network assets based on an assessment of individual asset lives prospectively from 1 January 2019 as required under Australian Accounting Standards. This resulted in an increase in the share of net loss of equity accounted investment of \$25.8 million (2020: a decrease in the share of net profit of equity accounted investments of \$83.1 million). The change has been included in the summarised financial information of TPG as disclosed in Note 6.

(v) Rounding of amounts

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

(w) Parent entity financial information

The financial information for the parent entity disclosed in Note 23 has been prepared on the same basis as the consolidated financial statements, except investments in subsidiaries and investments in associates, which are accounted for at cost in the financial statements of HTAL.

(x) New accounting standards and Interpretations**Accounting standards issued and mandatorily effective in the current year**

The Group has adopted all of the new and revised effective/applicable standards, amendments and interpretations issued by the Australian Accounting Standards Board that are relevant to the Group's operations and mandatory for annual periods beginning on or after 1 January 2021. In addition, the Group has early adopted *Amendment to AASB 16: COVID-19-Related Rent Concessions beyond 30 June 2021* ahead of its effective date. Adoption of this amendment has not had a material impact in the current year.

AASB 16: COVID-19-Related Rent Concessions beyond 30 June 2021

The Group has early adopted *AASB 16: COVID-19-Related Rent Concessions* beyond 30 June 2021 ahead of its effective date of 1 April 2021. The amendment extends, by one year, the original amendment issued by Australian Accounting Standards Board in June 2020. It permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors. The amount recognised in profit or loss for the reporting period arising from application of the practical expedient is insignificant to the results for the period.

AASB 2020-8 Amendments to Australian-Interest Rate Benchmark Reform-Phase 2

The Australian Accounting Standards Board published Interest Rate Benchmark Reform Amendments to *AASB 9 Financial Instruments*, *AASB 139 Financial Instruments: Recognition and Measurement* and *AASB 7 Financial Instruments: Disclosures* representing the finalisation of Phase II of the project on 27 August 2020 to address issues that might affect financial reporting when an existing interest rate benchmark is replaced with an alternative benchmark interest rate, i.e., replacement issues.

The Phase II amendments do not supersede the Phase I amendments. The Phase II amendments apply to all entities and are not optional and effective for annual periods beginning on or after 1 January 2021 with early application permitted. The amendments are applied retrospectively and include the potential reinstatement of hedge relationships that were discontinued solely due to changes directly required by the reform. The adoption of these amendments has not had a material impact to the Group's financial statements as the Libor rate applicable to the Group will only discontinue after 30 June 2023.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods. With the exception of Amendment to AASB 16: COVID-19-Related Rent Concessions beyond 30 June 2021, these new accounting standards and interpretations have not been early adopted by the Group. The adoption of these standards in future period is not expected to have a material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 2 Revenue

	2021 \$'000	2020 \$'000
Other revenue		
Interest	121	1,272

Note 3 Income tax

	2021 \$'000	2020 \$'000
(a) Income tax expense		
Deferred tax	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) from operations before income tax expense	(21,677)	825,441
Tax at the Australian tax rate of 30% (2020: 30%)	(6,503)	247,632
Tax effect of amounts which are not deductible or taxable/(non-assessable or deductible) in calculating taxable income:		
Non-assessable dilution gain on dilution of interest in associate	-	(203,195)
Share of (profits)/losses of equity accounted investments	5,969	(44,493)
	(534)	(56)
Deferred tax on temporary difference not recognised	46	(41)
Previously unrecognised tax losses now recouped to reduce current tax expense	-	-
Additional tax losses not recognised in the current period	488	97
Income tax expense	-	-
(c) Unrecognised tax losses		
Opening balance	160,811	160,512
Tax profits identified during completion of income tax return	-	(24)
Tax losses recouped to reduce current tax expense	-	-
Additional tax losses generated	1,626	323
Unused tax losses for which no deferred tax assets have been recognised	162,437	160,811
Potential tax benefit @ 30% (2020: 30%)	48,731	48,243

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 no recognised deferred tax assets or liabilities at 31 December 2021 and 31 December 2020.

Note 4 Current assets – Cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash at bank	3,737	23,657

Note 5 Current assets – Loans and receivables

	2021 \$'000	2020 \$'000
Receivable from related party (Note 16)	-	7

Receivable from TPG equity accounted investment**(a) Fair value**

The carrying values of the current receivables are at cost and approximate to their fair value.

(b) Foreign currency and interest rate risk

The carrying amounts of the Group's current receivables and financial assets are denominated in the following currencies:

	2021 \$'000	2020 \$'000
Australian dollars	-	7

For an analysis of the sensitivity of other financial assets to interest rate risk refer to Note 21.

(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 receivable is current with no indication of impairment. The Group does not hold any collateral as security. Refer to Note 21 for more information on the risk management policy of the Group.

Note 6 Non-current assets – Investment accounted for using the equity method

	2021 \$'000	2020 \$'000
Equity accounted investments	774,578	825,742

Pre-merger 2020, HTAL and Vodafone Group Plc ("VGP") each owned a 50% interest in a joint venture named Vodafone Hutchison Australia Limited ("VHA"), which provided telecommunications services in Australia. HTAL's interest in VHA was held by a controlled entity, Hutchison 3G Australia Holdings Pty Limited ("H3GAH") and was accounted for in the consolidated financial reports using the equity method. Also at that time, Vodafone Hutchison Finance Pty Limited ("VHF") was a wholly owned subsidiary of VHA.

On 26 June 2020, the merger between VHA and TPG Corporation Limited (formerly named TPG Telecom Limited) ("TPM") was sanctioned by the Court and became effective for accounting purposes. On the same date, HTAL's ownership interest percentage in VHA effectively diluted from 50% to 25.05%, giving rise to a gross dilution gain of \$1,036 million. From 26 June 2020, HTAL no longer had joint control in the investment, and has attained the ability to exercise significant influence over the new merged company. As such, HTAL's 25.05% investment in VHA has been accounted for in the consolidated financial reports using the equity method. VHA was renamed to TPG on 29 June 2020 and listed on the ASX on 30 June 2020. On 9 July 2020, VHF became a wholly owned subsidiary of Vodafone Hutchison (Australia) Holdings Limited ("VHAH"), in which HTAL has a 50% ownership interest.

