Hutchison Whampoa Limited

(incorporated in Hong Kong with limited liability)
(Stock Code: 13)

OVERSEAS REGULATORY ANNOUNCEMENT

Attached are the text of 2009 Annual Report, Notice of Annual General Meeting and Proxy Form released by Hutchison Telecommunications (Australia) Limited, an Australian Securities Exchange listed and a 87.87% owned subsidiary of Hutchison Whampoa Limited.

As at the date of this announcement, the Directors of the Company are:

Executive Directors:
Mr LI Ka-shing *(Chairman)*
Mr LI Tzar Kuoi, Victor *(Deputy Chairman)*
Mr FOK Kin-ning, Canning
Mrs CHOW WOO Mo Fong, Susan
Mr Frank John SIXT
Mr LAI Kai Ming, Dominic
Mr KAM Hing Lam

Non-executive Directors:
Mr George Colin MAGNUS
Mr William SHURNIAK

Independent Non-executive Directors:
The Hon Sir Michael David KADOORIE
Mr Holger KLUGE
Mrs Margaret LEUNG KO May Yee
Mr William Elkin MOCATTA
(Alternate to The Hon Sir Michael David Kadoorie)
Mr WONG Chung Hin

Hong Kong, 31 March 2010

Hutchison Telecoms

GAINING SCALE

ANNUAL REPORT 2009

HUTCHISON TELECOMS (ASX: HTA) IS A LISTED COMPANY WHICH HAS A 50 PER CENT INTEREST IN VODAFONE HUTCHISON AUSTRALIA PTY LIMITED (VHA). VHA OFFERS MOBILE TELECOMMUNICATIONS UNDER THE VODAFONE AND 3 BRANDS.

HUTCHISON TELECOMS WAS LISTED ON THE ASX IN 1999 AND IN 2003 LAUNCHED AUSTRALIA'S FIRST 3G SERVICE, CALLED 3.

VHA AWARDED
2009 M&A DEAL
OF THE YEAR
BY INSTO MAGAZINE

insto
Australian Financial Markets

AGM DETAILS

THE ANNUAL GENERAL MEETING OF HUTCHISON WILL BE HELD AT:
THE CONFERENCE CENTRE, BUILDING A, 207 PACIFIC HIGHWAY,
ST LEONARDS NSW 2065
DATE: TUESDAY, 4 MAY 2010 TIME: 10AM

HUTCHISON TELECOMS
2009
ANNUAL REPORT

HUTCHISON TELECOMS AT A GLANCE

1989
STARTED WITH PAGING BUSINESS, BELL PAGING

1999
LAUNCHED THE ORANGE BRAND AND ENTERED INTO A ROAMING AGREEMENT WITH TELSTRA CDMA

LISTED ON THE ASX

2000
LAUNCHED CDMA NETWORK

2001
ACQUIRED SPECTRUM FOR 3G NETWORK

2002
BEGAN TO BUILD 3G NETWORK

2003
LAUNCHED '3', AUSTRALIA'S FIRST 3G NETWORK

HUTCHISON AND VODAFONE MERGER

ON 9 JUNE 2009, HUTCHISON AND VODAFONE MERGED THEIR TELECOMMUNICATIONS BUSINESS IN AUSTRALIA (3 AND VODAFONE) IN A 50-50 JOINT VENTURE CALLED VODAFONE HUTCHISON AUSTRALIA PTY LIMITED (VHA).

VHA IS A MUCH LARGER SCALE BUSINESS THAT OPERATES UNDER BOTH THE 3 AND VODAFONE BRANDS IN AUSTRALIA. WITH 6.895 MILLION CUSTOMERS, VHA IS DEDICATED TO PROVIDING 3 AND VODAFONE CUSTOMERS WITH AN EVEN GREATER CHOICE OF AFFORDABLE PRODUCTS AND SERVICES.

THE MERGER ALSO BRINGS TOGETHER THE COMBINED GLOBAL EXPERTISE, SCALE, RESEARCH AND DEVELOPMENT CAPABILITIES, AND SUPPORT OF HUTCHISON WHAMPOA AND VODAFONE GROUP TO ENABLE VHA TO PROVIDE THE BEST POSSIBLE SERVICE EXPERIENCE TO AUSTRALIAN CUSTOMERS.

