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ANNUAL REPORT

2023

Hutchison Telecoms

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AGM Details

The Annual General Meeting
of HTAL will be held at:

Level 27, Tower Two, International Towers Sydney
200 Barangaroo Avenue, Barangaroo, NSW 2000

Tuesday, 7 May 2024 at 10.00 am Sydney time

ABN 15 003 677 227
Hutchison Telecommunications (Australia) Limited (ASX: HTA)
(HTAL)

WHO WE ARE

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Hutchison Telecommunications (Australia) Limited ("HTAL" or the "Company") (ASX: HTA) has a 25.05% equity interest in TPG Telecom Limited ("TPG") (ASX: TPG). 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 provides telecommunications services to consumers, business, enterprise, government and wholesale customers in Australia.

2020

VHA merged with TPG Corporation Limited (formerly TPG Telecom Limited) creating the present TPG Telecom Limited.

2009

HTAL's operations were merged with Vodafone Australia to form Vodafone Hutchison Australia Pty Limited (VHA).

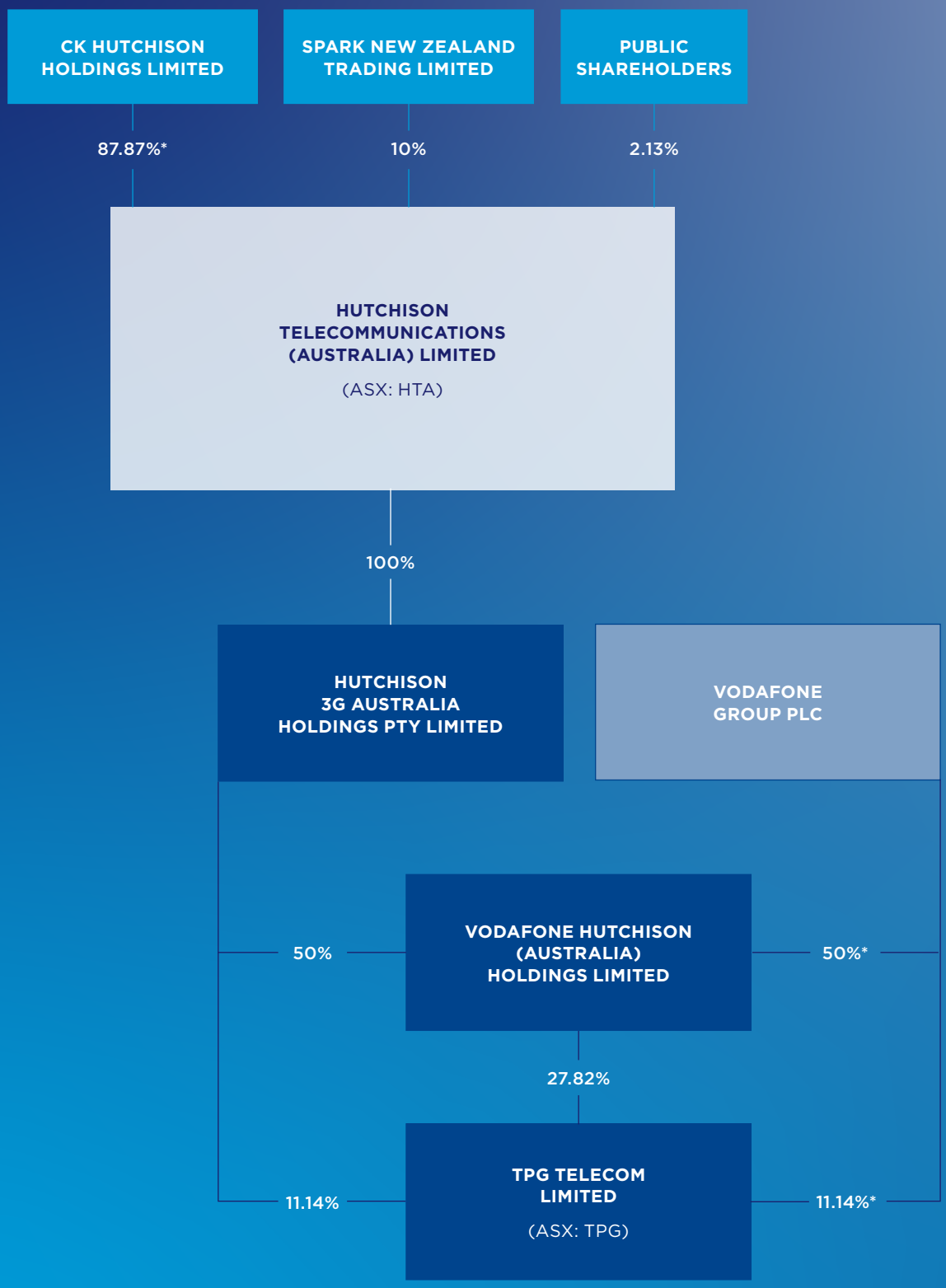
2003

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

1999

HTAL was listed on the ASX.

OWNERSHIP STRUCTURE



*Indirect ownership

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FINANCIAL SUMMARY

	2023 $'000	2022 $'000	Movement $'000	Movement %
Revenue	**857**	194	663	342%
Operating expenses	**(1,842)**	(1,676)	(166)	(10)%
Impairment loss on equity-accounted investments	**–**	(444,617)	444,617	100%
Share of net (loss)/profit of equity-accounted investments, net of tax	**(123,061)**	47,721	(170,782)	(358)%
Loss from ordinary activities after tax attributable to members	**(124,046)**	(398,378)	274,332	69%
Net loss for the year attributable to members	**(124,046)**	(398,378)	274,332	69%

The 2023 results of Hutchison Telecommunications (Australia) Limited ("HTAL") (ASX: HTA) included $123.1 million share of net loss of equity-accounted investments in Vodafone Hutchison (Australia) Holdings Limited ("VHAH")[1] and TPG Telecom Limited ("TPG")[2]. Compared to $47.7 million share of net profit in 2022, this represented a decrease in share of net profit of $170.8 million. The movement was primarily driven by a $75.2 million increase in HTAL's share of VHAH's net finance costs and a $95.6 million decrease in HTAL's share of TPG's net profit (after consolidation adjustments).

The increase in the share of VHAH's net finance costs was attributable to an increase in interest rates. The decrease in the share of TPG's net profit was primarily attributable to an increase in TPG's net finance costs reflecting an increase in lease interest costs arising from the full-year lease interest cost impact of the tower assets sale and leaseback transaction concluded in 2022, a new tower lease agreement signed in 2023, and higher average interest rates on debt, partly offset by higher service revenue. The decrease in sharing was also impacted by the lack of any one-off accounting gains recognised by TPG in 2023 whereas in 2022 TPG recognised a one-off accounting gain from the sale of TPG's passive tower assets. Further details are included in Note 10 to the financial statements for the year ended 31 December 2023.

HTAL's loss per share (basic and diluted) for the year ended 31 December 2023 was $0.91 (2022: $2.94) per ordinary share.

1 VHAH holds a direct 27.82% interest in TPG. VHAH is a company domiciled in the United Kingdom and in which Hutchison 3G Australia Holdings Pty Limited ("H3GAH"), a wholly owned subsidiary of HTAL, holds a 50% interest.

2 HTAL's 25.05% ownership interest in TPG comprises 11.14% interest directly held by H3GAH, and an attributed 13.91% interest indirectly held by H3GAH through VHAH.

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CHAIRMAN'S MESSAGE

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HTAL OPERATIONS AND 2023 FINANCIAL RESULTS

Hutchison Telecommunications (Australia) Limited (ASX: HTA) ("HTAL" or the "Company", and together with its controlled entity, the "Group") reports a statutory net loss of $124.0 million for the year ended 31 December 2023, compared with a net loss of $398.4 million for the comparative year ended 31 December 2022. This represented a $274.4 million decrease in net loss when compared to the year ended 31 December 2022.

This is because in the comparative year ended 31 December 2022, the Group recognised a one-off non-cash impairment loss of $444.6 million on its 25.05%[1] interest in TPG Telecom Limited ("TPG") due to the carrying amount having exceeded the recoverable amount, which was determined by referencing an indicative share price, including a significant influence premium given the parcel of shareholding and significant influence held by HTAL. However, in 2023, no further impairment has been recognised as the recoverable amount is judged to be in excess of the carrying amount of investments.

HTAL's revenue represents interest income. For the year ended 31 December 2023, revenue increased to $0.9 million from $0.2 million for the comparative year ended 31 December 2022, driven by the increase in interest rates, as well as higher cash and cash equivalents during 2023. HTAL's operating expenses for the year ended 31 December 2023 increased to $1.8 million from $1.7 million for the comparative year ended 31 December 2022.

The 2023 results included $123.1 million share of net loss of equity-accounted investments in Vodafone Hutchison (Australia) Holdings Limited ("VHAH")[2] and TPG. Compared to $47.7 million share of net profit in 2022, this represented a decrease in share of net profit of $170.8 million. The movement was primarily driven by a $75.2 million increase in HTAL's share of VHAH's net finance costs and a $95.6 million decrease in HTAL's share of TPG's net profit (after consolidation adjustments). The increase in the share of VHAH's net finance costs was attributable to an increase in interest rates. The decrease in the share of TPG's net profit was primarily attributable to an increase in TPG's net finance costs reflecting an increase in lease interest costs arising from the full-year lease interest cost impact of the tower assets sale and leaseback transaction concluded in 2022, a new tower lease agreement signed in 2023, and higher average interest rates on debt, partly offset by higher service revenue. The decrease in sharing was also impacted by the lack of any one-off accounting gains recognised by TPG in 2023 whereas in 2022 TPG recognised a one-off accounting gain from the sale of TPG's passive tower assets.