As part of its merger implementation activities, VHA, HTAL and VGP were required to restructure the existing VHA debt, which involved the transfer of VHF which held external debt of \$4,475 million (AUD equivalent) in return for VHA shares (of which H3GAH was issued shares valued at \$2,237 million). This required HTAL to recognise previously unrecognised share of losses in VHA up until 26 June 2020 of \$359 million during the year. The net gain on dilution of interest in VHA shown in the table below is reported after charging the pre-merger unrecognised losses of \$359 million. Refer to (iii) Dilution Accounting, under Note 1(t) Critical accounting estimates and assumptions in the annual report for the year ended 31 December 2020 for further background.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 6 Non-current assets – Investment accounted for using the equity method continued

Under the TPG Scheme Implementation Deed, HTAL and its wholly-owned subsidiary, H3GAH and VGP and its relevant subsidiaries entered into an escrow deed under which, subject to certain exceptions, they must not dispose of, directly or indirectly, any of their TPG shares for a period of 24 months following merger implementation. Furthermore, the VHAH shareholders' agreement entered into between HTAL, VGP, VHAH and others dated 24 June 2020: (i) places restrictions on direct and indirect transfers of shares in VHAH for a period of 2 years from the merger implementation, and (ii) places restrictions on VHAH from selling its shares in TPG for a period of 2 years from merger implementation and also provides that, on expiry of 3 years from the merger implementation, either VHAH shareholder group may require VHAH to sell no more than 10% of VHAH's TPG shares in any 9-month period subject to the other shareholder group having a right of first offer to purchase the shares prior to them being sold to a third party.

On 14 July 2020, upon completion of all merger implementation and debt restructuring activities, HTAL's 25.05% ownership interests in TPG comprises 11.14% interest directly held by H3GAH, and an attributed 13.91% interest indirectly held by H3GAH through VHAH, a company domiciled in the United Kingdom in which H3GAH has a 50% shareholding and which H3GAH jointly controls with Vodafone Europe B.V. HTAL's 50% interests in VHAH, including its 50% share of VHAH's bank debt, has been accounted for in the consolidated financial reports using the equity method. VHF was placed in member's voluntary liquidation on 30 March 2021 and formally deregistered on 12 December 2021.

The market value of the above listed investments based on the quoted market price at 31 December 2021 was \$2,743.4 million (2020: \$3,362.8 million). This amount is before the Group's 50% share of VHAH's net debt of \$4,524.0 million (2020: \$4,554.7 million).

As at 31 December 2021, the Group held interests in the following associate and joint venture:

			OWNERSHIP INTEREST	
Name of entities	Principal activity	Country of operation	2021 %	2020 %
Associate:				
TPG Telecom Limited (formerly Vodafone Hutchison Australia Limited)	Telecommunications Services	Australia	11.14% ³	11.14% ³
Joint venture:				
Vodafone Hutchison (Australia) Holdings Limited	Financing and investing activities	United Kingdom	50.00%	50.00%

Movement in equity accounted investments carrying values

	2021 \$'000	2020 \$'000
Opening balance	825,742	-
New investments during the year	-	50
Net gain on dilution of interest in joint venture	-	677,315
Share of profit/(loss) of equity accounted investments, net of tax	(19,897)	148,311
Recycling of hedging reserve	-	2
Net gain on cash flow hedges taken to equity (share of equity accounted Investments), net of tax	150	64
Share-based payment reserve (share of equity accounted Investments), net of tax	682	-
Share of dividend received from equity accounted investment ⁴	(32,099)	-
Closing Balance	774,578	825,742

³ HTAL's 25.05% ownership interest in TPG comprises 11.14% interest directly held by H3GAH, a wholly owned subsidiary of HTAL, and an attributed 13.91% interest indirectly held by H3GAH through VHAH, a company domiciled in the United Kingdom in which H3GAH has a 50% shareholding. VHAH has a direct 27.82% interest in TPG.

⁴ HTAL's dividend income received from TPG for the 11.14% interest directly held by H3GAH is recognised as a reduction in the carrying amount of the investment.

Summarised Financial Information

Summarised Statement of Profit or Loss and Other Comprehensive Income

Summarised financial information with respect to the profit or loss and other comprehensive income of the Group's equity accounted investments, based on their respective Australian Accounting Standards financial statements, and reconciliation of the summarised financial information to the Group's share of profit/(loss) of equity accounted investments, net of tax, are set out below. The amounts included in the summarised financial information have been adjusted to reflect adjustments made by HTAL in applying the equity method of accounting. The adjustments principally relate to a fixed asset depreciation overlay carried out in 2019 to align the Group's useful life of some of TPG's existing network assets from up to 20 years to between 3 and 18 years, to be consistent with the estimates adopted by TPG. Please refer to Note 1(u)(iii) Critical accounting estimates and judgements for further background.

	2021		2020			
	VHAH \$'000	TPG \$'000	VHAH \$'000	TPG		
				\$'000	\$'000	\$'000
				Pre-merger ⁵	Post-merger ⁶	Total pre and post-merger
Gross amount of the following items of the equity accounted investments:						
Revenues	-	5,293,000	-	1,484,937	2,865,261	4,350,198
Other income	-	45,000	116	1,928	9,150	11,078
Expenses	(719)	(3,607,000)	(3,505)	(974,090)	(1,996,129)	(2,970,219)
Share of profits from investment in TPG, net of tax	2,023	-	212,391	-	-	-
Depreciation and amortisation	-	(1,525,725)	-	(572,447)	(836,786)	(1,409,233)
Net finance costs	(42,718)	(149,000)	(82,476)	(191,645)	(97,666)	(289,311)
Profit/(loss) before income tax	(41,414)	56,275	126,526	(251,317)	(56,170)	(307,487)
Income tax expense	-	(49,000)	-	-	819,616	819,616
Profit/(loss) for the year	(41,414)	7,275	126,526	(251,317)	763,446	512,129
Other comprehensive income/(loss)	166	597	-	92	2,155	2,247
Total comprehensive profit/(loss)	(41,248)	7,872	126,526	(251,225)	765,601	514,376
Reconciliation to the Group's share of profit/(loss) of the equity accounted investments:						
Group interest:	50%	11.14% ⁷	50%	50%	11.14% ⁷	Sub Total
Group's share of the following items:						
Profit/(loss) for the year	(20,707)	810	63,263	(125,659)	85,048	(40,611)
Unrecognised share of joint venture loss	-	-	-	125,659	-	125,659
Recognise previously unrecognised share of joint venture loss	-	-	-	(358,620)	-	(358,620)
Group's share of profit/(loss) of equity accounted investments	(20,707)	810	63,263	(358,620)	85,048	(273,572)

