

ASX Market Announcements

Australian Securities Exchange

Date: 7 May 2021

Subject: Chairman's Address to 2021 Annual General Meeting

In accordance with ASX Listing Rule 3.13.3 please find attached the Chairman's Address to be made at the 2021 Annual General Meeting of Hutchison Telecommunications (Australia) Limited (ASX: HTA) to be held on Friday, 7 May 2021 at 10.00 am (Sydney time).

Yours faithfully,



Swapna Keskar
Joint Company Secretary

AUTHORISED FOR RELEASE: By the Market Disclosure Committee

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

HUTCHISON TELECOMMUNICATIONS (AUSTRALIA) LIMITED
ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS
FRIDAY, 7 MAY 2021

INTRODUCTION

I'm pleased to provide you with an update on Hutchison Telecommunications (Australia) Limited's ("HTAL") and TPG Telecom Limited's ("TPG") 2020 performance and future plans.

Before I proceed, I would like to provide an update on the merger between Vodafone Hutchison Australia Limited ("VHA") and TPG Corporation Limited (formerly named TPG Telecom Limited) ("TPM"). The Supreme Court of New South Wales made orders approving the scheme on 26 June 2020. On 29 June 2020, VHA was renamed TPG and on 30 June 2020, TPG listed on the Australian Securities Exchange ("ASX"). The merger created a leading integrated full-service telecommunications company with a comprehensive portfolio of fixed and mobile products for customers. Further it has provided scale and financial strength to compete more effectively with other telecommunications service providers and has driven innovation, service and product improvement to benefit Australian telecommunications customers.

As a result of the merger, on 26 June 2020, HTAL's ownership interest in TPG effectively changed from 50% to 25.05%. This is comprised of a 11.14% direct interest through its wholly owned subsidiary Hutchison 3G Australia Holdings Pty Limited and an attributed 13.91% indirect interest held through Vodafone Hutchison (Australia) Holdings Limited ("VHAH") which is 50% owned by each of HTAL Group and Vodafone Group and which holds 27.82% direct interest in TPG. VHAH holds TPG shares to provide it with dividend income which is needed primarily for interest payment under VHAH's US\$3.5 billion loan (guaranteed by CK Hutchison Holdings Limited and Vodafone Group Plc).

HTAL – FINANCIAL RESULTS

During 2020, HTAL's revenue from ordinary activities which represents interest income received on loans made to TPG was \$1.3 million. This decreased from \$5.7 million in the corresponding period last year due to the decrease in shareholder loan balances provided to TPG, as these were repaid by TPG on 3 July 2020.

HTAL's operating expenses for the year ended 31 December 2020 remained consistent with the operating expenses for the year ended 31 December 2019.

HTAL's profit after tax attributable to members for the year ended 31 December 2020 was \$825.4 million. This reflects a 633% increase in profit after tax attributable to members as compared to 2019.

For the year ended 31 December 2020, HTAL made a net gain of \$677.3 million which is an accounting gain from the dilution of its investment in TPG. HTAL's share of post-merger profits from equity accounted investments for the year ended 31 December 2020 was \$148.3 million.

On 14 April 2021, HTAL Group received a sum of approximately \$15.5 million as a dividend payment from TPG on its 11.14% direct interest in TPG. This amount has been deposited in HTAL's bank account and the Board of HTAL will review HTAL's financial position to decide the usage of these proceeds and subject to HTAL board consideration, is expected to be used

to service HTAL debt. VHAH will also reserve a dividend of \$38.8 million, with the VHAH board to review and decide usage.

HTAL's principal activity remains its investment in TPG.

KEY 2020 ACHIEVEMENTS AND HIGHLIGHTS OF TPG

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

In 2020, TPG announced that it had:

- implemented the merger between VHA and TPM, delivering increased competition, innovation and enhanced network services under a unified and experienced senior management team;
- carefully navigated COVID-19 and regulatory challenges to its operations;
- introduced 5G technology into its network;
- continued to provide great value and service to its customers;
- made good progress on its merger integration plans;
- delivered a maiden dividend of 7.5 cents per share to its shareholders;
- achieved net growth of 415,000 National Broadband Network subscribers;
- introduced highly competitive mobile and fixed products and offers;
- launched infinite data mobile plans with higher speed tiers and Felix, TPG's carbon neutral, 100% powered by renewable electricity digital-native brand, bringing innovation and more value to its customers; and
- total data traffic on TPG's mobile network grew 12% to 611 million Gigabytes from 545 million Gigabytes in 2019 as customers continued to stream, browse and share more on their smartphones, mobile devices and tablets.

TPG is fast-tracking its 5G mobile rollout, with 5G services available in more than 350 suburbs in Sydney, Melbourne, Brisbane, Perth, Adelaide, Canberra, the Gold Coast and Newcastle and around 1,600 sites in the planning and design phase.

On the technology side, more than 1.8 million Australians are benefiting from enhanced mobile performance after TPG deployed 1800 MHz spectrum to around 320 sites around Australia.

At the end of 2020, TPG was nearing completion of a program to integrate around 400 small cells into the mobile network in Sydney, Melbourne, Brisbane and Adelaide.

TPG's program to connect an additional 700 mobile sites to dark fibre was also ahead of schedule and around 60% of iiNet mobile customers had migrated to TPG's mobile network.

TPG 2020 FINANCIAL RESULTS

TPG's reported revenue for the year ended 31 December 2020 increased 24% from 2019 to \$4.35 billion and reported EBITDA increased by 18% to \$1.39 billion.

TPG's NPAT of \$734 million includes a one-off, non-cash credit to income tax expense of \$820 million.

In the first six months' post-merger, the TPG group has generated \$342 million of net cash flow.

TPG's results demonstrate that despite the impact of COVID-19, especially global travel restrictions, continued NBN headwinds, on-going mobile competition and regulatory challenges, TPG has delivered for its customers and shareholders.

OUTLOOK

Now to the Outlook.

HTAL's financial position is directly impacted by TPG's financial position and performance in the year ahead.

Reduced roaming revenue and the absence of international visitors (attributable to global travel restrictions) will continue to impact TPG's business, as will the on-going NBN headwinds and the introduction of the Regional Broadband Scheme Levy.

However, TPG has said it is confident that its growth strategies and synergy program will help to offset these challenges. As a merged entity, TPG is in a stronger position to respond to the ongoing COVID-19 challenges and aggressive competition in the mobile market.

TPG's announced plans and targets for 2021 are ambitious and on track. These include a target to achieve 85% 5G population coverage in the top six cities by the end of 2021 using TPG's 3.6 GHz spectrum and 700 MHz spectrum, together with a new standalone core. In addition, TPG intends to deliver more than \$70 million in merger synergies, excluding the contribution of 5G fixed wireless services and cross-sell revenue.

HTAL remains committed to its principal activity, being its investment in TPG, and will continue to support TPG's business and strategies in the future.

I thank HTAL shareholders for their ongoing support, and for joining the live webcast to listen to today's AGM.