HTAL's wholly owned subsidiary Hutchison 3G Australia Holdings Pty Limited ("H3GAH"), which holds the Group's 11.14% direct interest in TPG, received dividends of $37.3 million from TPG during the year 2023. These dividends were advanced to HTAL on an interest-free basis. Part of the proceeds from the interest-free advance was used to fund a $5.4 million repayment of a borrowing facility granted by a subsidiary of the ultimate parent entity, CK Hutchison Holdings Limited. The facility was terminated on 30 June 2023. Additionally, VHAH received dividends of $93.1 million from TPG during the year 2023.

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TPG 2023 FINANCIAL RESULTS

TPG announced a total revenue of $5,533 million, earnings before interest, tax, depreciation and amortisation ("EBITDA") of $1,875 million, and a net profit after tax of $49 million for the year ended 31 December 2023, compared to $5,415 million revenue, EBITDA of $2,135 million and a profit of $513 million respectively for the year ended 31 December 2022.

For further details and an explanation of TPG's results for the year ended 31 December 2023, you may refer to TPG's 2023 annual report which was lodged with the ASX on 26 February 2024.

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

Frank John Sixt
Chairman

1 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.

2 VHAH holds a direct 27.82% interest in TPG. VHAH is a company domiciled in the United Kingdom and in which H3GAH holds a 50% interest.

BOARD OF DIRECTORS

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1 Frank John SIXT MA, LLL
Chairman

Frank John Sixt, aged 72, has been a Director and Chairman since January 1998 and 28 December 2023, and Alternate Director to Mr Lai Kai Ming, Dominic since February 2008. Mr Sixt is an executive director, group finance director and deputy managing director of CK Hutchison Holdings Limited ("CKHH"). Since 1991, he has been a director of Cheung Kong (Holdings) Limited ("Cheung Kong (Holdings)") and Hutchison Whampoa Limited ("HWL"), both of which were formerly listed on The Stock Exchange of Hong Kong Limited ("SEHK") and became wholly owned subsidiaries of CKHH in 2015. He has been a director of TPG Telecom Limited (ASX: TPG) (formerly Vodafone Hutchison Australia Limited) since 2001. He is also chairman and a non-executive director of TOM Group Limited ("TOM"), an executive director of CK Infrastructure Holdings Limited ("CKI"), and a director of Cenovus Energy Inc. and an alternate director to a director of HK Electric Investments Manager Limited ("HKEIML") as the trustee-manager of HK Electric Investments ("HKEI") and HK Electric Investments Limited ("HKEIL"). He was previously a commissioner of PT Indosat Tbk ("PT Indosat"). 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 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.

2 Barry ROBERTS-THOMSON
Deputy Chairman

Barry Roberts-Thomson, aged 74, 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 Steven Paul ALLEN LLB
Director

Steven Paul Allen, aged 61, has been a Director since 12 January 2024. Mr Allen is a solicitor with extensive experience in mergers and acquisitions. He joined the CKHH group in November 1996 and is currently CKHH Group General Counsel, Head of Mergers and Acquisitions. During his time with the CKHH group, Mr Allen has particularly worked on M&A transactions, joint ventures and operational and regulatory compliance matters for the CKHH group's telecoms businesses in Europe, Israel, Asia and Australia, including work on many of the Company's transactions and regulatory compliance matters. Mr Allen has a Bachelor of Laws degree from the University of Adelaide and qualified as a solicitor in South Australia, in England and Wales and in Hong Kong.

4 Melissa ANASTASIOU
Director

Melissa Anastasiou, aged 52, 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 number 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 has held a range of responsibilities during her time at Spark, including as the Executive Sponsor for Spark's Wholesale business and currently, as a director on a number of Spark subsidiary boards (including Spark New Zealand Trading Limited and Spark Finance Limited (NZX Listed Issuer)) and of Connexa Limited (Spark's Towerco joint venture with Ontario Teachers' Pension Plan). She 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.

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

Director

Susan Mo Fong Chow, aged 70, has been a Director since December 2019. Mrs Chow is a non-executive director of CKHH. 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. Prior to joining HWL, Mrs Chow was a partner of Woo Kwan Lee & Lo, a major law firm in Hong Kong. She is an independent non-executive director of Hong Kong Exchanges and Clearing Limited. Mrs Chow was previously an alternate director to a director of CKI, HKEIML as the trustee-manager of HKEI and HKEIL. She also previously served as a member of the Listing Committee of the SEHK, 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.

6 Justin Herbert GARDENER BEc, FCA, AGIA

Director

Justin Herbert Gardener, aged 87, 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 from University of Sydney.

7 LAI Kai Ming, Dominic BSc, MBA

Director

Lai Kai Ming, Dominic, aged 70, has been a Director since May 2004 and Alternate Director to Mr Sixt since May 2006. Mr Lai is an executive director and deputy managing director of CKHH. He was finance director and chief operating officer of the AS Watson group, the retail arm of the CKHH group, 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. Mr Lai is also a non-executive director of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), a commissioner of PT Duta Intidaya Tbk, and an alternate director to directors of HTHKH and an alternate director to a director of TOM. He was also Alternate Director to Mr Fok Kin Ning, Canning of HTAL from December 2016 to 28 December 2023. 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. Mr Lai has over 40 years of management experience in different industries. He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration.

8 John Michael SCANLON

Director

John Michael Scanlon, aged 82, 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.

9 WOO Chiu Man, Cliff BSc

Director

Woo Chiu Man, Cliff, aged 70, 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 is also a commissioner of PT Indosat. 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 Telecom Limited) as chief technology officer from 2012 to 2013 and was part of the core management team. He possesses extensive operations experience in the telecommunications industry and has been involved in cellular technology for over 33 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 STATEMENT

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This Corporate Governance Statement ("Statement") is dated 23 February 2024 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 Statement reflects the main corporate governance practices adopted by the Company and its controlled entity (collectively, the "Group") during the 2023 financial year ("Reporting Period") and up to the date of this Statement, noting where the Company does not comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) ("ASX Corporate Governance Recommendations").

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

Effective on and from 28 December 2023, Mr Fok Kin Ning, Canning resigned as a Director and Chairman of the Company and Mr Frank John Sixt was appointed as the Chairman of the Company. Effective on and from 28 December 2023, Mr Frank John Sixt also ceased to carry out the responsibility of a Chief Executive function and a Chief Financial Officer function pursuant to section 295A of the *Corporations Act 2001 (Cth)* with which he was previously tasked by the Board and is therefore now a non-executive Director of the Company.

Thereafter, effective on and from 12 January 2024, Mr Steven Paul Allen was appointed as a Director of the Company and the Board has tasked Mr Steven Paul Allen with the responsibility of carrying out a Chief Executive function and a Chief Financial Officer function pursuant to section 295A of the *Corporations Act 2001 (Cth)*. Accordingly, Mr Steven Paul Allen is considered as an executive Director of the Company. However, as Mr Steven Paul Allen is not formally appointed to either of these roles, the Company does not have any "senior executives".

As at the date of this Statement, 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 Frank John Sixt, are non-executives and as outlined earlier, one Director, Mr Steven Paul Allen is considered to be an executive Director.

The Board has considered the factors relevant to assessing the independence of a Director contained in the ASX Corporate Governance Recommendations, 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.

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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 Justin Herbert Gardener or Mr John Michael 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;
- mergers and acquisitions;
- 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 4 and 5 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 16 to 19.

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 2024 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 re-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 Reporting Period. After the Reporting Period, effective on and from 12 January 2024, Mr Steven Paul Allen was appointed as a Director of the Company.

The Company evaluates the performance of the Board as a whole, the Board Committees and the Directors by questionnaire for each financial year. The evaluation for the financial year ended 31 December 2022 was undertaken at the beginning of 2023 and that for the financial year ended 31 December 2023 was undertaken in December 2023. 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 STATEMENT CONTINUED

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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 Corporate Governance Recommendations. 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 5 and 13 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 2023 received a signed declaration provided in accordance with section 295A of the *Corporations Act 2001 (Cth)* by Mr Frank John Sixt, who, at that time was tasked with the responsibility of carrying out the Chief Executive function and Chief Financial Officer function. For the full year results for the year ended 31 December 2023, the Board received a signed declaration provided in accordance with section 295A of the *Corporations Act 2001 (Cth)* by Mr Steven Paul Allen. 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 4, 5 and 13 of the Annual Report. No meetings of this Committee were required during the year ended 31 December 2023, as any matters that arose for possible consideration by this Committee were dealt with by the full Board.

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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 with respect to 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 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 and mergers and acquisitions 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 one employee 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%) (2022: 78% male, 22% female). The Company has only one (male) employee who is not considered to be a senior executive (2022: 100% male).

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. PricewaterhouseCoopers was appointed as the external auditor in June 2014.

CORPORATE GOVERNANCE STATEMENT CONTINUED

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An analysis of fees paid to the external auditor, including a break-down of fees for non-audit services, is provided in Note 8 to the financial statements. The Company's current policy (as amended and approved by the Board on 5 December 2023) in relation to awarding non-audit work to the external auditor requires that all proposed non-audit service assignments will require prior approval by the Audit & Risk Committee at a meeting of the Audit & Risk Committee or by way of a unanimous written resolution of the Audit & Risk Committee. The Chairman of the Audit & Risk Committee can provide approval on behalf of the Audit & Risk Committee via email if the proposed non-audit service assignment is not in excess of $100,000. It is the policy of the external auditor to provide an annual declaration of their independence to the Audit & Risk Committee.

The external auditor (or their representative) 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.