HTAL's share of profit/loss of equity accounted investments of \$19.9 million loss for the year ended 31 December 2021 (2020: \$148.3 million profit) represents (i) the combined total of the Group's 50% share of net loss of VHAH of \$20.7 million (2020: \$63.3 million net profit) (which includes the Group's 50% share of VHAH's financing costs and others of \$21.7 million (2020: \$42.9 million) and the Group's 13.91% indirect share of net profit of TPG of \$1.0 million (2020: \$106.2 million) after considering equity accounted adjustments), and (ii) the Group's 11.14% direct share of net profit of TPG of \$0.8 million (2020: \$85.0 million) after considering equity accounted adjustments as presented in the table above.

⁵ Pre-merger results represent the period between 1 January 2020 and 26 June 2020.

⁶ Post-merger results represent the period between 27 June 2020 and 31 December 2020.

⁷ HTAL's 25.05% ownership interest in TPG comprises 11.14% interest directly held by H3GAH, a wholly owned subsidiary of HTAL, and an attributed 13.91% interest indirectly held by H3GAH through VHAH, a company domiciled in the United Kingdom in which H3GAH has a 50% shareholding. VHAH has a direct 27.82% interest in TPG.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 6 Non-current assets – Investment accounted for using the equity method continued

Summarised Statement of Financial Position

Summarised financial information with respect to the statement of financial position of the Group's equity accounted investments, based on their respective Australian Accounting Standards financial statements, and reconciliation of the summarised financial information to the Group's carrying amount of these investments, are set out below. The amounts included in the summarised financial information have been adjusted to reflect adjustments made by HTAL in applying the equity method of accounting.

	2021		2020	
	VHAH \$'000	TPG \$'000	VHAH ⁸ \$'000	TPG \$'000
Gross amount of the following items of the equity accounted investments:				
Current assets	361,456	833,000	342,189	683,000
Non-current assets	3,372,270	18,757,684	3,449,507	18,654,000
Current liabilities	(7,331)	(1,667,000)	(11,223)	(1,456,000)
Non-current liabilities	(4,878,173)	(5,801,000)	(4,891,761)	(5,476,000)
Net (Liabilities)/Assets	(1,151,778)	12,122,684	(1,111,288)	12,405,000
Reconciliation to the carrying amount of the Group's investment accounted for using the equity method				
Group Interest	50%	11.14% ⁹	50%	11.14% ⁹
Group's share of net (liabilities)/assets	(575,889)	1,350,467	(555,644)	1,381,386

HTAL's investments accounted for using the equity method of accounting of \$774.6 million at 31 December 2021 (31 December 2020: \$825.7 million) represents (i) the combined total of the Group's 50% share of net liabilities of VHAH of \$575.9 million (31 December 2020: \$555.6 million) which includes the Group's 50% share of VHAH's bank debt of US\$3.5 billion (31 December 2020: US\$3.5 billion), and the Group's 13.91% indirect share of net assets of TPG of \$1,686.3 million (31 December 2020: \$1,725.5 million), and (ii) the Group's 11.14% direct share of net assets of TPG of \$1,350.5 million (31 December 2020: \$1,381.4 million) presented in the table above.

The summarised statement of financial position includes the following items:

	2021		2020	
	VHAH \$'000	TPG \$'000	VHAH ⁸ \$'000	TPG \$'000
Cash and cash equivalents	361,456	202,000	342,085	120,000
Current financial liabilities	(7,331)	(61,000)	(11,223)	(93,000)
Non-current financial liabilities	(4,878,173)	(5,649,000)	(4,891,961)	(5,381,000)

- (i) On 20 November 2020, VHAH entered into a US\$3.5 billion Syndicated Facility Agreement ("SFA") with a syndicate of lenders. The facility bears interest at 3 month US Libor + 1.00% and it will mature in 2023. An upfront fee of US\$10.5 million was charged by the syndicate of lenders. The SFA is guaranteed by the VHAH ultimate parent entities, CKHH and VGP. CKHH and VGP have also entered into a Counter Indemnity Agreement with VHAH but no guarantee fee is charged to VHAH.

In order to protect against exchange rate movements, VHAH entered into cross currency interest rate swaps to coincide with the maturity of the loan. The swaps in place cover 100% of the outstanding loan balance and have a fixed exchange rate and effectively swap US dollar debt for Australian dollar debt. The swaps were entered into with related parties associated with the VHAH joint venture partners. VHAH's effective rate of interest is based on the Australian 3-month BBR plus a margin. The cross currency swaps are settled in full on the same date as the interest payment is made to the facility agent. VHAH utilised the funds from the SFA to repay the outstanding principal of the existing US\$3.5 billion Syndicated Facility Agreement owed by VHF, its 100% owned subsidiary, which matured on 20 November 2020.

- (ii) HTAL's investment in VHAH is predicated on the ongoing financial support from both of VHAH's ultimate shareholders. The SFA is fully guaranteed by VHAH's ultimate parent entities.

⁸ Adjustments have been made to certain prior period comparatives to enhance comparability.

⁹ HTAL's 25.05% ownership interest in TPG comprises 11.14% interest directly held by H3GAH, a wholly owned subsidiary of HTAL, and an attributed 13.91% interest indirectly held by H3GAH through VHAH, a company domiciled in the United Kingdom in which H3GAH has a 50% shareholding. VHAH has a direct 27.82% interest in TPG.

