Hutchison Telecommunications
(Australia) Limited
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ASX Market Announcements

Australian Securities Exchange

Date: 24 August 2023

Subject: Appendix 4D and Half-Year Financial Report for the half-year ended 30 June 2023

Hutchison Telecommunications (Australia) Limited (ASX: HTA) (the **Company**) attaches the Appendix 4D and Half-Year Financial Report for the half-year ended 30 June 2023 of the Company.

Yours sincerely,

SDKeskar

Swapna Keskar
Joint Company Secretary

AUTHORISED FOR RELEASE: By order of the Confirmation Committee of the Board

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

Hutchison Telecommunications (Australia) Limited

ASX Appendix 4D

for the half-year ended 30 June 2023

ASX Appendix 4D for the half-year ended 30 June 2023

(Previous corresponding period: Half-year ended 30 June 2022)

The ASX Appendix 4D for Hutchison Telecommunications (Australia) Limited ("HTAL" or the "Company" (ASX: HTA), and together with its controlled entity, the "Group") is lodged with the Australian Securities Exchange ("ASX") under Listing Rule 4.2A.

The information contained in this Appendix 4D should be read in conjunction with the accompanying financial report for the half-year ended 30 June 2023 of the Group ("Half-year Financial Report") which has been prepared in accordance with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001 (Cth).*

A consolidated statement of profit or loss and other comprehensive income, a consolidated statement of changes in equity and a consolidated statement of cash flows for the half-year ended 30 June 2023, and a consolidated statement of financial position as at 30 June 2023 of the Group, together with notes to the consolidated financial statements are set out in the Half-year Financial Report.

The Half-year Financial Report does not include all the notes of the type normally included in an annual financial report. Accordingly, it is to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by HTAL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)*.

Results for announcement to the market	30 June 2023 $'000	30 June 2022 $'000	Movement $'000	Movement %
Revenue	**250**	35	215	614%
Operating expenses	**(956)**	(821)	(135)	16%
Share of net profit / (loss) of equity accounted investments, net of tax	**(45,466)**	13,531	(58,997)	(436%)
Profit / (loss) from ordinary activities after tax attributable to members	**(46,172)**	12,745	(58,917)	(462%)
Net profit / (loss) for the period attributable to members	**(46,172)**	12,745	(58,917)	(462%)

Revenue from ordinary activities represented interest income. For the first half 2023, revenue increased to $0.25 million from $0.04 million for the first half 2022. The increase was attributable to the increase in the Reserve Bank of Australia's official cash rate, as well as a higher cash and cash equivalents balance during the first half 2023.

Operating expenses increased to $0.96 million from $0.82 million for the first half 2022, reflecting an increase in general expenses.

The first half 2023 results included $45.5 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 $13.5 million share of net profit for the first half 2022, this represented an adverse movement of $59.0 million. The movement was primarily driven by a $39.4 million increase in HTAL's share of VHAH's net finance costs and a $19.5 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 the increase in interest rates. The decrease in the share of TPG's net profit (after consolidation adjustments) reflected the lack of one-off benefits realised in the first half 2023. TPG's net profit for the first half of 2022 included one-off income tax benefits arising from recognition of deferred tax asset.

The first half 2023 results attributable to members was a net loss of $46.2 million and represented a decrease of $58.9 million when compared to the first half of 2022. The adverse movement was caused by share of net loss of equity accounted investments in VHAH and TPG mentioned above.

During the first half 2023, HTAL's wholly owned subsidiary Hutchison 3G Australia Holdings Pty Limited ("H3GAH"), which holds HTAL's 11.14% direct interest in TPG, and the joint venture company VHAH, which holds a direct 27.82% interest in TPG, received dividends of $18.6 million (30 June 2022: $17.6 million) and $46.6 million (30 June 2022: $44.0 million) from TPG respectively. Dividends received by H3GAH of $18.6 million were advanced to HTAL by way of an interest free loan. Part of the proceeds from the interest free loan were 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.

HTAL's earnings per share (basic and diluted) for the first half 2023 was $0.34 loss per ordinary share. This compares to earnings per share (basic and diluted) of $0.09 earnings per ordinary share for the first half 2022.