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 nominees of the Company, Mr Fok Kin Ning, Canning and Mr Frank John Sixt currently serve as members of the TPG board of directors. Mr Fok Kin Ning, Canning also serves as the Chairman of the TPG board. Additionally, Mr Frank John Sixt serves as an observer from 1 September 2022 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 oversees that the operations of HTAL are within the scope of its Risk Appetite Statement. The Audit & Risk Committee has undertaken a review of its risk management framework in respect of the Reporting Period and considers it continues to be sound and HTAL is operating with due regard to the risk appetite as set by the Board.

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 improper conduct (as described in the Whistleblower Policy) 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 qualifying disclosure that is protected, how the Company will investigate and deal with improper conduct, and how persons making a disclosure will be supported and protected throughout this process.

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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 of the Board discusses any proposed dealing in HTAL shares with an independent Director prior to any dealing;
- Directors or the Chief Executive Officer discuss any proposed dealing in HTAL shares with the Chairman of the Board 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 Chairman of the Board or either of the Company Secretaries prior to any dealing.

Unless there are unusual circumstances, dealings in HTAL shares by Directors and any other 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 the Share Dealing 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 or corporate representatives, 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). Shareholders may elect to be sent such communication in either physical or electronic form. All substantive resolutions put to shareholders in general meetings are decided on a poll, rather than a show of hands. All resolutions put to the 2023 AGM were conducted by a poll with the results of the meeting announced to the ASX.

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 19 to the financial statements.

DIRECTORS' REPORT

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The Directors present their report of Hutchison Telecommunications (Australia) Limited ("HTAL" or the "Company", and together with its controlled entity, the "Group") at the end of, or during, the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Group's principal activity is the ownership of a combined 25.05%[1] equity interest in TPG Telecom Limited ("TPG"). TPG provides telecommunications services to consumers, business, enterprise, government and wholesale customers in Australia.

REVIEW OF OPERATIONS

Comments on the operations of the Group, the results of those operations, the Company's business strategies and its prospects for future years are set out on pages 2 to 3. Details of the financial position of the Company are contained on page 24 of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS AND MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has been no 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.

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 is not subject to any particular or significant environmental regulations under a law of the Commonwealth, State or Territory.

The Group's principal activity is investment in a combined 25.05% equity interest in TPG. TPG is subject to environmental regulations under the Commonwealth and State legislation and the requirements of the *Telecommunications Act, 1997*. Information in respect of how TPG meets its obligations under the current legislation is available on TPG's website (www.tpgtelecom.com.au).

DIVIDENDS

There are no dividends/distributions declared or paid and there are no dividend/distribution reinvestment plans existing during or subsequent to the year ended 31 December 2023 to the date of this report.

DIRECTORS

The following persons were Directors of HTAL during the whole of the year ended 31 December 2023 and up to the date of this report, unless otherwise stated:

FOK Kin Ning, Canning (resigned effective on and from 28 December 2023 and accordingly LAI Kai Ming, Dominic ceased to act as Alternate Director to FOK Kin Ning, Canning)

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

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 Frank John SIXT

John Michael SCANLON

WOO Chiu Man, Cliff

Steven Paul ALLEN (appointed effective on and from 12 January 2024)

Further information on the Directors is set out on pages 4 and 5.

1 HTAL's 25.05% ownership interest in TPG 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.

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Director	Other Responsibilities
Fok Kin Ning, Canning^	–
Frank John Sixt^^	Chairman, Chairman of Governance, Nomination & Compensation Committee
Barry Roberts-Thomson	Deputy Chairman
Melissa Anastasiou	–
Susan Mo Fong Chow	–
Justin Herbert Gardener	Chairman of Audit & Risk Committee, Member of Governance, Nomination & Compensation Committee
Lai Kai Ming, Dominic	Member of Audit & Risk Committee, Member of Governance, Nomination & Compensation Committee
John Michael Scanlon	Member of Audit & Risk Committee
Woo Chiu Man, Cliff	–
Steven Paul Allen^^^	–

^ Resigned as Director and Chairman, and ceased to be a member and chairman of the Governance, Nomination & Compensation Committee both effective on and from 28 December 2023.

^^ Appointed as Chairman in place of Mr Fok Kin Ning, Canning and appointed as a member and chairman of the Governance, Nomination & Compensation Committee both effective on and from 28 December 2023.

^^^ Appointed as Director effective on and from 12 January 2024.

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 2023 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
Frank John Sixt^^	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	3	4	4	N/A	N/A
Woo Chiu Man, Cliff	4	4	N/A	N/A	N/A	N/A

^ Mr Lai Kai Ming, Dominic attended two Board meetings as Alternate Director to Mr Fok Kin Ning, Canning. Mr Fok Kin Ning, Canning resigned as Director and Chairman, and ceased to be a member and chairman of the Governance, Nomination & Compensation Committee both effective on and from 28 December 2023.

^^ Mr Lai Kai Ming, Dominic attended one Board meeting as Alternate Director to Mr Frank John Sixt. Mr Frank John Sixt was appointed as a member and chairman of the Governance, Nomination & Compensation Committee effective on and from 28 December 2023.

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.

DIRECTORS' REPORT CONTINUED

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RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr Steven Paul Allen is a Director who was appointed as a Director to fill the casual vacancy and retires from office in accordance with the Constitution who, being eligible, offers himself for re-election.

Mr Justin Herbert Gardener is a Director retiring by rotation in accordance with the Constitution who, being eligible, offers himself for re-election.

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

COMPANY SECRETARIES

Edith SHIH

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

Edith Shih has been one of the Company Secretaries of the Company since 1999. She has over 40 years of experience in the legal, regulatory, corporate finance, compliance and corporate governance fields. Ms Shih is an executive director and company secretary of CK Hutchison Holdings Limited ("CKHH"). She has been with the Cheung Kong (Holdings) Limited group since 1989 and with Hutchison Whampoa Limited ("HWL") since 1991. Both Cheung Kong (Holdings) Limited and HWL were formerly listed on The Stock Exchange of Hong Kong Limited and 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 Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), HUTCHMED (China) Limited and Hutchison Port Holdings Management Pte. Limited as the trustee-manager of Hutchison Port Holdings Trust, as well as a commissioner of PT Duta Intidaya Tbk. 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 a past International President and current member of the Council of The Chartered Governance Institute ("CGI") as well as a past President and current Honorary Adviser of The Hong Kong Chartered Governance Institute ("HKCGI"). She is also a current member and the past chairperson of the Nomination Committee of HKCGI. Further, she is also a member of the Hong Kong-Europe Business Council. Ms Shih 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, Master of Arts degrees and a Master of Education degree.

Swapna KESKAR

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

Swapna Keskar has been one of the Company Secretaries 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.

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 Independence Standards), 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 8, Remuneration of auditors, on page 34 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 20.

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CORPORATE GOVERNANCE

HTAL is committed to conduct the business with the highest standards of business ethics and adhering to the legal and regulatory obligations. The 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 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 current and former Directors and officers of the Group against loss or liability arising out of a claim for a wrongful act taken as part of their duties, 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 *ASIC Legislative Instrument 2016/191*, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars, or in certain cases unless otherwise indicated, the nearest dollar or cent, in accordance with the instrument.

AUDITOR

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

DIRECTORS' REPORT CONTINUED

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REMUNERATION REPORT

As at 31 December 2023, the Company had one employee who is 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.

Up to 28 December 2023, Mr Frank John Sixt was the person directly responsible to the Board in respect of carrying out the Chief Executive function and Chief Financial Officer function pursuant to section 295A of the *Corporations Act 2001 (Cth)*, however Mr Frank John Sixt was not formally appointed to either role. He was not remunerated in the year ended 31 December 2023 for this responsibility.

Following his appointment as a director effective on and from 12 January 2024, Mr Steven Paul Allen has been tasked with the responsibility of carrying out the Chief Executive function and Chief Financial Officer function pursuant to section 295A of the *Corporations Act 2001 (Cth)*, however, Mr Steven Paul Allen is not formally appointed to either role.

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 (resigned effective on and from 28 December 2023), 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 of the Company. Mr Frank John Sixt, who was considered as an executive Director up to 28 December 2023 also did not receive any remuneration for such service, neither does he receive any remuneration as a non-executive Director of the Company. Mr Steven Paul Allen, who was appointed as a Director of the Company effective on and from 12 January 2024 is considered as an executive Director, and also does not receive any remuneration for such service.

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 year from 1 January 2023 to 31 December 2023.

The Directors are not separately remunerated by the Company for their services as KMP of HTAL.

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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

2023	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^	-	-	-	-	-	-
Frank John Sixt	-	-	-	-	-	-
Barry Roberts-Thomson	-	-	-	-	-	-
Melissa Anastasiou	-	-	-	-	-	-
Susan Mo Fong Chow	-	-	-	-	-	-
Justin Herbert Gardener	50,000	-	-	5,375	-	55,375
Lai Kai Ming, Dominic	-	-	-	-	-	-
John Michael Scanlon	50,000	-	-	5,375	-	55,375
Woo Chiu Man, Cliff	-	-	-	-	-	-
Total	100,000	-	-	10,750	-	110,750

^ Resigned as Director and Chairman effective on and from 28 December 2023.

2022	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	-	-	5,125	-	55,125
Lai Kai Ming, Dominic	-	-	-	-	-	-
John Michael Scanlon	50,000	-	-	5,125	-	55,125
Frank John Sixt	-	-	-	-	-	-
Woo Chiu Man, Cliff	-	-	-	-	-	-
Total	100,000	-	-	10,250	-	110,250

DIRECTORS' REPORT CONTINUED

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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)*.