Note 7 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in Note 1(d) and Note 23(c):

Name of controlled entity	Country of Incorporation	Class of Shares	EQUITY HOLDING ¹⁰	
			2021 %	2020 %
Hutchison 3G Australia Holdings Pty Limited ¹¹	Australia	Ordinary	100	100

Note 8 Current liabilities – Payables

	2021 \$'000	2020 \$'000
Trade creditors	355	120
Payables to related parties (Note 16)	119	871
	474	991

Further information relating to payables to related parties is set out in Note 16.

Liquidity risk

A summarised analysis of the Group's sensitivity of payables to liquidity risk is set out in Note 21.

Note 9 Current liabilities – Other financial liabilities

	2021 \$'000	2020 \$'000
Loan from an entity within the CKHH Group (Note 16)	38,316	88,013

(a) Loan from an entity within the CKHH Group

Further information relating to the loan from an entity within the CKHH Group is set out in Note 16. The \$1.6 billion facilities from an entity within the CKHH Group is an interest free financing facility and is repayable on demand. Total unused financing facilities at 31 December 2021 is \$1,561.7 million (31 December 2020: \$1,512.0 million).

(b) Financing arrangements

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

	2021 \$'000	2020 \$'000
(c) Other financial liabilities		
Total facilities from an entity within the CKHH Group	1,600,000	1,600,000
Used at the statement of financial position date	(38,316)	(88,013)
Unused at the statement of financial position date	1,561,684	1,511,987

¹⁰ The proportion of ownership interest is equal to the proportion of voting power held.

¹¹ This entity has been granted relief from the necessity to prepare financial reports in accordance with instrument 2016/785 issued by the Australian Securities and Investments Commission.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 10 Contributed equity

	2021 Shares	2020 Shares	2021 \$'000	2020 \$'000
Share capital				
Ordinary shares (fully paid)	13,572,508,577	13,572,508,577	4,204,488	4,204,488

(a) 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 2021 and 31 December 2020.

(c) Options

There are no options outstanding as at the statement of financial position date.

(d) Capital risk management

The Group's primary objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Group defines capital as total equity attributable to shareholders of the Group, comprising issued share capital and reserves, as shown in the consolidated statement of financial position. The Group actively and regularly reviews and manages its capital structure to ensure capital and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, projected operating cash flows and projected capital expenditures.

The Group 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 'Total equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2021 and 31 December 2020 were as follows:

	2021 %	2020 %
Gearing ratio	5	9

Note 11 Reserves and accumulated losses

	2021 \$'000	2020 \$'000
(a) Reserves		
Capital redemption reserve	54,887	54,887
Cash flow hedging reserve	(183)	(333)
Share-based payments reserve	16,562	15,880
	71,266	70,434
Movements:		
<i>Capital redemption reserve</i>		
There has been no movement in the capital redemption reserve during the year (2020: nil).		
<i>Cash flow hedging reserve</i>		
Balance at 1 January	(333)	(399)
Hedging movement	150	66
Balance at 31 December	(183)	(333)
<i>Share-based payments reserve</i>		
Balance at 1 January	15,880	15,880
Share-based payments	682	-
Balance at 31 December	16,562	15,880

	2021 \$'000	2020 \$'000
(b) Accumulated losses		
Accumulated losses at 1 January	(3,514,500)	(4,339,941)
Profit/(loss) attributable to members of the Company	(21,677)	825,441
Accumulated losses at 31 December	(3,536,177)	(3,514,500)

(c) Nature and purpose of reserves

Capital redemption reserve

The capital redemption reserve relates to the surplus arising on initial consolidation of a 19.9% stake in H3GAH.

Cash flow hedging reserve

The hedging reserve is used to record gains and losses on a hedging instrument in TPG equity accounted investment cash flow hedge that are recognised directly in equity, as described in Note 1(l).

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:

- recognise the grant date fair value of options issued to employees but not exercised;
- 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; and
- recognise HTAL's share of TPG equity accounted investment's the grant date fair value of options issued to its employees but not exercised.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 12 Director and key management personnel compensation

(a) Director and key management personnel compensation

	2021 \$	2020 \$
Short term employee benefits	109,750	109,500

(b) Loans to key management personnel and other transactions with key management personnel

There were no loans made to Directors of the Company, including their personally-related entities, during the years ended 31 December 2021 and 31 December 2020. There were no transactions with the Directors of the Company for the years ended 31 December 2021 and 31 December 2020.

Note 13 Remuneration of auditors

	2021 \$	2020 \$
PricewaterhouseCoopers Australia		
<i>Assurance services</i>		
Audit services		
Audit and review of financial reports and other audit work under the <i>Corporations Act 2001 (Cth)</i>	228,000	355,292
Total remuneration for assurance services	228,000	355,292
<i>Non-Assurance services</i>		
Tax services	12,000	12,000
Total auditors' remuneration	240,000	367,292

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

Note 14 Contingencies

There were no contingencies for HTAL or its controlled entities at 31 December 2021 and 31 December 2020. The Directors are not aware of any other material contingent liabilities existing at the reporting date.

At balance date, guarantees existing in respect of interests in equity accounted investments are as follows:

	VHAH		TPG	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Guarantees				
Secured guarantees	-	-	-	-
Unsecured guarantees	-	-	18,000	13,138
Total guarantees	-	-	18,000	13,138

Note 15 Commitments

There were no commitments contracted by HTAL or its controlled entities not recognised as liabilities or payables at 31 December 2021 and 31 December 2020.

At 31 December 2021 and 31 December 2020, capital commitments existing in respect of interests in equity accounted investments contracted but not provided for in the financial statements are as follows:

	VHAH		TPG	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Capital commitments ⁽ⁱ⁾	-	-	323,000	366,340
Other commitments ⁽ⁱⁱ⁾	-	-	218,000	276,280
Total commitments	-	-	541,000	642,620

(i) TPG's capital commitments pertain to the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities or payables.