[1] 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.

[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 which has a direct 27.82% interest in TPG.

Dividends / distributions	Amount per security	Franked amount per security
Final dividend	**Nil**	Nil
Interim dividend	**Nil**	Nil
Record date for determining entitlements to the dividend	**N/A**	N/A

There are no dividends / distributions declared or paid and there are no dividend / distribution re-investment plans existing during or subsequent to the half-year ended 30 June 2023 to the date of this report.

Accumulated losses

Accumulated losses amounted to $3,980.7 million as at 30 June 2023 (30 June 2022: $3,523.4 million).

Net tangible assets

Net tangible assets amounted to $295.3 million or $0.02 per security as at 30 June 2023 (30 June 2022: $749.8 million or $0.06 per security).

Controlled entities acquired or disposed of

There was no acquisition or disposal of controlled entities during the half-year ended 30 June 2023.

Associates and joint venture entities

As at 30 June 2023, the Group held interests[3] in the following associate and joint venture:

Name of associate / joint venture	Principal activity	Country of operation	30 June 2023 %	30 June 2022 %
TPG Telecom Limited	Telecommunications services	Australia	**11.14%**	11.14%
Vodafone Hutchison (Australia) Holdings Limited	Financing and investing activities	United Kingdom	**50.00%**	50.00%

Commitments

At 30 June 2023 and 30 June 2022, there is no commitment existing in respect of the joint venture VHAH contracted but not provided for in the financial statements.

Events occurring after the reporting date

No matters or circumstances have arisen after the reporting date that have 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.

[3] 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, a company domiciled in the United Kingdom in which H3GAH has a 50% shareholding. VHAH has a direct 27.82% interest in TPG.

Foreign Accounting standards

For foreign entities only, details of the accounting standards used in compiling the report e.g., International Accounting Standards:

N/A

Review by auditors

This ASX Appendix 4D for the half-year ended 30 June 2023 is based on the Half-year Financial Report. The Half-year Financial Report has been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* issued by the Australian Accounting Standards Board and the *Corporations Act 2001 (Cth),* and has been reviewed by PricewaterhouseCoopers ("PwC"). The Independent Auditor's Review Report provided by PwC, which is unmodified, is included in the Half-year Financial Report.

Attached

Half-year Financial Report for the six-month period ended 30 June 2023.

Hutchison Telecommunications (Australia) Limited

Half-year Financial Report

for the half-year ended 30 June 2023

Hutchison Telecommunications (Australia) Limited

ABN 15 003 677 227

Half-year Financial Report

30 June 2023

Contents

Directors' Report

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 half-year ended 30 June 2023.

Directors

The following persons were Directors of HTAL during the whole of the half-year ended 30 June 2023 and up to the date of this report:

FOK Kin Ning, Canning
Barry ROBERTS-THOMSON
Melissa ANASTASIOU
Susan Mo Fong CHOW, also known as WOO Mo Fong, Susan (alias CHOW WOO Mo Fong, Susan)
Justin Herbert GARDENER
LAI Kai Ming, Dominic, also alternate to FOK Kin Ning, Canning and Frank John SIXT
John Michael SCANLON
Frank John SIXT, also alternate to LAI Kai Ming, Dominic
WOO Chiu Man, Cliff

Review of HTAL's results

	30 June 2023 $'000	30 June 2022 $'000	**Movement $'000**	**Movement %**
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[5] 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 which has a direct 27.82% interest in TPG.

Review of HTAL’s results (continued)

HTAL’s earnings per share (basic and diluted) for the first half 2023 was $0.34 loss per ordinary share. This compares to earnings per share (basic and diluted) of $0.09 earnings per ordinary share for the first half 2022.

No dividend was declared or paid by HTAL during the half-year ended 30 June 2023 (30 June 2022: nil).

TPG financial performance

TPG announced a total revenue of $2,708 million, EBITDA[6] of $941 million, and a net profit after tax of $48 million for the half-year ended 30 June 2023, compared to $2,626 million revenue, EBITDA of $837 million and a profit of $167 million respectively for the same period last year.