	2023	2022	2021	2020	2019
(Loss)/profit for the year attributable to owners of HTAL ($'000)	**(124,046)**	(398,378)	(21,677)	825,441	(154,870)
Basic (loss)/earnings per share (cents)	**(0.91)**	(2.94)	(0.16)	6.08	(1.14)
Dividend payments ($'000)	**–**	–	–	–	–
Dividend payout ratio (%)	**N/A**	N/A	N/A	N/A	N/A
(Decrease)/increase in share price (%)	**(45)**	(50)	(17)	21	9
Total KMP incentives as a percentage of (loss)/profit for the year (%)	**(0.09)**	(0.03)	(0.51)	0.01	(0.1)

No dividends were paid over the last five years. The dividend payout ratio, where applicable, will be 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

	ORDINARY SHARES			
Name	Balance at the start ofthe 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*
Frank John Sixt	1,000,000	–	–	1,000,000
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	–	–	–	–
Woo Chiu Man, Cliff	–	–	–	–

^ Resigned as Director and Chairman effective on and from 28 December 2023.

* Direct holding of 100,000 shares.

** Direct holding of 4,540 shares.

Notes:

Mr Fok Kin Ning, Canning holds a relevant interest in (i) 6,011,438 ordinary shares of CKHH, a related body corporate of HTAL; and (ii) 1,202,380 ordinary shares of HTHKH, a related body corporate of HTAL. Shares held are known as at 28 December 2023.

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

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

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

Mr 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.

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Shares under option

The Company has no share option scheme. No options were granted during the year ended 31 December 2023. 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 2023 or up to the date of this report on the exercise of options.

Loans to Directors and key management personnel

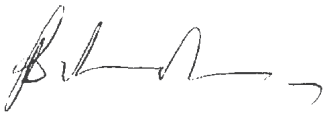
There were no loans made to the Directors of the Company, including their personally-related entities, during the years ended 31 December 2023 and 31 December 2022.

Other transactions with Directors and key management personnel

There were no other transactions with Directors for the years ended 31 December 2023 or 31 December 2022.

The above Remuneration Report has been audited by PricewaterhouseCoopers.

This Directors' report is made in accordance with a resolution of the Directors, in accordance with section 298(2) of the *Corporations Act 2001 (Cth)*.



Barry Roberts-Thomson
Deputy Chairman

26 February 2024

Justin Herbert Gardener
Director

26 February 2024

AUDITOR'S INDEPENDENCE DECLARATION

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Auditor's Independence Declaration

As lead auditor for the audit of Hutchison Telecommunications (Australia) Limited for the year ended 31 December 2023, 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 entity it controlled during the period.

Jason Hayes
Partner
PricewaterhouseCoopers

Sydney
26 February 2024

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FINANCIAL REPORT

for the year ended 31 December 2023

These financial statements cover the consolidated financial statements for the group consisting of Hutchison Telecommunications (Australia) Limited ("HTAL") and its controlled entity. 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 27, Tower Two, International Towers Sydney,
200 Barangaroo Avenue, Barangaroo, NSW 2000

The financial statements were authorised for issue by the Directors on 26 February 2024. The Company has the power to amend and reissue the financial statements.

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FINANCIAL REPORT

for the year ended 31 December 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 $'000	2022 $'000
Revenue	2	**857**	194
Operating expenses	3	**(1,842)**	(1,676)
Impairment loss on equity-accounted investments	4	**–**	(444,617)
Share of net (loss)/profit of equity-accounted investments, net of tax	10	**(123,061)**	47,721
Loss before income tax		**(124,046)**	(398,378)
Income tax expense	5	**–**	–
Loss for the year		**(124,046)**	(398,378)
Other comprehensive income			
Items that will not be reclassified to profit or loss		**–**	–
Items that may be reclassified to profit or loss			
Net gain on cash flow hedges taken to equity (share of equity-accounted investments)	10	**644**	636
Tax relating to items that may be reclassified to profit or loss		**–**	–
Other comprehensive income for the year, net of tax		**644**	636
Total comprehensive loss for the year attributable to members of the Company		**(123,402)**	(397,742)

Loss per share for loss attributable to members of the Company	Notes	Cents	Cents
Basic loss per share	6	**(0.91)**	(2.94)
Diluted loss per share	6	**(0.91)**	(2.94)

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 $'000	2022 $'000
ASSETS			
Current assets			
Cash and cash equivalents	9	**37,194**	5,808
Other receivables		**150**	117
Prepayments		**40**	45
Total current assets		**37,384**	5,970
Non-current assets			
Investment accounted for using the equity method	10	**179,916**	339,680
Total non-current assets		**179,916**	339,680
Total assets		**217,300**	345,650
LIABILITIES			
Current liabilities			
Payables	12	**1,334**	853
Other financial liabilities	13	**–**	5,359
Total current liabilities		**1,334**	6,212
Total liabilities		**1,334**	6,212
Net assets		**215,966**	339,438
EQUITY			
Contributed equity	14	**4,204,488**	4,204,488
Reserves	15	**70,079**	69,505
Accumulated losses	15	**(4,058,601)**	(3,934,555)
Total equity		**215,966**	339,438

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	ATTRIBUTABLE TO MEMBERS OF THE COMPANY					
		RESERVES				
	Contributed equity $'000	Capital redemption reserve[1] $'000	Cash flow hedging reserve[1] $'000	Share-based payments reserve[1] $'000	Accumulated losses[2] $'000	Total equity $'000
Balance at 1 January 2022	4,204,488	54,887	(183)	16,562	(3,536,177)	739,577
Loss for the year	–	–	–	–	(398,378)	(398,378)
Other comprehensive income:						
Net gain on cashflow hedges (share of equity-accounted investments)	–	–	636	–	–	636
Tax relating to components of other comprehensive income	–	–	–	–	–	–
Total comprehensive income for the year	–	–	636	–	(398,378)	(397,742)
Share-based payment reserve (share of equity-accounted investments), net of tax	–	–	–	1,163	–	1,163
Treasury share reserve (share of equity-accounted investments), net of tax	–	–	–	(3,560)	–	(3,560)
Balance at 31 December 2022	4,204,488	54,887	453	14,165	(3,934,555)	339,438
Balance at 1 January 2023	**4,204,488**	**54,887**	**453**	**14,165**	**(3,934,555)**	**339,438**
Loss for the year	**–**	**–**	**–**	**–**	**(124,046)**	**(124,046)**
Other comprehensive income:						
Net gain on cashflow hedges (share of equity-accounted investments)	**–**	**–**	**644**	**–**	**–**	**644**
Tax relating to components of other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**644**	**–**	**(124,046)**	**(123,402)**
Share-based payment reserve (share of equity-accounted investments), net of tax	**–**	**–**	**–**	**1,576**	**–**	**1,576**
Treasury share reserve (share of equity-accounted investments), net of tax	**–**	**–**	**–**	**(1,646)**	**–**	**(1,646)**
Balance at 31 December 2023	**4,204,488**	**54,887**	**1,097**	**14,095**	**(4,058,601)**	**215,966**

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

1 See note 15 (a) and (c).

2 See note 15 (b).

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 $'000	2022 $'000
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		**(1,277)**	(1,407)
Interest received		**745**	194
Dividends from investment accounted for using the equity method	10	**37,277**	36,241
Net cash inflows from operating activities	16	**36,745**	35,028
Cash flows from investing activities			
Net cash inflows from investing activities		**–**	–
Cash flows from financing activities			
Repayment of borrowings – entity within the CKHH group	13	**(5,359)**	(32,957)
Net cash outflows from financing activities		**(5,359)**	(32,957)
Net increase in cash and cash equivalents		**31,386**	2,071
Cash and cash equivalents at 1 January		**5,808**	3,737
Cash and cash equivalents at 31 December	9	**37,194**	5,808

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

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NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF MATERIAL 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 ("ASX"). A description of the nature of the operations and principal activities of the Company and its controlled entity (together the "Group") is included in the Directors' report on pages 12 to 19.

These consolidated financial statements were authorised for issue by the Board on the 26 February 2024. The Company has the power to amend and reissue the financial statements.

(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 (Cth)*. For the purposes of preparing the financial statements, the Company is a for-profit entity.

Disclosures in relation to the parent entity financial statements required under paragraph 295(3)(a) of the *Corporations Act 2001 (Cth)* are included in Note 24.

These financial statements have been prepared under the historical cost convention. Unless otherwise stated, the accounting policies adopted have been consistently applied to all the years presented. Comparative figures have been adjusted to conform to the presentation of these financial statements and notes for the current financial year, where required, to enhance comparability.

The consolidated financial statements have been prepared on a going concern basis.

(c) 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.

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 statement of financial position (Refer to Note 10 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 10 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.

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 of (i.e. change in ownership %) to the fair value of the interest deemed to be received, plus amounts reclassified from other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 1 – SUMMARY OF MATERIAL ACCOUNTING POLICIES CONTINUED

(d) 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.

(e) Revenue recognition

Interest income

Revenue represents interest income, which is recognised using the effective interest method.

(f) 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.

(g) 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

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 the 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.

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(h) 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.

(i) Other receivables

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

(j) Derivative financial instruments and hedging activities

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered 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 2023, 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.

(k) 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 consolidated 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.

(l) 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.

(m)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.

(n) Contributed equity

Ordinary shares are classified as equity. Refer to Note 14 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.

(o) 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.

(p) 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 consolidated 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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NOTE 1 – SUMMARY OF MATERIAL ACCOUNTING POLICIES CONTINUED

(q) 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 21 for details of the Group's operating segment, being investment in telecommunication services.

(r) 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 financial statements. 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.