(ii) TPG's other commitments generally pertain to payment of information technology, network support services and sponsorships under contracts in existence at the reporting date but not recognised as liabilities.

Note 16 Related party transactions

(a) Parent entities

The holding company and parent entity is Hutchison Telecommunications (Amsterdam) B.V. which, at 31 December 2021, owns approximately 88% of the issued ordinary shares of the Company. The ultimate parent entity is CK Hutchison Holdings Limited (incorporated in Cayman Islands).

(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; Melissa ANASTASIOU; Susan Mo Fong CHOW; Justin Herbert GARDENER; LAI Kai Ming, Dominic; John Michael SCANLON; Frank John SIXT and WOO Chiu Man, Cliff.

(c) Key management personnel compensation

Disclosures relating to key management personnel compensation are set out in Note 12.

(d) Transactions with related parties

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

	2021 \$	2020 \$
<i>Loans to related parties</i>		
Repayments from TPG equity accounted investment	-	76,193,205
<i>Loans from related parties</i>		
Repayments to an entity within the CKHH Group	(49,696,962)	160,776,989
<i>Interest revenue</i>		
Received from TPG equity accounted investment	-	954,555
<i>Operating expenses</i>		
Paid to TPG equity accounted investment	(478,509)	(626,529)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 16 Related party transactions continued

(e) Outstanding balances

The following balances are outstanding at 31 December 2021 and 31 December 2020 in relation to transactions with related parties:

	2021 \$	2020 \$
<i>Current loans and other receivables</i>		
VHAH equity accounted investment (Note 5)	-	6,828
<i>Payables</i>		
TPG equity accounted investment (Note 8)	(119,627)	(870,750)
<i>Current liabilities – Other financial liabilities</i>		
Entity within the CKHH Group (Note 9)	(38,315,620)	(88,012,582)

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.

On 20 November 2020, VHAH entered into the SFA with a syndicate of lenders. The SFA is guaranteed by VHAH's ultimate parent entities, CKHH and VGP. CKHH and VGP have also entered into a Counter Indemnity Agreement with VHAH but no guarantee fee is charged to VHAH.

(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. All these loans have been disclosed.

Note 17 Deed of cross guarantee

The Company and H3GAH are parties to a deed of cross guarantee, under which each company guarantees the debt of the others. There have been no changes to the deed of cross guarantee as at 31 December 2021 in comparison to 31 December 2020.

(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'. H3GAH is a holding company with no material operations and owns 25.05% of TPG (11.14% directly and 13.91% indirectly through its 50% investment in the VHAH joint venture).

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 years ended 31 December 2021 and 31 December 2020.

	2021 \$'000	2020 \$'000
Statement of profit or loss and other comprehensive income		
Revenue	32,220	1,272
(Impairment)/reversal of impairment of TPG investment held within Closed Group ⁽ⁱ⁾	(187,868)	1,217,185
Other operating expenses	(1,901)	(1,457)
Profit/(loss) before income tax	(157,549)	1,217,000
Income tax expense	-	-
Profit/(loss) for the year	(157,549)	1,217,000
Movements in consolidated accumulated losses		
Accumulated losses at 1 January	(2,846,025)	(4,063,025)
Profit/(loss) for the year	(157,549)	1,217,000
Accumulated losses at 31 December	(3,003,574)	(2,846,025)

(i) During the financial year, the Closed Group recognised an impairment of \$187.9 million (2020: reversal of prior period impairment of \$1,217 million) on H3GAH's investment in TPG (formerly VHA) as a result of a decrease in its recoverable value due to decrease in TPG share price. The recoverable value has been determined as the investment's fair value less costs to sell.

(b) Statement of financial position

Set out below is a statement of financial position as at 31 December 2021 and 31 December 2020 of the Closed Group consisting of H3GAH and HTAL.

	2021 \$'000	2020 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents	3,737	23,657
Loans and receivable	-	7
Prepayments	52	-
Other receivables	-	20
Total Current Assets	3,789	23,684
Non-Current Assets		
Other financial assets	1,306,682	1,494,550
Total Non-Current Assets	1,306,682	1,494,550
Total Assets	1,310,471	1,518,234
LIABILITIES		
Current Liabilities		
Payables	474	996
Other financial liabilities	38,316	88,013
Total Current Liabilities	38,790	89,009
Total Liabilities	38,790	89,009
Net Assets	1,271,681	1,429,225
EQUITY		
Contributed equity	4,204,488	4,204,488
Reserves	70,767	70,762
Accumulated losses	(3,003,574)	(2,846,025)
Total Equity	1,271,681	1,429,225

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 18 Segment reporting

The Group has identified its operating segment based on the internal reports that are reviewed and used by the Group in assessing performance and in determining the allocation of resources.

In 2021, the Group continued to invest in an operator within the telecommunications industry.

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

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

	2021 \$'000	2020 \$'000
HTAL's share of the following items of the equity accounted investments*		
Total Revenue	1,325,897	1,460,214
Net Profit/(Loss)*	(19,897)	148,311

Further information reviewed by the chief operating decision maker with regards to the performance of the Group's equity accounted investments is disclosed in Note 6.

* after equity accounted investment accounting adjustments.

Note 19 Reconciliation of profit/(loss) after income tax to net cash inflows from operating activities

	2021 \$'000	2020 \$'000
Profit/(loss) after income tax	(21,677)	825,441
Net gain on dilution of interest in joint venture	-	(677,315)
Share of (profit)/loss of equity accounted investments (see Note 6)	19,897	(148,311)
Dividends from associate	32,099	-
Change in operating assets and liabilities		
(Decrease)/Increase in other financial assets	-	(66)
Increase in other assets	(25)	-
(Decrease)/Increase in payables	(517)	435
Net cash inflows from operating activities	29,777	184
Net debt reconciliation		
Cash and cash equivalents	3,737	23,657
Borrowings	(38,316)	(88,013)
Net debt	(34,579)	(64,356)

	Cash \$'000	Borrowings due within 1 year \$'000	Total \$'000
Net debt as at 1 January 2021	23,657	(88,013)	(64,356)
Cash flows	(19,920)	49,697	29,777
Net debt as at 31 December 2021	3,737	(38,316)	(34,579)