CURRENT AND FUTURE 3 AND VODAFONE CUSTOMERS CAN LOOK FORWARD TO NEW AND INNOVATIVE PRODUCTS AND SERVICES, AND CONTINUED IMPROVEMENTS IN NETWORK PERFORMANCE AND COVERAGE.

2004

ENTERED INTO A JOINT VENTURE WITH TELSTRA TO SHARE 3G RADIO ACCESS NETWORK

2005

CELEBRATED OVER 1 MILLION CUSTOMERS ON '3'

2006

CLOSURE OF THE CDMA NETWORK

2007

RAISED A$2.85 BILLION FROM A RIGHTS ISSUE OF CONVERTIBLE PREFERENCE SHARES

TELECOM NEW ZEALAND TOOK A 10% STAKE IN HUTCHISON

2008

AGREED TO EXPAND 3G COVERAGE TO REACH 96% OF THE POPULATION WITH 3G ROAMING ON PARTS OF TELSTRA'S 850MHZ NETWORK

2009

ENTERED INTO A 50-50 JOINT VENTURE WITH VODAFONE GROUP TO CREATE VODAFONE HUTCHISON AUSTRALIA

OWNERSHIP STRUCTURE

The structure used to effect the merger resulted in VHA (formerly named Hutchison 3G Australia) being indirectly owned in equal shares by Hutchison Telecoms and the Vodafone Group Plc. VHA now owns the Vodafone companies in Australia. VHA has exclusive licences to use the Vodafone and 3 brands in Australia. Hutchison Whampoa remains the majority shareholder of Hutchison Telecoms, with an 87.87% stake.

#87.87% HUTCHISON WHAMPOA

#10% TELECOM NEW ZEALAND

#2.13% PUBLIC SHAREHOLDERS

HUTCHISON TELECOMS

VODAFONE GROUP Plc

#50%

#50%

VHA
VODAFONE HUTCHISON AUSTRALIA

Indirect ownership

Hutchison CHAIRMAN'S REPORT

2009 WAS AN EVENTFUL YEAR FOR HUTCHISON, WITH THE NATURE OF HUTCHISON'S INVESTMENT CHANGING DUE TO THE MERGER OF HUTCHISON 3G AUSTRALIA PTY LTD (H3GA) AND VODAFONE AUSTRALIA LIMITED (VAL). AS A RESULT OF THE MERGER, HUTCHISON MOVED FROM HAVING A 100% INTEREST TO HAVING A 50% INTEREST IN H3GA (NOW RENAMED VODAFONE HUTCHISON AUSTRALIA (VHA)) WHICH OPERATES THE COMBINED '3' AND VODAFONE BUSINESSES IN AUSTRALIA.

KEY FINANCIALS

Hutchison recognised a profit of $587.3 million on the disposal of the 50% interest in the '3' business. Subsequent to the merger, Hutchison disposed of its 850 Mhz spectrum to VHA recognising a profit on the disposal of $27.6 million. The net loss before gain on merger was $119.6 million, a $43.5 million improvement.

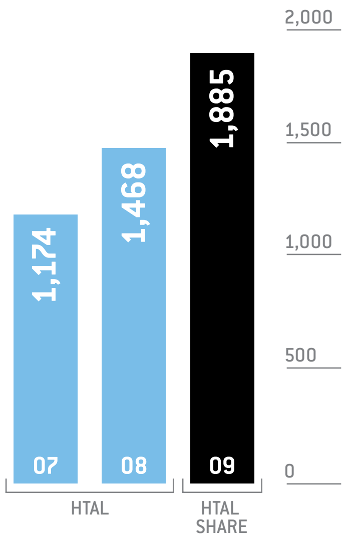
As a result of the merger transaction, Hutchison ceased to consolidate the results of the operating entity and has started to equity account for its interest in VHA. The results for the year to 31 December 2009 represent 5 months of the former '3' business and 7 months of an equity accounted result for VHA.