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 controlled entity and equity-accounted investments are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of the Company's investment in controlled entity, and the recoverable amount of the Group's equity-accounted investments are determined as the higher of the fair value less cost of disposal ("FVLCOD") or value in use methodology. Fair value is derived, when available and appropriate, from quoted share price of the business or comparable businesses, historically completed transactions of comparable businesses or metrics of publicly traded companies or market observable pricing multiples of similar businesses, and possible significant influence premiums.

The value in use calculation is based on a discounted cash flow ("DCF") model which is sensitive to the discount rate used for the DCF model as well as the expected future cash flows from dividend and the long-term dividend growth rate. As TPG is listed on the ASX, TPG's share price at 31 December 2023 provides a basis for estimating the FVLCOD. This approach has been used to assess the recoverable amount of the investment in TPG in the current year impairment assessment. These calculations require the use of estimates and assumptions in terms of the share-price used as part of the determination of the FVLCOD, and as the resulting recoverable amount is in excess of the carrying amount, no impairment has been deemed necessary for the year.

(ii) Recovery of deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent 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. At the reporting date the Group has unutilised tax losses that have not been recognised as deferred tax assets. (Refer to Note 5 for further details).

(iii) TPG equity accounting

When assessing whether HTAL has a 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, net of tax" 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. As these depreciation overlay adjustments were fully absorbed by the year ended 31 December 2022, there is no impact to the share of net loss of equity-accounted investment for the year ended 31 December 2023 (2022: decrease in the share of net profit of equity-accounted investment of $20.6 million). The change has been included in the summarised financial information of TPG as disclosed in Note 10.

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(s) Rounding of amounts

The Group is of a kind referred to in *ASIC Legislative Instrument 2016/191*, relating to the 'rounding off' of amounts in the Directors' report and financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases unless otherwise indicated, the nearest dollar or cent, in accordance with the instrument.

(t) Parent entity financial information

The financial information for the parent entity disclosed in Note 24 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.

(u) 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 2023. Adoption of these standards has not had a material impact for the year ended 31 December 2023.

Amongst all of the new and revised effective/applicable standards, amendments and interpretations issued by the AASB that are relevant to the Group's operations and mandatory for annual periods beginning on or after 1 January 2023, amendments to AASB 112 "Income Taxes – International Tax Reform – Pillar Two Model Rules" are required to be applied immediately and retrospectively in accordance with AASB 108, "Accounting Policies, Changes in Accounting Estimates and Errors".

Amendments to AASB 112 "Income Taxes – International Tax Reform – Pillar Two Model Rules" clarify the application of *AASB 112* to income taxes arising from tax law enacted or substantively enacted to implement the Organisation for Economic Co-operation and Development ("OECD")/G20 Inclusive Framework on Base Erosion and Profit Shifting Pillar Two model rules ("Pillar Two income taxes").

The amendments provide a mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities arising from implementation of the OECD's Pillar Two model rules. The amendments also introduce targeted disclosure requirements for affected companies and require entities to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;
- their current tax expense (if any) related to the Pillar Two income taxes; and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, entities will be required to disclose known or reasonably estimable information. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

Pillar Two legislation has yet to be enacted or substantively enacted in Australia as at 31 December 2023.

When the relevant legislation is enacted or substantively enacted to implement the Pillar Two income taxes, the Group will apply the mandatory temporary exception from recognising and disclosing information about deferred tax assets and liabilities arising from implementation of the OECD's Pillar Two model rules, and will provide disclosure of the expected impact and exposure to Pillar Two income taxes.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting year and have not been early adopted by the Group. The adoption of these standards in future periods is not expected to have a material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 2 – REVENUE

	2023 $'000	2022 $'000
Interest income	**857**	194

NOTE 3 – OPERATING EXPENSES

	2023 $'000	2022 $'000
Consultancy fee	**336**	529
Accounting and tax support services provided by a related party (Note 19)	**460**	441
Auditors' remuneration (Note 8)	**345**	283
Directors' emoluments (Note 7)	**111**	110
Employee benefits	**356**	224
Others	**234**	89
	1,842	1,676

NOTE 4 – IMPAIRMENT OF INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

HTAL accounts for its interests[3] in TPG and Vodafone Hutchison (Australia) Holdings Limited ("VHAH") using the equity method of accounting. In accordance with the Group's accounting policy, the investments in these equity-accounted investments are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

With the consideration of the available internal and external sources of information (including share price of $5.18 at 31 December 2023 and the block premium on the basis of HTAL's significant influence on TPG), it was determined that the recoverable amount of the investments in TPG based on FVLCOD exceeded its carrying amount at 31 December 2023. Therefore, no impairment was required for the current year.

For the comparative year 2022, there was a decline in the share price of TPG from $5.89 at 31 December 2021 to $4.89 at 31 December 2022. The price decline is an indicator and plays a key role in establishing the FVLCOD of HTAL's equity-accounted investment in TPG. The investment in TPG accounted for using the equity method was written down to its recoverable amount of $339.7 million as at 31 December 2022, which was determined by reference to the FVLCOD of TPG shares as it was higher than its value in use. The main valuation inputs used in arriving at the FVLCOD were the closing price of TPG shares at 31 December 2022 (level 1 input of the fair value hierarchy). A block premium (level 3 input of the fair value hierarchy) on the basis of HTAL's significant influence on TPG is included with reference to specific, comparable and current transactions within the investee's industry. As a result, an impairment of the investment of $444.6 million for the amount by which the carrying amount exceeds the recoverable amount was recognised for the year ended 31 December 2022.

3 HTAL's 25.05% ownership interest in TPG 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 VHAH, a company domiciled in the United Kingdom in which H3GAH has a 50% shareholding. VHAH has a direct 27.82% interest in TPG.

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NOTE 5 – INCOME TAX

	2023 $'000	2022 $'000
(a) Income tax expense		
Current tax	–	–
Deferred tax	–	–
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from operations before income tax expense	(124,046)	(398,378)
Tax at the Australian tax rate of 30% (2022: 30%)	(37,214)	(119,513)
Tax effect of amounts which are not deductible or taxable/(non-assessable or deductible) in calculating taxable income:		
Impairment loss on equity-accounted investments	–	133,384
Share of net loss/(profit) of equity-accounted investments	36,918	(14,316)
	(296)	(445)
Deferred tax on temporary differences not recognised	(19)	27
Adjustments for current tax of prior periods	–	(7)
Additional tax losses not recognised in the current year	315	425
Income tax expense	–	–

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.

(c) Unrecognised tax losses

	2023 $'000	2022 $'000
Opening balance	163,830	162,437
Adjustments for current tax of prior periods	–	(23)
Additional tax losses generated	1,049	1,416
Unused tax losses for which no deferred tax assets have been recognised	164,879	163,830

(d) Recognised deferred tax assets

There are no recognised deferred tax assets or liabilities at 31 December 2023 and 31 December 2022.

NOTE 6 – LOSS PER SHARE

	Units	2023	2022
Basic and diluted loss per share	cents	(0.91)	(2.94)
Loss attributable to members of the company used in calculating basic and diluted loss per share	$'000	(124,046)	(398,378)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	number	13,572,508,577	13,572,508,577

There were no options and no other potential ordinary shares outstanding at 31 December 2023 (2022: nil) and accordingly there was no impact on the diluted loss per share calculation for the years ended 31 December 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 7 – DIRECTOR COMPENSATION

(a) Director compensation

	2023 $	2022 $
Short term benefits	**100,000**	100,000
Post-employment benefits	**10,750**	10,250
Total (included in Operating expenses – see Note 3)	**110,750**	110,250

The Directors are the key management personnel of HTAL. They receive no compensation for such services.

(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 2023 and 31 December 2022. There were no transactions with the Directors of the Company for the years ended 31 December 2023 and 31 December 2022.

NOTE 8 – REMUNERATION OF AUDITORS

	2023 $	2022 $
PricewaterhouseCoopers Australia		
Assurance services		
Audit and review of financial reports and other audit work under the *Corporations Act 2001 (Cth)*	**338,228**	283,200
Total remuneration for assurance services	**338,228**	283,200
Non-Assurance services		
Others	**7,000**	–
Total auditors' remuneration	**345,228**	283,200

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, in accordance with the process for awarding non-audit assignments to external auditors, as outlined in the Audit & Risk Committee charter. In 2023, the assignment is in relation to tax advisory service (2022: nil).

NOTE 9 – CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2023 $'000	2022 $'000
Cash at bank	**37,194**	5,808

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NOTE 10 – NON-CURRENT ASSETS – INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	2023 $'000	2022 $'000
Equity-accounted investments	**179,916**	339,680

The Group held a combined 25.05% interest in TPG at 31 December 2023 (31 December 2022: 25.05%). This comprises a 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 VHAH, a joint venture company domiciled in the United Kingdom in which H3GAH has a 50% shareholding. VHAH has a direct 27.82% interest in TPG. Further information in respect of TPG and VHAH, which are associated and joint venture companies of the Group at 31 December 2023, are set out below:

			OWNERSHIP INTEREST	
Name of entities	Principal activity	Country of operation	2023 %	2022 %
Associate:				
TPG Telecom Limited	Telecommunications Services	Australia	**11.14%**	11.14%
Joint venture:				
Vodafone Hutchison (Australia) Holdings Limited	Financing and investing activities	United Kingdom	**50.00%**	50.00%

Set out below are the movements in the carrying value of these investments:

	2023 $'000	2022 $'000
At 1 January	**339,680**	774,578
Share of (loss)/profit of equity-accounted investments, net of tax	**(123,061)**	47,721
Share of TPG's net gain on cash flow hedges taken to equity, net of tax	**644**	636
Share of TPG's share-based payment reserve, net of tax	**1,576**	1,163
Share of TPG's treasury share reserve, net of tax	**(1,646)**	(3,560)
Dividends received from equity-accounted investment[4]	**(37,277)**	(36,241)
Impairment of equity-accounted investment	**–**	(444,617)
At 31 December	**179,916**	339,680

Further details of the carrying amount of these equity-accounted investments are included in the section below under "Summarised statement of financial position".