Please refer to TPG’s 30 June 2023 half-year financial statements which have been lodged with the Australian Securities Exchange on 24 August 2023 for the review of its operations and other information**.**

HTAL applies the equity method of accounting to account for its interests in TPG. Under this method, HTAL’s attributable share of the revenue recognised by TPG is not reported as HTAL’s revenue in HTAL’s consolidated statement of profit or loss and other comprehensive income. HTAL’s share of net profit of TPG, after HTAL consolidation adjustments, is reported under “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.

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

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 9.

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 the Half-year 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.

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

Barry Roberts-Thomson

Director
24 August 2023

Justin Gardener

Director
24 August 2023

[6] EBITDA is defined as earnings before net finance costs, tax and depreciation and amortisation.

Auditor's Independence Declaration

As lead auditor for the review of Hutchison Telecommunications (Australia) Limited for the half-year ended 30 June 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 review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

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

Jason Hayes
Partner
PricewaterhouseCoopers

Sydney
24 August 2023

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One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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Financial Report for the half-year ended 30 June 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 30 June 2023

	Notes	**30 June 2023 $'000**	30 June 2022 $'000
Revenue		**250**	35
Operating expenses		**(956)**	(821)
Share of net profit / (loss) of equity accounted investments, net of tax	**3**	**(45,466)**	13,531
Profit / (loss) before income tax		**(46,172)**	12,745
Income tax expense		**–**	–
Profit / (loss) after tax for the period		**(46,172)**	12,745
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)	**3**	**2,937**	465
Tax relating to items that may be reclassified to profit or loss		**–**	–
Other comprehensive income for the period, net of tax		**2,937**	465
Total comprehensive income / (loss) for the period attributable to members of the Company		**(43,235)**	13,210
Earnings / (loss) per share for profit / (loss) attributable to members of the Company		**Cents**	Cents
Basic earnings / (loss) per share	**4**	**(0.34)**	0.09
Diluted earnings / (loss) per share	**4**	**(0.34)**	0.09

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

Consolidated Statement of Financial Position
As at 30 June 2023

	Notes	30 June 2023 $'000	31 December 2022 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		**18,600**	5,808
Other receivables		**194**	117
Prepayments		**–**	45
Total Current Assets		**18,794**	5,970
Non-current Assets			
Investment accounted for using the equity method	**3**	**277,616**	339,680
Total Non-current Assets		**277,616**	339,680
Total Assets		**296,410**	345,650
LIABILITIES			
Current Liabilities			
Payables		**1,104**	853
Other financial liabilities	**5**	**–**	5,359
Total Current Liabilities		**1,104**	6,212
Total Liabilities		**1,104**	6,212
Net Assets		**295,306**	339,438
EQUITY			
Contributed equity		**4,204,488**	4,204,488
Reserves		**71,545**	69,505
Accumulated losses		**(3,980,727)**	(3,934,555)
Total Equity		**295,306**	339,438

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

Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2023

	Attributable to members of the Company					
		Reserves				
	Contributed equity $'000	Capital redemption reserve $'000	Cash flow hedging reserve $'000	Share based payments reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2022	4,204,488	54,887	(183)	16,562	(3,536,177)	739,577
Profit for the period	–	–	–	–	12,745	12,745
Other comprehensive income:						
Net gain on cash flow hedges (share of equity accounted investments)	–	–	465	–	–	465
Tax relating to components of other comprehensive income	–	–	–	–	–	–
Total comprehensive income for the period	–	–	465	–	12,745	13,210
Share-based payment reserve (share of equity accounted investments), net of tax	–	–	–	535	–	535
Acquisition of shares (share of equity accounted investments), net of tax	–	–	–	(3,559)	–	(3,559)
Balance at 30 June 2022	4,204,488	54,887	282	13,538	(3,523,432)	749,763
Balance at 1 January 2023	**4,204,488**	**54,887**	**453**	**14,165**	**(3,934,555)**	**339,438**
Loss for the period	**–**	**–**	**–**	**–**	**(46,172)**	**(46,172)**
Other comprehensive income:						
Net gain on cash flow hedges (share of equity accounted investments)	**–**	**–**	**2,937**	**–**	**–**	**2,937**
Tax relating to components of other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income / (loss) for the period	**–**	**–**	**2,937**	**–**	**(46,172)**	**(43,235)**
Share-based payment reserve (share of equity accounted investments), net of tax	**–**	**–**	**–**	**886**	**–**	**886**
Acquisition of shares (share of equity accounted investments), net of tax	**–**	**–**	**–**	**(1,783)**	**–**	**(1,783)**
Balance at 30 June 2023	**4,204,488**	**54,887**	**3,390**	**13,268**	**(3,980,727)**	**295,306**