Under equity accounting, revenue from VHA's ordinary activities following the merger is not included in Hutchison's consolidated revenues from ordinary activities, which is the principal reason Hutchison is reporting a decline in revenue from ordinary activities for the year of 50.8% to $799.4 million. All revenue of VHA following the merger is included in calculating the "share of net (losses)/ profits of joint venture partnership accounted for using the equity method" in Hutchison's Statement of Comprehensive Income.

Underlying Service Revenue attributable to Hutchison grew by 28.4% in 2009 to $1,884.5 million, reflecting good performance. Hutchison remained free cash flow positive for the full year.

PEOPLE AND LEADERSHIP

I would like to thank the leadership of VHA and the Hutchison Board for their support. The performance and dedication of the group was instrumental in the successful completion of the merger transaction, which was recognised by Insto Magazine as the 2009 M&A Deal of the Year.



HTAL'S UNDERLYING SERVICE REVENUE GREW BY

28.4%

TO $1,884.5 MILLION

SERVICE REVENUE

HTAL SHARE – $ MILLION

WITH THE MERGER TRANSACTION COMPLETE IN THE FIRST HALF OF THE YEAR, THE COMPANY NOW HAS AN INVESTMENT IN A DYNAMIC NEW CHALLENGER IN THE AUSTRALIAN TELECOMMUNICATIONS MARKET THAT HAS THE CRITICAL SCALE TO COMPETE MORE EFFECTIVELY.

2010 AND BEYOND

Hutchison has a high degree of confidence in the prospects for its investment in VHA. The merger is expected to deliver cost synergies with a net present value of more than A$2 billion and progress in realising these synergies post-merger has been ahead of expectation. VHA has continued to grow the combined customers, revenue and margin basis of the Vodafone and 3 businesses and is in a good position to continue to grow market share and profitability in 2010. Hutchison also welcomes policies concerning the National Broadband Network, the allocation of mobile spectrum and the support and promotion of the digital economy and is optimistic that VHA will be enabled to expand both the scope and the geographic areas of its data and communications service offerings in Australia in the coming years.

Fok Kin-ning, Canning
CHAIRMAN

VHA CEO'S REVIEW

THE CREATION OF VHA IS THE BEGINNING OF A NEW ERA IN THE AUSTRALIAN TELECOMMUNICATIONS INDUSTRY. WITH THE COMBINED SCALE, NETWORK AND RETAIL CAPABILITIES OF VODAFONE AND 3, VHA IS A STRONGER BUSINESS THAT IS COMMITTED TO PROVIDING BETTER VALUE, INNOVATIVE PRODUCTS AND GOOD SERVICE TO ALL ITS CUSTOMERS.

FINANCIAL PERFORMANCE

Through strong growth in customer numbers, revenue and margin and the benefits of scale beginning to emerge, VHA had a sound financial performance for the year ending 31 December 2009, with sustained growth in Total Service Revenue. In addition, EBITDA and CAPEX were in line with expectations, and VHA exited 2009 in a free cash flow positive position, excluding one-off merger costs.

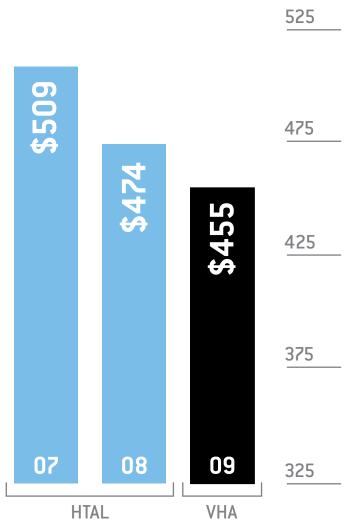
VHA's capital expenditure in the year ending 31 December 2009 increased by 18% to $236.2 million. Despite the increase, capital expenditure as a percentage of service revenue was 12.5% compared with 13.6% in 2008, reflecting the early benefits of scale.

VHA's EBITDA, excluding one-off restructuring costs associated with the merger, increased by 19.6% to $227.8 million. EBITDA margin excluding one-off costs associated with the merger was 12.1%, down from 13.0% in 2008, primarily due to increased customer acquisition costs in the second half of the year.

IMPROVEMENTS IN VHA'S KEY FINANCIAL RESULTS DURING 2009 WERE DRIVEN BY STRONG GROWTH IN CUSTOMER NUMBERS, REVENUE AND MARGIN AND THE BENEFITS OF SCALE BEGINNING TO EMERGE.