The market value of the Group's combined 25.05% interests in TPG based on the quoted closing share price of TPG at 31 December 2023 was $2,412.7 million (2022: $2,277.6 million). This amount is before the Group's 50% share of VHAH's net debt of $4,731.6 million (2022: $4,553.9 million).

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 10 – NON-CURRENT ASSETS — INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD CONTINUED

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 and reconciliation of the summarised financial information to the Group's share of (loss)/profit 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. For the year ended 31 December 2022, 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. As these depreciation overlay adjustments were fully absorbed by the year ended 31 December 2022, no adjustments have been made during the year ended 31 December 2023. Please refer to Note 1(r)(iii) Critical accounting estimates and judgements for further background.

	2023		2022	
	VHAH $'000	**TPG $'000**	VHAH $'000	TPG $'000
Gross amount of the following items of the equity-accounted investments:				
Revenues	**–**	**5,533,000**	–	5,415,000
Other income	**–**	**36,000**	–	438,000
Expenses	**(351)**	**(3,694,000)**	(233)	(3,718,000)
Share of profits from investment in TPG, net of tax	**13,710**	**–**	119,828	–
Depreciation and amortisation	**–**	**(1,471,718)**	–	(1,471,271)
Net finance costs	**(270,461)**	**(341,000)**	(120,118)	(187,000)
(Loss)/profit before income tax	**(257,102)**	**62,282**	(523)	476,729
Income tax expense	**–**	**(13,000)**	–	(46,000)
(Loss)/profit for the year	**(257,102)**	**49,282**	(523)	430,729
Other comprehensive income	**715**	**3,000**	707	2,000
Total comprehensive (loss)/profit	**(256,387)**	**52,282**	184	432,729
Reconciliation to the Group's share of (loss)/profit of the equity-accounted investments:				
Group interest:	**50%**	**11.14%**	50%	11.14%
Group's share of the following items:				
(Loss)/profit for the year	**(128,551)**	**5,490**	(262)	47,983
Group's share of (loss)/profit of equity-accounted investments	**(128,551)**	**5,490**	(262)	47,983

Share of net loss of these equity-accounted investments, net of tax of $123.1 million for the year ended 31 December 2023 (2022: $47.7 million profit) represents the combined total of:

(i) the Group's 50% share of net loss of VHAH of $128.6 million (2022: $0.3 million share of net loss), and

(ii) the Group's 11.14% direct share of net profit of TPG of $5.5 million (2022: $48.0 million share of net profit).

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Summarised statement of financial position

Summarised financial information with respect to the statement of financial position of the Group's equity-accounted investments 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.

	2023		2022	
	VHAH $'000	**TPG $'000**	VHAH $'000	TPG $'000
Gross amount of the following items of the equity-accounted investments:				
Current assets	**207,840**	**1,284,000**	604,243	1,033,000
Non-current assets	**3,320,904**	**18,704,683**	3,399,681	18,653,727
Current liabilities	**(42,663)**	**(1,722,000)**	(5,158,107)	(1,732,000)
Non-current liabilities	**(4,896,731)**	**(6,329,000)**	–	(5,734,000)
Net (liabilities)/assets	**(1,410,650)**	**11,937,683**	(1,154,183)	12,220,727
Reconciliation to the carrying amount of the Group's investment accounted for using the equity method				
Group interest	**50%**	**11.14%**	50%	11.14%
Group's share of net (liabilities)/assets	**(705,325)**	**1,329,858**	(577,092)	1,361,389
Group's provision for impairment	**(246,891)**	**(197,726)**	(246,891)	(197,726)
Carrying amount	**(952,216)**	**1,132,132**	(823,983)	1,163,663

Investment accounted for using the equity method of $179.9 million at 31 December 2023 (2022: $339.7 million) represents the combined total of:

(i) the Group's 50% share of net liabilities of VHAH of $705.3 million (31 December 2022: $577.1 million share of net liabilities), and

(ii) the Group's 11.14% direct share of net assets of TPG of $1,329.8 million (31 December 2022: $1,361.4 million share of net assets), and

(iii) provision for impairment of totalling $444.6 million (31 December 2022: $444.6 million).

The summarised statement of financial position includes the following items:

	2023		2022	
	VHAH $'000	**TPG $'000**	VHAH $'000	TPG $'000
Cash and cash equivalents	**202,867**	**116,000**	355,688	114,000
Current financial liabilities	**(42,345)**	**(122,000)**	(5,158,107)	(93,000)
Non-current financial liabilities	**(4,896,731)**	**(6,188,000)**	–	(5,562,000)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 10 – NON-CURRENT ASSETS — INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD CONTINUED

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 was matured on 20 November 2023. VHAH had entered into cross-currency interest rate swaps with related parties associated with the VHAH joint venture partners. As a result, VHAH effectively converted US dollar debt into Australian dollar debt, with an effective rate of interest based on the Australian 3-month Bank Bill Swap rate ("BBSW") plus a margin. The upfront fee of US$10.5 million was fully amortised over the facility period. The SFA is guaranteed by the VHAH's ultimate shareholders, CK Hutchison Holdings Limited ("CKHH") and Vodafone Group Plc ("VGP"). No guarantee fees were charged to VHAH. VHAH has also entered into a counter indemnity agreement with each of CKHH and VGP.

On 31 May 2023, prior to the cessation of LIBOR on 30 June 2023, the SFA was rolled over to a 6-month US LIBOR + 1.00% rate of interest carrying it to the maturity of the loan on 20 November 2023. Similar to the interest payment noted above, the payment terms for cross-currency interest rate swaps were matched to the maturity of the SFA, with the final payments settling concurrently on 20 November 2023. The interest rate for the last period of the swaps, from 31 May 2023 to 20 November 2023, was determined by reference to the Australian BBSW for 3 months and 6 months.

On 13 November 2023, VHAH entered into a $4.9 billion three-year Multicurrency Syndicated Facility Agreement ("MSFA") with a syndicate of lenders. The facilities were fully drawn on 20 November 2023, and the proceeds were used to repay the outstanding principal of the SFA. An upfront fee of 30 basis points on the MSFA limit, equivalent to $14.7 million was charged by the syndicate of lenders.

Set out below are the key terms of the MSFA:

Tranche	Facility limit	Annual interest rate	Guaranteed by
Tranche A1	EURO 580,966,806	3-month EURIBOR + 0.95%	VGP
Tranche A2[(i)]	USD 970,000,000	2 or 3-month SOFR + 1.2%	VGP
Tranche B[(ii)]	AUD 2,450,000,000	2 or 3-month BBSY + 1.2%	CKHH

(i) The drawdown under Tranche A2 was executed at an interest rate of 2-month SOFR + 1.2% during the initial period, which will be rolled into 3-month SOFR + 1.2% afterwards.

(ii) The loans drawn under Tranche B are made at the same time, in an equal amount (equivalent to AUD at the agreed rate of exchange) and have the same interest period as Tranches A1 and A2.

In order to protect against exchange rate and interest rate movements, VHAH entered into cross-currency interest rate swaps ("CCS") for Tranches A1 and A2 with VGP on 13 November 2023. The CCS entered into have a total notional value equivalent to the loan balances and have fixed exchange rates, and effectively convert Tranches A1 and A2 of the MSFA into Australian-dollar denominated debt of $2.45 billion. As a result of the entering into the CCS, VHAH's effective interest rate for Tranches A1 and A2 is determined based on the Australian 2 or 3-month BBSW plus a margin.

Tranches A1 and A2 of the MSFA is guaranteed by VHAH's ultimate shareholder, VGP. Tranche B of the MSFA is guaranteed by VHAH's other ultimate shareholder, CKHH. No guarantee fees were charged to VHAH. VHAH has also entered into a counter indemnity agreement with each of CKHH and VGP. HTAL's investment in VHAH remains predicated on the ongoing financial support from VHAH's ultimate shareholders.

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NOTE 11 – CONTROLLED ENTITY

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

			EQUITY HOLDING[5]	
Name of controlled entity	Country of Incorporation	Class of Shares	**2023 %**	2022 %
Hutchison 3G Australia Holdings Pty Limited[6]	Australia	Ordinary	**100**	100

NOTE 12 – CURRENT LIABILITIES – PAYABLES

	2023 $'000	2022 $'000
Trade payables	**323**	374
Payables to related parties (Note 19)	**1,011**	479
	1,334	853

NOTE 13 – CURRENT LIABILITIES – OTHER FINANCIAL LIABILITIES

	2023 $'000	2022 $'000
Loan from an entity within the CKHH group (Note 19)	**–**	5,359

Loan from an entity within the CKHH group

During the year, HTAL made a full settlement of the outstanding balance of a financing facility amounting to $5.4 million. The facility was granted to the Group by an entity within the CKHH group for a maximum amount of $1,600 million and was matured on 30 June 2023. There was no outstanding balance owing or amount available for drawing as at 31 December 2023 (31 December 2022: $5.4 million balance owing and $1,594.6 million available for drawn). It was an interest-free financing facility and was repayable on demand. The facility was terminated on 30 June 2023.

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

6 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

NOTE 14 – CONTRIBUTED EQUITY

	2023 Shares	2022 Shares	2023 $'000	2022 $'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 2023 and 31 December 2022.

(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 less net debt.

The gearing ratio is not applicable to the Group at 31 December 2023 and 31 December 2022 due to its net cash position at each year end (Note 16).