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

Consolidated Statement of Cash Flows
For the half-year ended 30 June 2023

	30 June 2023 $'000	30 June 2022 $'000
Cash Flows from Operating Activities		
Payments to suppliers and employees (inclusive of GST)	**(737)**	(523)
Interest received	**250**	35
Dividends from investment accounted for using the equity method	**18,638**	17,603
Net cash inflows from operating activities	**18,151**	17,115
Cash Flows from Investing Activities		
Net cash inflows from investing activities	**–**	–
Cash Flows from Financing Activities		
Repayment of borrowings – entity within the CKHH group	**(5,359)**	(16,257)
Net cash outflows from financing activities	**(5,359)**	(16,257)
Net increase in cash and cash equivalents	**12,792**	858
Cash and cash equivalents at 1 January	**5,808**	3,737
Cash and cash equivalents at 30 June	**18,600**	4,595

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

Notes to the Financial Statements

Note 1 Summary of accounting policies

(a) Basis of preparation

This financial report of Hutchison Telecommunications (Australia) Limited ("HTAL" or the "Company", and together with its controlled entity, the "Group") for the half-year ended 30 June 2023 has been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001 (Cth).* Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by HTAL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, with the exception of the considerations in the section "New accounting standards and interpretations" (Note 1(d)).

For the purposes of preparing these financial statements, the Company is a for-profit entity.

The financial statements are prepared on a going concern basis, as management is satisfied that the Group has the ability to continue as a going concern. In making this assessment, management has assessed the potential cash generation and liquidity of the Group. On the basis of these assessments, management has determined that, at the date on which the half-year financial statements are authorised for issue, the use of the going concern basis of accounting to prepare the financial statements is appropriate.

(b) 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 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 equity accounted investments are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group has assessed whether there are any indicators of potential impairment of its equity accounted investments in TPG Telecom Limited ("TPG") at 30 June 2023. With the consideration of the available internal and external sources of information (including share price at 30 June 2023 and the block premium on the basis of HTAL's significant influence on TPG), it was determined that there was no objective evidence at 30 June 2023 that the Group's investments in TPG may be impaired.

(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.

(iii) TPG equity accounting

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

Depreciation of operating assets constitutes a substantial operating cost for TPG. The cost of fixed assets is charged as a depreciation expense over the estimated useful lives of the respective assets using the straight-line method and this is reflected in the "Share of net profit / (loss) of equity accounted investments, 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 half-year ended 30 June 2023 (30 June 2022: decrease in the share of net profit of equity accounted investment of $10.3 million).

Note 1 Summary of significant accounting policies (continued)

(c) 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 the Half-year 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.

(d) New accounting standards, amendments and Interpretations

The accounting policies adopted in the preparation of these financial statements are consistent with those adopted in the consolidated financial statements of the Group for the year ended 31 December 2022, except for the adoption of the new standards, interpretations and amendments.

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 ("AASB") 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 half-year ended 30 June 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"*, however, in Australia, the relevant tax legislation has yet to be introduced.

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.

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, amendments and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been issued by AASB that are relevant to the Group's operations and mandatory for annual periods beginning on or after 1 January 2024. The Group has not early adopted any standard, amendment or interpretation that has been issued but is not yet effective. It is currently expected that the adoption of these standards in future periods will not have a material impact on the Group's financial statements.

Note 2 Operating Segment

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 telecommunications services. As such, the Group believes it is appropriate that there is one operating segment.