RUNNING OPERATING EXPENDITURE PER CUSTOMER

$/CUSTOMERS



56.8%
OF CUSTOMERS POSTPAID
MERGER REBALANCED CUSTOMER MIX

6,895,000
TOTAL CUSTOMERS

CUSTOMER GROWTH CONTINUES

In 2009, Vodafone brought 3.97 million customers to VHA. During the year both Vodafone and 3 maintained strong growth in customer acquisition and retention. As at 31 December 2009, VHA's net additions for the year stood at 890,000 customers, which is a 94.3% increase in net customers acquired by 3 in 2008.

One of the customer growth highlights is VHA's continued growth in mobile broadband, with 673,000 customers using mobile broadband USB modems and data cards as at 31 December 2009, representing a 133.7% increase from the previous year.

In addition to this, a further 717,000 customers either subscribed to 3G services on their mobile handset or used their handset as a modem to access the internet. Strong demand for 3G services delivered a 45.9% increase in non-voice revenue to $677.3 million, non-voice services now contributing 36.7% or $20.48 of VHA's Average Revenue Per User (ARPU) up from 31.2% at 31 December 2008.

NON-VOICE SERVICES CONTRIBUTE TO 36.7% OF VHA'S ARPU

The number of customers accessing Planet 3, Vodafone Live! and the internet reflects strong customer usage of Mobile Broadband and an increased appetite for 3G services and open internet access.

Following the merger, VHA has seen the overall customer mix change significantly with a comparatively higher blend of prepaid customers. Postpaid customers now comprise 56.8% of VHA's customer base.

MERGER AND TRANSFORMATION

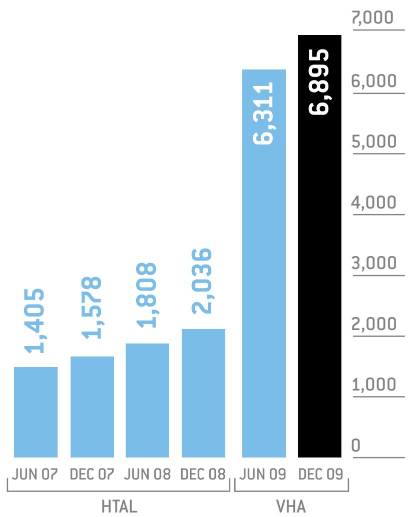
In the second half of 2009 VHA worked hard to bring together the new business as well as maintaining its strong record in customer service and sales and revenue growth performance. VHA has made solid progress towards its merger cost synergy targets, many of which have already had a positive impact on bottom line.

Looking to the year ahead VHA will focus on key areas of business integration including:

- Structural and cultural changes to support the creation of one lower cost organisation;
- Consolidation of two Sydney offices into one premises and the move to a single sales office in each state;
- Consolidation of contact centre operations into Hobart and Mumbai;
- Delivery of procurement savings through vendor selection and contract renegotiation;
- Reduction in distribution costs and improvements in retail sales efficiencies;
- IT systems integration and start of transition to target platforms; and
- Increased utilisation of the Vodafone network assets for 3 customers.

With a number of marketing, sales, customer service and IT systems projects underway in 2010, VHA will continue to move towards Vodafone as its primary brand in market.

VHA MOBILE CUSTOMER BASE
CUSTOMERS '000



VHA CEO'S REVIEW CONTINUED

OVER
4,500
PEOPLE ARE CURRENTLY EMPLOYED BY VHA

STRENGTHENING NETWORK ASSETS

VHA is currently operating two networks. The 3GIS joint venture (with its partner, Telstra Corporation Limited) had 2,744 sites at 31 December 2009 with a footprint covering 56% of the population.

During the year ending 31 December 2009 customers on the 3 network were provided with access to 3G roaming on parts of Telstra's 850MHz network which allows 3's customers to access 3G services in areas covering 96% of the Australian population.