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NOTE 15 – RESERVES AND ACCUMULATED LOSSES

	2023 $'000	2022 $'000
(a) Reserves		
Capital redemption reserve	**54,887**	54,887
Cash flow hedging reserve	**1,097**	453
Share-based payments reserve	**14,095**	14,165
	70,079	69,505

Movements:

Capital redemption reserve
There has been no movement in the capital redemption reserve during the year (2022: nil).

	2023 $'000	2022 $'000
Cash flow hedging reserve		
Balance at 1 January	**453**	(183)
Hedging movement (share of equity-accounted investments)	**644**	636
Balance at 31 December	**1,097**	453

	2023 $'000	2022 $'000
Share-based payments reserve		
Balance at 1 January	**14,165**	16,562
Share-based payments (share of equity-accounted investments)	**1,576**	1,163
Treasury share reserve (share of equity-accounted investments)	**(1,646)**	(3,560)
Balance at 31 December	**14,095**	14,165

	2023 $'000	2022 $'000
(b) Accumulated losses		
Accumulated losses at 1 January	**(3,934,555)**	(3,536,177)
Loss attributable to members of the Company	**(124,046)**	(398,378)
Accumulated losses at 31 December	**(4,058,601)**	(3,934,555)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 15 – RESERVES AND ACCUMULATED LOSSES CONTINUED

(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(j).

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

Share-based payments reserve

The share-based payments reserve is used to:

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

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

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

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NOTE 16 – RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOWS FROM OPERATING ACTIVITIES

	2023 $'000	2022 $'000
Loss after income tax	**(124,046)**	(398,378)
Share of net loss/(profit) of equity-accounted investments (Note 10)	**123,061**	(47,721)
Impairment loss on equity-accounted investments (Note 4)	**–**	444,617
Dividends received from equity-accounted investments (Note 10)	**37,277**	36,241
Change in operating assets and liabilities		
Increase in other assets	**(28)**	(110)
Increase in payables	**481**	379
Net cash inflows from operating activities	**36,745**	35,028
Net cash reconciliation		
Cash and cash equivalents	**37,194**	5,808
Borrowings	**–**	(5,359)
Net cash	**37,194**	449

	Cash and cash equivalents $'000	Borrowings due within 1 year $'000	Total $'000
Net debt as at 1 January 2022	3,737	(38,316)	(34,579)
Cash flows	2,071	32,957	35,028
Net cash as at 31 December 2022	5,808	(5,359)	449
Cash flows	**31,386**	**5,359**	**36,745**
Net cash as at 31 December 2023	**37,194**	**–**	**37,194**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 17 – CONTINGENCIES

There were no contingencies for HTAL or its controlled entity at 31 December 2023 and 31 December 2022. The Directors are not aware of any other material contingent liabilities existing at the reporting date.

At 31 December 2023 and 31 December 2022, contingent liabilities incurred relating to HTAL's interests in TPG (being HTAL's equity-accounted share of bankers' guarantees provided in favour of TPG to support various commercial and regulatory obligations) is as follows:

	2023		2022	
Guarantees	VHAH $'000	TPG $'000	VHAH $'000	TPG $'000
Secured guarantees	–	–	–	–
Unsecured guarantees	–	12,776	–	6,263
Total guarantees	–	12,776	–	6,263

NOTE 18 – COMMITMENTS

At 31 December 2023 and 31 December 2022, there was no commitment contracted but not provided for in the financial statements.

NOTE 19 – RELATED PARTY TRANSACTIONS

(a) Parent entities

The holding company and parent entity is Hutchison Telecommunications (Amsterdam) B.V. which, at 31 December 2023, 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 (resigned effective on and from 28 December 2023); Frank John SIXT; Barry ROBERTS-THOMSON; Melissa ANASTASIOU; Susan Mo Fong CHOW; Justin Herbert GARDENER; LAI Kai Ming, Dominic; John Michael SCANLON and WOO Chiu Man, Cliff.

(c) Key management personnel compensation

Disclosures relating to key management personnel compensation (being the Directors) are set out in Note 7.

(d) Transactions with related parties

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

	2023 $	2022 $
Loans from related parties		
Repayments to an entity within the CKHH group	(5,359,401)	(32,956,620)
Operating expenses		
Payable to TPG equity-accounted investment	(459,676)	(440,516)

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(e) Outstanding balances

The following balances are outstanding at 31 December 2023 and 31 December 2022 in relation to transactions with related parties:

	2023 $	2022 $
Payables		
TPG equity-accounted investment (Note 12)	**(1,010,960)**	(479,254)
Current liabilities – Other financial liabilities		
Entity within the CKHH group (Note 13)	**–**	(5,359,401)

On 13 November 2023, VHAH entered into the MSFA with a syndicate of lenders. One half of the MSFA is guaranteed by each of VHAH's ultimate shareholders, CKHH and VGP on a several basis. No guarantee fees were charged to VHAH. VHAH has also entered into a counter indemnity agreement with each of CKHH and VGP (Note 10).

(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 20 – 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 2023 in comparison to 31 December 2022.

(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 2023 and 31 December 2022.

	2023 $'000	2022 $'000
Statement of profit or loss and other comprehensive income		
Revenue	**38,134**	36,435
Fair value change on investment in TPG held within the Closed Group	**60,883**	(294,826)
Other operating expenses	**(1,842)**	(1,676)
Profit/(loss) before income tax	**97,175**	(260,067)
Income tax expense	**–**	–
Profit/(loss) for the year	**97,175**	(260,067)
Movements in consolidated accumulated losses		
Accumulated losses at 1 January	**(3,263,641)**	(3,003,574)
Profit/(loss) for the year[(i)]	**97,175**	(260,067)
Accumulated losses at 31 December	**(3,166,466)**	(3,263,641)

(i) In 2023, the Closed Group recognised a fair value gain of $60.9 million (31 December 2022: $294.8 million fair value loss) on H3GAH's investment in TPG as a result of increase (31 December 2022: decrease) in share price of TPG. The fair value has been determined based on the share price of TPG.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 20 – DEED OF CROSS GUARANTEE CONTINUED

(b) Statement of financial position

Set out below is a statement of financial position as at 31 December 2023 and 31 December 2022 of the Closed Group consisting of H3GAH and HTAL.

	2023 $'000	2022 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**37,194**	5,808
Prepayments	**150**	117
Other receivables	**40**	45
Total current assets	**37,384**	5,970
Non-current assets		
Other financial assets	**1,072,739**	1,011,856
Total non-current assets	**1,072,739**	1,011,856
Total assets	**1,110,123**	1,017,826
LIABILITIES		
Current liabilities		
Payables	**1,334**	853
Other financial liabilities	**–**	5,359
Total current liabilities	**1,334**	6,212
Total liabilities	**1,334**	6,212
Net assets	**1,108,789**	1,011,614
EQUITY		
Contributed equity	**4,204,488**	4,204,488
Reserves	**70,767**	70,767
Accumulated losses	**(3,166,466)**	(3,263,641)
Total equity	**1,108,789**	1,011,614

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NOTE 21 – 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 2023, 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:

HTAL's share of the following items of the equity-accounted investments	2023 $'000	2022 $'000
Total revenue	**1,386,017**	1,356,458
Net (loss)/profit*	**(123,061)**	47,721

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 10.

* After adjustments in applying equity method of accounting.

NOTE 22 – 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 2023, there are no material loans receivable from equity-accounted investments and entities within the CKHH group.

(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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 22 – FINANCIAL RISK MANAGEMENT CONTINUED

(a) Market risk continued

(iii) Summarised sensitivity analysis

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

		INTEREST RATE RISK			
		-1%		+1%	
31/12/2023	Carrying amount $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000
Financial assets					
Cash and cash equivalents	**37,194**	**(372)**	**–**	**372**	**–**
Total (increase)/decrease	**37,194**	**(372)**	**–**	**372**	**–**

		INTEREST RATE RISK			
		-1%		+1%	
31/12/2022	Carrying amount $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000
Financial assets					
Cash and cash equivalents	5,808	(58)	–	58	–
Total (increase)/decrease	5,808	(58)	–	58	–

(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.

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(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding 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. 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.

31/12/2023	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	**37,194**	**–**	**–**	**–**	**37,194**
Payables	**(1,334)**	**–**	**–**	**–**	**(1,334)**
Total	**35,860**	**–**	**–**	**–**	**35,860**

31/12/2022	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	5,808	–	–	–	5,808
Payables	(853)	–	–	–	(853)
Other financial liabilities	(5,359)	–	–	–	(5,359)
Total	(404)	–	–	–	(404)

NOTE 23 – EVENTS OCCURRING AFTER THE REPORTING DATE

There has been no 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 24 – PARENT ENTITY DISCLOSURES

(a) Summary financial information

	2023 $'000	2022 $'000
Financial position		
ASSETS		
Current assets	**37,384**	5,970
Non-current assets	**339,680**	339,680
Total assets	**377,064**	345,650
LIABILITIES		
Current liabilities[7]	**106,950**	74,553
Total liabilities	**106,950**	74,553
Net assets	**270,114**	271,097
EQUITY		
Contributed equity	**4,204,488**	4,204,488
Reserves	**15,880**	15,880
Accumulated losses	**(3,950,254)**	(3,949,271)
Total equity	**270,114**	271,097
Financial performance		
Loss for the year[(i)]	**(983)**	(742,004)
Total comprehensive loss for the year	**(983)**	(742,004)

(i) In 2023, no impairment of HTAL's investment in H3GAH was made as the recoverable value is in excess of the carrying amount of the investment at 31 December 2023 (2022: $740.5 million impairment).