Note 20 Earnings/(loss) per share

	CONSOLIDATED	
	2021 Cents	2020 Cents
(a) Basic earnings/(loss) per share		
Profit/(loss) attributable to members of the Company	(0.16)	6.08
(b) Diluted earnings/(loss) per share		
Profit/(loss) attributable to members of the Company	(0.16)	6.08
	\$'000	\$'000
(c) Earnings used in calculating earnings/(loss) per share		
<i>Basic earnings/(loss) per share</i>		
Profit/(loss) attributable to members of the Company used in calculating basic earnings/(loss) per share	(21,677)	825,441
<i>Diluted earnings/(loss) per share</i>		
Profit/(loss) attributable to members of the Company used in calculating diluted earnings/(loss) per share	(21,677)	825,441
	CONSOLIDATED	
	2021 Number	2020 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/(loss) 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/(loss) per share	13,572,508,577	13,572,508,577

There were no (2020: nil) options and no other potential ordinary shares outstanding at 31 December 2021 and accordingly there was no impact on the earnings/(loss) per share calculation for the years ended 31 December 2021 and 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 21 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk. The Group'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 Group. It is the Group'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 exposures.

Risk management is carried out by the management of HTAL under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board oversees the overall risk management including specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(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.

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. 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. 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 Group's main interest rate risk arises from cash balances and other financial assets. At 31 December 2021, there are no material loans receivable from equity accounted investments and entities within the CKHH Group. As such, a 1% change on the Australian market rate on the loans and receivables will result in an immaterial change in interest revenue based on 31 December 2021 balances (2020: immaterial change).

(ii) Foreign currency exchange risk

Management has assessed there is minimal foreign currency exchange risk as the Group does not carry any material balances in foreign currency.

(iii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets to interest rate risk.

31/12/2021	Carrying amount \$'000	INTEREST RATE RISK			
		-1%		+1%	
		Post-tax loss \$'000	Other equity \$'000	Post-tax loss \$'000	Other equity \$'000
Financial assets					
Cash and cash equivalents	3,737	(37)	-	37	-
Total increase/(decrease)	3,737	(37)	-	37	-

31/12/2020	Carrying amount \$'000	INTEREST RATE RISK			
		-1%		+1%	
		Post-tax loss \$'000	Other equity \$'000	Post-tax loss \$'000	Other equity \$'000
Financial assets					
Cash and cash equivalents	23,657	(237)	-	237	-
Loans and receivable	7	-	-	-	-
Total increase/(decrease)	23,664	(237)	-	237	-

(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.

At 31 December 2020, credit risk further arises from loans and receivables from equity accounted investments. The recoverability of the loan and receivable is supported by a letter of support from CKHH and VGP.

(i) Impairment of financial assets

All of the entity's debt investment is measured at amortised cost and is considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. Debt investment is considered to be low credit risk as the debt investment is held solely by TPG (formerly VHA) which has never defaulted on any payments of principal and/or interest.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 21 Financial risk management continued

(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 Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group maintains 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 Group'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. Other financial liabilities include an amount of \$38.3 million (2020: \$88.0 million) relating to an interest free loan from a subsidiary in the CKHH group. CKHH 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 of 12 months from signing these financial statements.

31/12/2021	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	0.03%	3,737	-	-	-	3,737
Payables	-	(474)	-	-	-	(474)
Other financial liabilities	-	(38,316)	-	-	-	(38,316)
Total		(35,053)	-	-	-	(35,053)

31/12/2020	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	0.05%	23,657	-	-	-	23,657
Loans and receivables	-	7	-	-	-	7
Payables	-	(991)	-	-	-	(991)
Other financial liabilities	-	(88,013)	-	-	-	(88,013)
Total		(65,340)	-	-	-	(65,340)

Note 22 Events occurring after the reporting date

On 21 February 2022 TPG announced a regional Multi-Operator Core Network ("MOCN") agreement with Telstra Corporation Limited (ASX: TLS) which will enable TPG to provide its subscribers with 4G and 5G coverage for data, calls and messaging from over 3,700 Telstra sites in regional and rural Australia. The MOCN Agreement, which is subject to regulatory and other approvals as may be required, will significantly expand TPG's mobile network footprint through an increase in regional sites.

Subject to finalisation of the regulatory and other approvals, TPG will recognise one-off, non-cash accounting impacts in its financial results for the year ending 31 December 2022 arising from the decommissioning of sites as follows: the recognition of onerous lease related charges of up to \$150 million and a write-down to the value of network infrastructure assets of up to \$75 million. In addition, the costs of site decommissioning (which is expected to take two years to complete) to be incurred by TPG are expected to be up to \$50 million. HTAL will equity account (see note 1(u)(iii)) for the accounting impacts in its financial results for the year ending 31 December 2022 accordingly.

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

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

Note 23 Parent entity disclosures

(a) Summary financial information

	2021 \$'000	2020 \$'000
Financial position		
ASSETS		
Current Assets	3,789	23,684
Non-current Assets	1,080,200	1,080,200
Total Assets	1,083,989	1,103,884
LIABILITIES		
Current Liabilities	70,888	89,004
Total Liabilities	70,888	89,004
Net Assets	1,013,101	1,014,880
EQUITY		
Contributed equity	4,204,488	4,204,488
Reserves	15,880	15,880
Accumulated losses	(3,207,267)	(3,205,488)
Total Equity	1,013,101	1,014,880
Financial performance		
Profit/(loss) for the year ⁽ⁱ⁾	(1,779)	802,651
Total comprehensive profit/(loss) for the year	(1,779)	802,651

- (i) No impairment was deemed necessary to be recorded in current year (December 2020: \$802.9 million gain on reversal of prior period impairment) of HTAL's investment in H3GAH.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2021

Note 23 Parent entity disclosures continued

(b) Commitments and Contingencies

There were no commitments contracted for by HTAL but not recognised as liabilities or payable at 31 December 2021 and 31 December 2020.