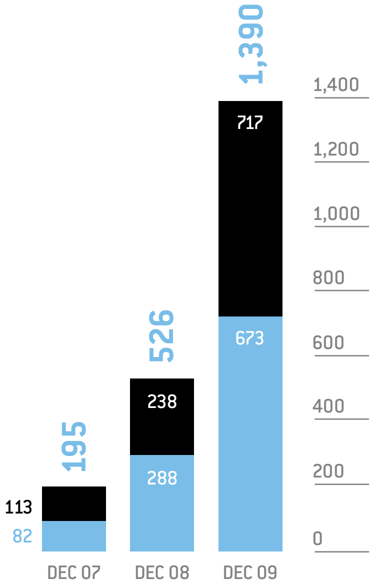
The Vodafone network has a total of 3,942 sites. During 2009, VHA completed the rollout of the Vodafone 3G regional network providing coverage to 94% of the population. Vodafone customers in upgraded areas can now access 3G services such as internet and email on their mobile phone or laptop via Vodafone Mobile Broadband.

One of the key priorities for 2010 and beyond is to utilise these network assets as effectively as possible for VHA's customers in conjunction with VHA's network partners.

VHA'S PEOPLE

I am pleased to report that the business has built a talented and hard-working team that has deep experience in the Australian mobile market and has been drawn from both the 3 and Vodafone businesses. This strong team is dedicated towards continuing to innovate and further improve services and experience for VHA's customers.

2009 was a particularly challenging year for VHA's employees with the combining of the Vodafone and 3 workforces. All staff should be commended for their patience during the year and their continuing commitment, professionalism, and focus on delivering results and improving performance for VHA's customers.



MOBILE BROADBAND & 3G DATA ON HANDSET CUSTOMERS

CUSTOMERS '000

- Mobile Broadband customers
- 3G Data on Handset customers

Mobile Broadband customers = Mobile Broadband Cards, USB Modems and NetConnect Cards

3G Data on Handset customers = X-Series plans, Mobile Internet plans and phones used as a modem

673,000

MOBILE BROADBAND SUBSCRIBERS

VHA EXECUTIVE TEAM

NIGEL DEWS
CHIEF EXECUTIVE OFFICER

DAVE BOORMAN
CHIEF FINANCIAL OFFICER

GREG BOURKE
DIRECTOR OF HUMAN RESOURCES

JOHN CASEY
DIRECTOR OF MARKETING

NOEL HAMILL
DIRECTOR OF SALES AND DISTRIBUTION

TYRONE O'NEILL
DIRECTOR OF COMMUNICATIONS AND CORPORATE AFFAIRS (ACTING)

ANDY REEVES
CHIEF TECHNOLOGY OFFICER

LOUISE SEXTON
GROUP GENERAL COUNSEL AND COMPANY SECRETARY

GRANT STEVENSON
DIRECTOR OF INTEGRATION AND DEPUTY CFO

ZAC SUMMERS
DIRECTOR OF STRATEGY AND BUSINESS PLANNING

MICHAEL YOUNG
DIRECTOR OF CUSTOMER SERVICE AND EXPERIENCE

VHA CEO'S REVIEW CONTINUED

FREE 24 month repair warranty

1.3% POSTPAID CHURN REMAINS LOW

MOST RECOMMENDED

VHA has the highest customer satisfaction in the industry and in 2010 VHA will place even more focus on its customers. VHA remains committed to giving customers the level of service that makes them recommend Vodafone and 3 to their family and friends.

VHA has already introduced a best-in-market handset warranty and repair service for its customers, with free repair warranties of up to 24 months for most mobile phones and mobile broadband devices sold to Vodafone, 3 and Crazy John customers from 1 December 2009.

VHA has had great success in innovation, and in 2009 the business was recognised by *Money* Magazine with four Best of the Best Awards across the Vodafone and 3 brands. These awards demonstrate the great value that VHA delivers its customers across prepay and postpaid products and services.

Another important measurement of success in this area is the churn rate, and VHA will continue to work hard on value and service in order to maintain the industry's lowest postpaid churn.

VHA WAS AWARDED FOUR BEST OF THE BEST AWARDS BY *MONEY* MAGAZINE

LOOKING TO THE FUTURE

During the year ahead, VHA will continue to strongly focus on business integration and strengthening the overall business performance. VHA expects continued growth in the customer base and further increases in the usage of 3G services to deliver strong operating performance in 2010. In addition to this, VHA expects to remain free cash flow positive in 2010, excluding one-off integration costs associated with the merger.