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7 As at 31 December 2023, current liabilities include an interest-free advance from H3GAH to HTAL of $105.6 million (2022: $68.3 million). During the year ended 31 December 2023, HTAL made a full settlement of the outstanding balance of an interest-free financing facility provided from a subsidiary of CKHH amounting to $5.4 million which was included in the current liabilities as at 31 December 2022.

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(b) Commitments and Contingencies

There were no commitments contracted for by HTAL but not recognised as liabilities or payable at 31 December 2023 and 31 December 2022.

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

As at 31 December 2023, the Parent Entity has a deficiency of net current assets of $69.6 million (2022: deficiency of net current assets of $68.6 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

Investment in H3GAH	**2023 $'000**	2022 $'000
Investment at cost	**3,664,655**	3,664,655
Accumulated impairments	**(3,324,975)**	(3,324,975)
Carrying amount	**339,680**	339,680

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 21 to 51 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 2023 and of its performance for the financial year ended on that date; and

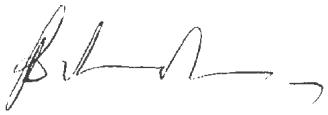
(b) there are reasonable grounds to believe that Hutchison Telecommunications (Australia) Limited will be able to pay its debts as and when they become due and payable; and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in Note 20 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 20.

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 Steven Paul Allen, being the person responsible to the Board for performing the Chief Executive 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.



Barry Roberts-Thomson
Deputy Chairman

26 February 2024

Justin Herbert Gardener
Director

26 February 2024

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INDEPENDENT AUDITOR'S REPORT

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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 entity (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 2023 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 2023
- 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 financial statements, including material accounting policy information 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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INDEPENDENT AUDITOR'S REPORT CONTINUED

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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.

Audit scope	*Key audit matters*
• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The Group team conducted the audit of the financial information contained within the consolidated financial statements and the component auditors of TPG Telecom Limited (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.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Equity accounting for Hutchison Telecommunications (Australia) Limited (HTAL)'s investment in TPG Telecom Limited (TPG) (refer to note 10) – Impairment assessment for HTAL's equity accounted investment in TPG (refer to note 4) • These are further described in the *Key audit matters* section of our report.

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.

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Key audit matter	*How our audit addressed the key audit matter*

Equity accounting for Hutchison Telecommunications Australia Limited (HTAL)'s investment in TPG Telecom Limited (TPG) (refer to note 10)
 	
HTAL applies equity accounting for its combined 25.05% ownership investment in TPG. These investments are held by HTAL via a:
 	
• 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.
 	
As at 31 December 2023, HTAL's equity-accounted investment is carried at $179.9 million.
 	
We determined equity accounting for HTAL's investment in TPG to be a key audit matter because of the magnitude of the investment.
	To assess the equity accounting for the Group's 25.05% investment in TPG, we performed the following procedures amongst the others:
	
	• Considered the appropriateness of the equity-accounted method.
	• Reconciled opening equity-accounted investment balance to the final position reflected in the financial report. To do this we:
	  - recalculated the share of net profit/(loss) and changes in reserves of TPG by the Group and recalculating HTAL's 25.05% share; and
	  - compared dividends received from TPG to supporting documentation and bank statements.
	• Agreed the financial statements of TPG as at 31 December 2023 to the equity accounting schedule.
	• For borrowings and derivatives held by VHAH:
	  - tested the fair value of the derivatives associated with the borrowings with the assistance of our PwC 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 reasonableness of the disclosures made by the Group in the financial report in view of the requirements of Australian Accounting Standards

INDEPENDENT AUDITOR'S REPORT CONTINUED

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Key audit matter	*How our audit addressed the key audit matter*

Impairment assessment for HTAL's equity accounted investment in TPG (refer to note 4)
 	
HTAL's equity accounted investment in TPG is the most significant asset in the Group financial report.
 	
HTAL is required to perform an impairment assessment annually or when there are indicators that the equity accounted investments could be impaired.
 	
As part of their assessment, significant judgement was used by the Group in determining the fair value less cost of disposal (FVLCOD) of the equity accounted investment in TPG, requiring significant assumptions and estimates including determining a market-based price and a block premium.
 	
We considered the impairment assessment of HTAL's equity accounted investment in TPG a key audit matter due to the following reasons:
 	
• HTAL's equity accounted investment in TPG is the most significant asset in the consolidated statement of financial position.
• the significant judgement required by the Group to determine the FVLCOD of the equity accounted investment in TPG
	To evaluate the Group's impairment assessment of the equity accounted investment in TPG we performed the following procedures amongst others:
	
	• Developed an understanding of the process by which the Group conducted the impairment assessment.
	• Evaluated the Group's methodologies and documented basis for significant assumptions utilised in the determination of FVLCOD against the requirements of Australian Accounting Standards.
	• With the assistance of our PwC valuation expert, we assessed:
	  - the inclusion and magnitude of applying a block premium for significant influence in TPG; and
	  - the likely costs of disposal.
	• Compared the share price of TPG, as used in the impairment assessment, to the ASX quoted price throughout the year and at the year end (the valuation date)
	• Considered if the impairment model appropriately included the likely costs of disposal associated with selling the equity accounted investment in TPG
	• Developed an understanding of the nature of the net debt held within VHAH, and recalculated the Group's proportionate share.
	• Tested the mechanical accuracy of the impairment assessment calculations.
	
	We also evaluated the reasonableness of the Group's disclosures made in Note 4 in respect of the impairment assessment, including those disclosures related to significant accounting judgements and estimates used to determine the FVLCOD in accordance with the Australian Accounting Standards.

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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 2023, 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, Director's Report and Corporate Directory. We expect the remaining other information to be made available to us after the date of this auditor's report.

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 through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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.

INDEPENDENT AUDITOR'S REPORT CONTINUED

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 the directors' report for the year ended 31 December 2023.

In our opinion, the remuneration report of Hutchison Telecommunications (Australia) Limited for the year ended 31 December 2023 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

Jason Hayes
Partner

Sydney
26 February 2024

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SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 26 February 2024.

Substantial shareholders

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

Shareholder	Shareholding	% Issued Capital
CK Hutchison Holdings Limited and its subsidiaries[1]	12,009,393,175	88.48
Li Ka-Shing Unity Trustee Company Limited as trustee for The Li Ka-Shing Unity Trust[2]	12,009,393,175	88.48
Vodafone Group Plc and subsidiaries[3]	12,009,393,175	88.48
Spark New Zealand Trading Limited and Spark New Zealand Limited	1,357,250,858	10.00

Notes:

1 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. For further details, see form 603 lodged with the ASX on 5 June 2015.

2 Substantial shareholding arises solely because Li Ka-Shing Unity Trustee Company Limited as trustee for The Li Ka-Shing Unity Trust has interests 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. For further details, see form 603 lodged with the ASX on 11 June 2015.

3 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

Range	Number of Shareholders	% Issued Capital
1 – 1,000	1,329	0.01
1,001 – 5,000	2,111	0.04
5,001 – 10,000	732	0.04
10,001 – 50,000	721	0.12
50,001 – 100,000	136	0.08
100,001 – and over	221	99.71
Total	**5,250**	**100.00**

There were 4,415 holders of less than a marketable parcel of ordinary shares at a share price of $0.032 on 26 February 2024.

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SHAREHOLDER INFORMATION CONTINUED

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Twenty largest shareholders

The names of the 20 largest holders of quoted ordinary shares as at 26 February 2024 are as follows:

Shareholder	Shareholding	% Issued Capital	Rank
Hutchison Telecommunications (Amsterdam) B.V.	11,925,479,378	87.87	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>	21,155,352	0.15	4
HSBC Custody Nominees (Australia) Limited	11,952,610	0.09	5
Boscaini Investments Pty Ltd	5,000,000	0.04	6
Mr Kenneth Kin Kau Heung & Mr Rene Conrad Heung <RK Super Fund A/C>	4,830,000	0.04	7
Mr Ting Hua Kho	4,800,000	0.04	8
Citicorp Nominees Pty Limited	4,686,060	0.03	9
J P Morgan Nominees Australia Pty Limited	4,137,000	0.03	10
Arjee Pty Ltd	4,033,575	0.03	11
Atayf Family Office Pty Ltd	3,300,000	0.02	12
Nasmin Super Pty Ltd <Nasmin Super Fund A/C>	3,239,147	0.02	13
Mr Hung Fong Chong	2,816,000	0.02	14
Ms Maria Vicky Piliouras	2,722,000	0.02	15
Piliouras Nominees Pty Ltd	2,691,645	0.02	16
Mrs Yu Jie Zhi	2,300,000	0.02	17
Mrs Yim Fong Leung	2,255,000	0.02	18
Mr Ian Keith Flint	2,200,000	0.02	19
Mr Arthur Katropoulos & Mrs Despina Katropoulos <Enigma Super Fund A/C>	2,000,000	0.01	20
Leith Investments No 1 Pty Ltd	2,000,000	0.01	20
	13,452,762,422	**99.12**	

Voting rights (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

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

Barry ROBERTS-THOMSON

Steven Paul ALLEN
(appointed effective on and from 12 January 2024)

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 Frank John SIXT)

John Michael SCANLON

WOO Chiu Man, Cliff

COMPANY SECRETARIES

Edith SHIH

Swapna KESKAR

INVESTOR RELATIONS

Tel: +61 2 9015 5088

Email: htalinvestors@companymatters.com.au

www.hutchison.com.au

REGISTERED OFFICE

Level 27, Tower Two, International Towers Sydney
200 Barangaroo Avenue, Barangaroo, NSW 2000

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:

Level 27, Tower Two, International Towers Sydney,
200 Barangaroo Avenue, Barangaroo, NSW 2000

Date: 7 May 2024

Time: 10.00 am Sydney time

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