Note 2 Operating Segment (continued)

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

HTAL's share of the following items of the equity accounted investments	**30 June 2023 $'000**	30 June 2022 $'000
Total revenue	**678,354**	657,813
Net profit / (loss)*	**(45,466)**	13,531

* after equity accounted investment accounting adjustments (see note 1(b)(iii)).

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 3.

Note 3 Non-current assets – Investment accounted for using the equity method

	30 June 2023 $'000	31 December 2022 $'000
Equity accounted investments	**277,616**	339,680

The Group held a combined 25.05% interest in TPG at 30 June 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 Vodafone Hutchison (Australia) Holdings Limited ("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 30 June 2023, are set out below:

			Ownership interest	
Name of entities	**Principal activity**	**Country of operation**	**30 June 2023 %**	31 December 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:

Movement in equity accounted investments carrying values	**30 June 2023 $'000**	31 December 2022 $'000
Opening balance	**339,680**	774,578
Share of profit / (loss) of equity accounted investments, net of tax	**(45,466)**	47,721
Share of TPG's net gain on cash flow hedges taken to equity, net of tax	**2,937**	636
Share of TPG's share-based payment reserve, net of tax	**886**	1,163
Share of TPG's acquisition of shares, net of tax	**(1,783)**	(3,560)
Dividend received from equity accounted investment[7]	**(18,638)**	(36,241)
Impairment of equity accounted investment	**–**	(444,617)
Closing Balance	**277,616**	339,680

[7] 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.

Note 3 Non-current assets – Investment accounted for using the equity method (continued)

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 30 June 2023 was $2,268.3 million (31 December 2022: $2,277.6 million). This amount is before the Group's 50% share of VHAH's net debt of $4,622.3 million (31 December 2022: $4,553.9 million).

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 profit / (loss) of equity accounted investments, net of tax, are set out below. The amounts included in the summarised financial information have been adjusted to reflect adjustments made by HTAL in applying the equity method of accounting. For the half-year ended 30 June 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 half-year ended 30 June 2023. Please refer to Note 1(b)(iii) Critical accounting estimates and judgements for further background.

	30 June 2023		30 June 2022	
	VHAH $'000	**TPG $'000**	VHAH $'000	TPG $'000
Gross amount of the following items of the equity accounted investments:				
Revenues	**–**	**2,708,000**	–	2,626,000
Other income	**–**	**11,000**	–	13,000
Expenses	**(214)**	**(1,778,000)**	(41)	(1,802,000)
Share of profits from investment in TPG, net of tax	**13,354**	**–**	35,015	–
Depreciation and amortisation	**–**	**(722,000)**	–	(727,136)
Net finance costs	**(114,766)**	**(150,000)**	(35,955)	(70,000)
Profit / (loss) before income tax	**(101,626)**	**69,000**	(981)	39,864
Income tax (expense) / credit	**–**	**(21,000)**	–	86,000
Profit / (loss) for the period	**(101,626)**	**48,000**	(981)	125,864
Other comprehensive income	**3,060**	**11,000**	516	1,855
Total comprehensive profit / (loss)	**(98,566)**	**59,000**	(465)	127,719
Reconciliation to the Group's share of profit / (loss) of the equity accounted investments:				
Group interest	**50%**	**11.14%**	50%	11.14%
Group's share of the following items:				
Profit / (loss) for the period	**(50,813)**	**5,347**	(490)	14,021
Group's share of profit / (loss) of equity accounted investments	**(50,813)**	**5,347**	(490)	14,021

Share of net loss of equity accounted investments, net of tax of $45.5 million for the half-year ended 30 June 2023 (30 June 2022: $13.5 million share of net profit) presented in the consolidated statement of profit or loss and other comprehensive income represents the combined total of:

(i) the Group's 50% share of net loss of VHAH of $50.8 million (30 June 2022: $0.5 million share of net loss), and

(ii) the Group's 11.14% direct share of net profit of TPG of $5.3 million (30 June 2022: $14.0 million share of net profit).