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

As at 31 December 2021, the Parent Entity has a deficiency of net current assets of \$67.1 million (2020: deficiency of net current assets of \$65.3 million). Included in the Parent Entity's current liabilities is an amount of \$38.3 million (2020: \$88.0 million) which relates to an interest free financing facility provided from a subsidiary of the ultimate parent entity, CKHH, which is repayable on demand. The Parent Entity has unused financing facilities of \$1,561.7 million at 31 December 2021 (2020: \$1,512.0 million). CKHH 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.

(c) HTAL's investment in H3GAH

	2021 \$'000	2020 \$'000
Investment in H3GAH		
Investment at cost	3,664,655	3,664,655
Prior year Impairment recognised to date	(2,584,455)	(2,584,455)
Value of investment	1,080,200	1,080,200

DIRECTORS' DECLARATION

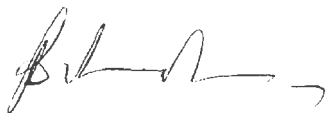
In the Directors' opinion:

- (a) the financial statements and notes set out on pages 24 to 54 are in accordance with the *Corporations Act 2001 (Cth)*, 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 2021 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 17 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 17.

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 Mr Frank John Sixt, being the person responsible to the Board for performing the Chief Executive Officer function and Chief Financial Officer function of Hutchison Telecommunications (Australia) Limited required by section 295A of the *Corporations Act 2001 (Cth)*.

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



Director
24 February 2022



Director
24 February 2022

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report

To the members of Hutchison Telecommunications (Australia) Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Hutchison Telecommunications (Australia) Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2021
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* 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 are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	Audit scope
<ul style="list-style-type: none"> For the purpose of our audit we used overall Group materiality of \$7.5 million, which represents approximately 1% of the Group's total assets. We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. We chose an asset base benchmark because, in our view, the primary function of the Group is to hold the investment in TPG Telecom Limited (TPG). We performed further audit procedures over the consolidation of the Group, including adjustments for equity accounting of TPG. We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds. 	<ul style="list-style-type: none"> Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. The Group audit team conducted an audit of the financial information contained within the consolidated financial statements and the component auditors of TPG performed procedures for the equity accounted investment. We, as the Group engagement team, determined and undertook an appropriate level of involvement in the work performed by the component audit team, in order for us to be satisfied that sufficient audit evidence had been obtained to support our opinion on the Group financial report as a whole. This included written instructions to the component auditors.

INDEPENDENT AUDITOR'S REPORT CONTINUED



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
<p>Equity accounting for Hutchison Telecommunication Australia Limited (HTAL) 's investment in TPG Telecom Limited (TPG) (refer to note 6)</p> <p>HTAL applies equity accounting for its combined 25.05% ownership investment in TPG. These investments are held by HTAL via a:</p> <ul style="list-style-type: none"> 13.91% indirect interest through Vodafone Hutchison Australia Holdings Limited (VHAH), which HTAL jointly controls through a wholly owned subsidiary, and 11.14% direct interest in TPG via a wholly owned subsidiary. <p>As at 31 December 2021, HTAL's equity accounted investment is carried at \$774 million.</p> <p>Accounting for TPG was a key audit matter because of the magnitude of the investment.</p>	<p>To assess the equity accounting for the Group's investment in TPG, we performed the following procedures amongst others:</p> <ul style="list-style-type: none"> Considered the appropriateness of the equity accounting method. Reconciled the opening equity accounted investment balance to the final position reflected in the financial report. This included: <ul style="list-style-type: none"> recalculating the share of net profit/(loss) and changes in reserves of TPG by examining the schedule prepared by the Group and recalculating HTAL's 25.05% share; and compared dividends received from TPG to the supporting documentation and bank statements. Agreed the financial statements of TPG as at 31 December 2021 to the equity accounting schedule. For borrowings and derivatives held by VHAH: <ul style="list-style-type: none"> tested the fair value of the derivatives associated with the borrowings with the assistance of valuation experts, and obtained third party confirmation of borrowings. Tested equity accounting adjustments in HTAL to historical records and supporting schedules for accuracy.

We also evaluated the adequacy of disclosures made by the Group in the financial report in view of the requirements of Australian Accounting Standards.



Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of HTAL's equity accounted investment in TPG (refer to note 6)</p> <p>HTAL's equity accounted investment in TPG is the most significant asset of the Group and is subject to an impairment assessment, which involves application of judgement in determining the recoverable amount.</p> <p>As part of their impairment assessment, the Group has applied assumptions to determine an expected fair value less costs to sell.</p> <p>The determination of fair value involves significant judgment about a market based price for the investment in TPG.</p> <p>As set out in note 1, estimates considered by the Group in determining fair value include the application of a premium given the significant influence held in TPG, as well as the use of a volume weighted average price (VWAP).</p>	<p>We performed the following procedures amongst others:</p> <ul style="list-style-type: none"> • Developed an understanding of the process by which the Group conducted the impairment assessment. • Evaluated the Group's methodologies and their documented basis for key assumptions utilised in the determination of fair value less costs to sell. This included fair value being estimated for the overall 25.05% shareholding which is held both directly and indirectly by the Group, along with consideration of the proportionate net debt held within VHAH. • Considered the share price of TPG throughout the year and at year end, and selected factors which could impact the valuation. • With the assistance of our valuation expert, we assessed the inclusion and magnitude of applying a premium for significant influence in TPG. • Assessed management's key assumptions surrounding share price fluctuations and the resultant VWAP applied. • Obtained an understanding of the nature of the net debt held within VHAH, and recalculated the Group's proportionate share. • Considered other potential methods of determining fair value.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Review of operations, Board of Directors, Directors' Report and Corporate Directory. We expect the remaining other information to be made available to us after the date of this auditor's report.

INDEPENDENT AUDITOR'S REPORT CONTINUED



Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 18 to 21 of the directors' report for the year ended 31 December 2021.

In our opinion, the remuneration report of Hutchison Telecommunications (Australia) Limited for the year ended 31 December 2021 complies with section 300A of the *Corporations Act 2001*.