Sourcing and marketing the best devices at the best prices remains an important factor and VHA will continue to leverage the international buying power and economies of scale of both Vodafone Group Plc and the Hutchison Whampoa Group. VHA foresees the penetration of smartphones in the customer base to increase through 2010 and expects the intense competition to continue to drive high handset subsidies.

Continued innovation from VHA, coupled with sustained efforts to build upon its market-leading approach to customer service and customer satisfaction are expected to support growth in 2010.

At a broad industry level VHA is seeking greater certainty from the Government and regulators on the spectrum renewal and reallocation in 2010. VHA is also anticipating clear, decisive steps to be taken on the National Broadband Network (NBN) in 2010, which it is hopeful will ultimately result in the provision of improved backhaul transmission capabilities at lower prices, allowing VHA to expand its product range and be a more effective competitor in the future across Australia.

In summary, VHA will continue to grow the business in 2010, gaining further benefits of scale, continuing with integration projects and strengthening VHA's underlying business performance.

Nigel Dews
CHIEF EXECUTIVE OFFICER
VHA

COMMUNITY & ENVIRONMENT AT VHA

Vodafone Foundation Australia

In 2009, VHA continued its active work in the community via the Vodafone Foundation Australia, which now brings together Vodafone and 3's work with charities and not-for-profit organisations.

The Foundation is committed to supporting people and charitable organisations to help reach their full potential. It looks to be innovative in all that it does and seeks ground breaking community projects.

With an overwhelming desire from employees wanting to give back to the community, during the year amazing achievements were celebrated and partnerships formed with a range of charities and not-for-profit organisations including Australian Red Cross, McGrath Foundation, Red Dust, SANE Australia, Oxfam, SchoolAid, Youth Off The Streets, Mission Australia, Barnardos, KidsXpress, Variety, Oz Green and Conservation Volunteers Australia.

Walkabout Week for Red Dust was a highlight of the Foundation's work in the second half of the year. During this Week over one third of VHA's Sydney staff wore a pedometer and raised in excess of $26,000. In addition to this, over the Summer, 135 employees volunteered across Australia and raised $52,350 during the 3 mobile Test Series for the McGrath Foundation. With additional support through the Wicket & 6's campaign and the Men of Cricket calendar, VHA donated over $160,000 to the McGrath Foundation.

VHA IS COMMITTED TO ACTING RESPONSIBLY ON BEHALF OF ITS CUSTOMERS, STAFF AND SHAREHOLDERS, AS WELL AS THE BROADER COMMUNITY – FOR CURRENT AND FUTURE GENERATIONS – AND THE ENVIRONMENT. VHA AIMS TO EMBED RESPONSIBLE DECISION MAKING IN ALL LEVELS OF THE ORGANISATION, SO EMPLOYEES ARE EQUIPPED WITH THE INFORMATION AND TOOLS TO MAKE THE RIGHT DECISIONS IN ALL MATTERS.

Corporate Responsibility

VHA BUSINESS PRINCIPLES

VHA's principles for how it operates include the following:

- supporting competition in a market economy, pursued in an ethical way;
- providing customers with safe, reliable products and services that represent good value for money;
- placing a high priority on health and safety for customers, staff and the broader community;
- ensuring protection of customers' privacy and personal information;
- delivering responsible communication and advertising with all stakeholders;
- dealing with staff in a spirit of respect and fairness, and aiming to make VHA a great place to work;
- continuing environmentally sustainable business practices including taking measures to reduce VHA's carbon emissions;
- seeking to influence positively matters of public policy, but not engaging in any party-political matters or making donations to political parties.

ENVIRONMENTAL PERFORMANCE

VHA is committed to the sustainable management of all its operations and takes very seriously its responsibility to minimise its carbon footprint and impact on the environment. Minimising the business's environmental impact means reducing carbon emissions and water consumption, minimising waste generation and maximising resource reuse and recovery.

In 2009, 3 and Vodafone continued to deliver paperless bills to customers, saving over 151 million pieces of paper, which is the equivalent of 49,165 trees. At the year end, over 66% of VHA's customers received their bills electronically.