Note 3 Non-current assets – Investment accounted for using the equity method (continued)

Summarised statement of financial position

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

	30 June 2023		31 December 2022	
	VHAH $'000	**TPG $'000**	VHAH $'000	TPG $'000
Gross amount of the following items of the equity accounted investments:				
Current assets	**649,707**	**1,132,000**	604,243	1,033,000
Non-current assets	**3,368,734**	**18,554,590**	3,399,681	18,653,727
Current liabilities	**(5,271,991)**	**(3,536,000)**	(5,158,107)	(1,732,000)
Non-current liabilities	–	**(4,041,000)**	–	(5,734,000)
Net (liabilities) / assets	**(1,253,550)**	**12,109,590**	(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	**(626,775)**	**1,349,008**	(577,092)	1,361,389
Group's provision for impairment	**(246,891)**	**(197,726)**	(246,891)	(197,726)
Carrying amount	**(873,666)**	**1,151,282**	(823,983)	1,163,663

Investment accounted for using the equity method of $277.6 million at 30 June 2023 (31 December 2022: $339.7 million) represents the combined total of:

(i) the Group's 50% share of net liabilities of VHAH of $626.8 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 $1,349.0 million (31 December 2022: $1,361.4 million share of net assets), and
(iii) provision for impairment totalling $444.6 million (31 December 2022: $444.6 million).

The summarised statement of financial position includes the following items:

	30 June 2023		31 December 2022	
	VHAH $'000	**TPG $'000**	VHAH $'000	TPG $'000
Cash and cash equivalents	**287,455**	**82,000**	355,688	114,000
Current financial liabilities	**(5,271,991)**	**(2,123,000)**	(5,158,107)	(93,000)
Non-current financial liabilities	**–**	**(3,863,000)**	**–**	(5,562,000)

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 will mature on 20 November 2023. An upfront fee of US$10.5 million was charged by the syndicate of lenders.

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

Note 3 Non-current assets – Investment accounted for using the equity method (continued)

Summarised statement of financial position (continued)

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, will be determined by reference to the Australian BBSW for 3 months and 6 months.

The SFA is guaranteed by the VHAH ultimate parent entities, CK Hutchison Holdings Limited ("CKHH") and Vodafone Group Plc ("VGP"). CKHH and VGP have also entered into a Counter Indemnity Agreement with VHAH but no guarantee fee is charged to VHAH. HTAL's investment in VHAH is predicated on the ongoing financial support to VHAH from both of VHAH's ultimate shareholders.

Note 4 Earnings / (loss) per share

The calculation of earnings / (loss) per share is based on the loss attributable to the members of the Company of $46,172,000 (30 June 2022: profit of $12,745,000) and on the weighted average number of shares, being 13,572,508,577 shares in issue during the six months ended 30 June 2023 and 30 June 2022.

There were no options and no other potential ordinary shares outstanding at 30 June 2023 (30 June 2022: nil) and accordingly there was no impact on the diluted earnings / (loss) per share calculation for the period ended 30 June 2023 and 30 June 2022.

Note 5 Current liabilities – Other financial liabilities

	30 June 2023 $'000	31 December 2022 $'000
Loan from an entity within the CKHH group	–	5,359

Loan from an entity within the CKHH group

During the period, HTAL made a full settlement of the outstanding balance of a financing facility amounting to $5.4 million. The facility matured on 30 June 2023 and there was no outstanding balance owing or amount available for drawn as at 30 June 2023 (31 December 2022: $5.4 million balance owing and $1,594.6 million available for drawn). The facility was granted to the Group by an entity within the CKHH group for a maximum amount of $1.6 billion. It was an interest free financing facility and was repayable on demand.

Note 6 Events occurring after the reporting date

No matters or circumstances have arisen after the reporting date that have 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.

Directors' Declaration

In the Directors' opinion:

(a) the half-year financial statements and notes set out on pages 10 to 19 are in accordance with the *Corporations Act 2001 (Cth)*, including:

   (i) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and

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

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

Barry Roberts-Thomson

Director
24 August 2023

Justin Gardener

Director
24 August 2023

pwc

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

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Hutchison Telecommunications (Australia) Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, material accounting policy information and explanatory notes and the directors' declaration.

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

1. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

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

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PricewaterhouseCoopers

Jason Hayes
Partner

Sydney
24 August 2023