Responsibilities

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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Rosalie Wilkie

Rosalie Wilkie
Partner

Sydney
24 February 2022

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 24 February 2022.

Substantial shareholders

Substantial shareholders in the Company (as disclosed to the ASX) are:

Shareholder	Shareholding	% Issued Capital
CK Hutchison Holdings Limited and its subsidiaries [#]	12,009,393,175	88.48
Li Ka-Shing Unity Trustee Company Limited as trustee for The Li Ka-Shing Unity Trust ^{##}	12,009,393,175	88.48
Vodafone Group Plc and subsidiaries*	12,009,393,175	88.48
Spark New Zealand Trading Limited and Spark 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 of approximately 0.62% of the issued capital of the Company.

^{##} Substantial shareholding arises solely because Li Ka-Shing Unity Trustee Company Limited as trustee for The Li Ka-Shing Unity Trust is the registered holder of 26.16% of the shares in CK Hutchison Holdings Limited and therefore has a relevant interest in the same shares in the Company in which CK Hutchison Holdings Limited has a relevant interest. Li Ka-Shing Unity Trustee Company Limited as trustee for The Li Ka-Shing Unity Trust or otherwise does not hold any shares in the Company.

* 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 CK Hutchison Holdings Limited and its subsidiaries have a relevant interest. None of Vodafone Group Plc or any of its subsidiaries holds any shares in the Company. Previously, Vodafone Group Plc's relevant interests arose under a Shareholders Agreement between Vodafone Group Plc, Hutchison Whampoa Limited (currently a subsidiary of CK Hutchison Holdings Limited) and other parties in relation to Vodafone Hutchison Australia Pty Limited (name changed to Vodafone Hutchison Australia Limited and then to TPG Telecom Limited) (the "VHA Shareholders Agreement"). The acquisition of the relevant interests was approved by shareholders in April 2009. The VHA Shareholders Agreement was terminated in June 2020. At or about the time of termination of the VHA Shareholders Agreement, Vodafone Group Plc, CK Hutchison Holdings Limited, the Company and other parties entered into a Shareholders Agreement in relation to Vodafone Hutchison (Australia) Holdings Limited (the "New Shareholders Agreement"). As a result of certain provisions in the New Shareholders Agreement, Vodafone Group Plc and its subsidiaries have a relevant interest in shares in the Company in which CK Hutchison Holdings Limited and its subsidiaries have a relevant interest.

Distribution of equity securities

Ordinary Shares

Range	Number of Shareholders	% Issued Capital
1 – 1,000	1,346	0.01
1,001 – 5,000	2,208	0.04
5,001 – 10,000	771	0.04
10,001 – 100,000	901	0.21
100,001 – and over	219	99.70
Total	5,445	100.00

There were 3,313 holders of less than a marketable parcel of ordinary shares at a share price of \$0.10 on 24 February 2022.

Twenty largest shareholders

The names of the 20 largest holders of quoted ordinary shares as at 24 February 2022 are as follows:

Shareholder	Shareholding	% Issued Capital	Rank
Hutchison Telecommunications (Amsterdam) B.V.	11,925,479,378	87.86	1
Spark New Zealand Trading Limited	1,357,250,858	10.00	2
Leanrose Pty Ltd	83,913,797	0.62	3
Mr Dimitrios Piliouras & Mrs Konstantina Piliouras <Energia Super Fund A/C>	19,500,000	0.14	4
HSBC Custody Nominees (Australia) Limited	12,263,282	0.09	5
Mr Dimitrios Piliouras	5,191,645	0.04	6
Boscaini Investments Pty Ltd	5,000,000	0.04	7
Mr Kenneth Kin Kau Heung & Mr Rene Conrad Heung <RK Super Fund A/C>	4,830,000	0.04	8
Citicorp Nominees Pty Limited	4,684,733	0.03	9
Mr Ting Hua Kho	4,600,000	0.03	10
Arjee Pty Ltd	4,033,575	0.03	11
J P Morgan Nominees Australia Pty Limited	4,000,000	0.03	12
Mr Hung Fong Chong	2,816,000	0.02	13
Mr Khalil Shahin & Mrs Kholoud Shahin <Nasmin Super Fund A/C>	2,800,000	0.02	14
Mrs Yu Jie Zhi	2,300,000	0.02	15
Mrs Yim Fong Leung	2,255,000	0.02	16
Mr Ian Keith Flint	2,200,000	0.02	17
Leith Investments No 1 Pty Ltd	2,000,000	0.01	18
Mr Arthur Katropoulos & Mrs Despina Katropoulos <Enigma Super Fund A/C>	2,000,000	0.01	19
Mr Justin Herbert Gardener & Mrs Anne Louise Gardener <JH & AL Gardener S/F A/C>	1,957,358	0.01	20
	13,449,075,626	99.08	

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.

On-market buy-back

There is currently no on-market buy-back.

CORPORATE DIRECTORY

Directors

FOK Kin Ning, Canning

Barry ROBERTS-THOMSON

Melissa ANASTASIOU

Susan Mo Fong CHOW, also known as WOO Mo Fong, Susan (alias CHOW WOO Mo Fong, Susan)

Justin Herbert GARDENER

LAI Kai Ming, Dominic (also alternate to FOK Kin Ning, Canning and Frank John SIXT)

John Michael SCANLON

Frank John SIXT (also alternate to LAI Kai Ming, Dominic)

WOO Chiu Man, Cliff

Company Secretaries

Edith SHIH

Swapna KESKAR

Investor Relations

Tel: +61 2 9015 5088

Email: htalinvestors@company matters.com.au

www.hutchison.com.au

Registered Office

Level 1, 177 Pacific Highway
North Sydney NSW 2060

Tel: +61 2 9015 5088

www.hutchison.com.au

Share Registry

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

Tel: 1800 629 116 or +61 1800 629 116 (International)

www.linkmarketservices.com.au

Auditor

PricewaterhouseCoopers
One International Towers Sydney, Watermans Quay
Barangaroo 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:

177 Pacific Highway
North Sydney NSW 2060

Date: 4 May 2022

Time: 10.00 am Sydney time

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