VHA supports and participates in MobileMuster, the official recycling program of the mobile phone industry. In 2009, 3 and Vodafone customers contributed over 33 tonnes of mobile phone handsets, batteries and accessories for recycling at MobileMuster collection points within 3 and Vodafone stores, Services Centres and other collection points around Australia.

VHA WORKPLACE

VHA has chosen the brightest and most passionate people to create a team that believes in exploring every exciting possibility.

VHA strives to ensure its strong workforce of approximately 4,500 has everything it needs to meet the day-to-day challenges presented by the fast-paced and highly competitive environment in which VHA operates.

The range of courses, training solutions and other development programs available, as well as face-to-face training solutions, provide VHA staff with the best training possible.

VHA is also committed to supporting its employees through a range of industry leading initiatives and staff programs, including flexible work practices and an exciting, achievement-focused reward and recognition program.

In the year ahead, VHA will focus on creating a new culture for the organisation, and continue to establish more ways to grow and develop greater employee spirit and engagement in what VHA does and how it does it.

VHA is committed to maintaining a safe working environment for all VHA employees, contractors, visitors and members of the public who may be affected by VHA's work.

BOARD OF DIRECTORS

FOK KIN-NING, CANNING
CHAIRMAN

BARRY ROBERTS-THOMSON
DEPUTY CHAIRMAN

CHOW WOO MO FONG, SUSAN
DIRECTOR

JUSTIN HERBERT GARDENER
DIRECTOR

LAI KAI MING, DOMINIC
DIRECTOR

JOHN MICHAEL SCANLON
DIRECTOR

FRANK JOHN SIXT
DIRECTOR

RODERICK JAMES SNODGRASS
DIRECTOR

FOK Kin-ning, Canning

(Chairman) BA, DFM, CA (Aus)

Fok Kin-ning, Canning, aged 58, has been an executive director since 1984 and group managing director since 1993 of Hutchison Whampoa Limited ("HWL"), director since 1992 and chairman since 2002 of Hutchison Harbour Ring Limited ("HHR"), non-executive chairman of Hutchison Telecommunications International Limited ("HTIL") since 2004, Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") since 2009, executive director since 1985 and chairman since 2005 of Hongkong Electric Holdings Limited ("HKEH"), co-chairman of Husky Energy Inc. ("Husky") since 2000, executive director and deputy chairman of Cheung Kong Infrastructure Holdings Limited ("CKIH") since 1997, and non-executive director of Cheung Kong (Holdings) Limited ("CKH") since 1985. He was previously the chairman of Partner Communications Company Ltd. ("Partner") from 1998 to 2009. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a member of the Australian Institute of Chartered Accountants. Mr Fok was appointed as a Director on 8 February 1999.

Barry ROBERTS-THOMSON

(Deputy Chairman)

Barry Roberts-Thomson, aged 60, was the managing director of Hutchison from its inception in 1989 until September 2001. In his capacity as deputy chairman, Mr Roberts-Thomson represents Hutchison in government relations and strategic projects. Mr Roberts-Thomson was appointed as a Director on 14 February 1989.

CHOW WOO Mo Fong, Susan

(Director) BSc

Chow Woo Mo Fong, Susan, aged 56, has been an executive director since 1993 and deputy group managing director since 1998 of HWL, executive director of CKIH since 1997, HHR since 2001, non-executive director of HTIL since 2008, HKEH since 1996 (re-designated as executive director since 2006), TOM Group Limited ("TOM") since 1999 and HTHKH since 2009. She was previously a director of Partner from 1998 to 2009. She is a solicitor and holds a Bachelor's degree in Business Administration. Mrs Chow was appointed as a Director on 15 February 2006 and as an Alternate Director to Mr Fok, Mr Lai and Mr Sixt on 8 May 2006, 26 February 2007 and 4 May 2007 respectively.

Justin Herbert GARDENER

(Director) BEc, FCA

Justin H. Gardener, aged 73, 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 was appointed as a Director on 2 July 1999.

LAI Kai Ming, Dominic

(Director) BSc, MBA

Lai Kai Ming, Dominic, aged 56, has been an executive director of HWL since 2000, director since 1994 and deputy chairman since 2001 of HHR, and non-executive director of HTHKH since 2009. He has over 26 years of management experience in different industries. He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration. Mr Lai was appointed as a Director on 19 May 2004 and as an Alternate Director to Mrs Chow and Mr Sixt on 8 May 2006.

John Michael SCANLON

(Director)

John Michael Scanlon, aged 68, 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 CEO of Asia Global Crossing, CEO of Global Crossing and chairman and CEO of PrimeCo Cellular. Mr Scanlon was appointed as a Director on 11 July 2005.

Frank John SIXT

(Director) MA, LLL

Frank John Sixt, aged 58, has been an executive director since 1991 and group finance director since 1998 of HWL, non-executive chairman of TOM since 1999 and TOM Online Inc. (which ceased to be a public listed company in September 2007) since 2003, executive director of CKIH since 1996, HKEH since 1998, non-executive director of CKH since 1991, HTIL since 2004, HTHKH since 2009, and Director of Husky since 2000. He was previously a director of Partner from 1998 to 2009. He 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 Quebec and Ontario, Canada. Mr Sixt was appointed as a Director on 12 January 1998 and as an Alternate Director to Mrs Chow and Mr Lai on 25 February 2008.

Roderick James SNODGRASS

(Director) BCA, CA

Roderick James Snodgrass, aged 43, is Group Strategy Director of Telecom Corporation New Zealand (TCNZ). Mr Snodgrass joined TCNZ in 1998, after seven years in various strategy, business development and commercial roles in the oil and gas exploration and production industry. His previous positions within TCNZ have included General Manager Group Strategy and Development, General Manager Wired division, including TCNZ's retail fixed-line voice, data and internet businesses and General Manager of Xtra, TCNZ's online division, this following various financial, commercial and business development roles. He was a director of Xtra! Ltd from 2002 to 2006 and again from July 2008, a director of Yahoo!Xtra Ltd since January 2007, a director of Gen-I Australian Pty Ltd since June 2009 and a director of PowerTel Ltd and AAPT Ltd since February 2008.

Corporate Governance

Hutchison Telecommunications (Australia) Limited ("HTAL" or "the Company") and its Directors are committed to high standards of corporate governance. Set out below is a description of the Company's main corporate governance practices which have been in place for the full year unless otherwise stated.

Board of Directors and its Committees

The Board has responsibility for approving the strategy and monitoring the implementation of the strategy and the performance of HTAL and its subsidiaries (the group of companies is referred to as "Hutchison" in this report), protecting the rights and interests of shareholders and is responsible for overall corporate governance. The Board has adopted a list of matters reserved to the Board which is available on the Company's website. Some aspects of the day to day management of Hutchison is undertaken with the assistance of the Chief Executive Officer and senior management team of Vodafone Hutchison Australia Pty Limited ("VHA"), which is 50% owned by HTAL.

The Board's responsibilities include:

- Reviewing and approving the strategic direction of Hutchison 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 Hutchison, including its control and accountability systems;
- Ensuring the business risks facing Hutchison are identified and reviewing, ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- 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 Hutchison;
- Reviewing and approving annual financial plans and monitoring corporate performance against both short term and long term financial plans;
- Ensuring that the business risks facing Hutchison are identified and that appropriate monitoring and reporting controls are in place to manage these risks;
- Appointing the chief executive, evaluating performance and determining the remuneration of senior executives and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning; and
- Delegating to the chief executive the authority to manage and supervise the business of Hutchison including the making of all decisions regarding Hutchison's operations that are not specifically reserved to the Board.

The nature of these responsibilities has changed substantially since VHA ceased to be a subsidiary of the Company and there are no longer any executives employed by the Company.

Composition of the Board

The Board comprises eight Directors whose appointment reflects the shareholdings of the Company and the need to ensure that the Company is run in the best interest of all shareholders. All the Directors, including the Chairman, Mr Fok, are non-executives. The Board has adopted the definition of independence contained in the Australian Securities Exchange ("ASX") best practice recommendations. In light of this definition, the Board considers that independent Directors are not substantial shareholders or officers of substantial shareholders, have not been employed as an executive of Hutchison or its majority shareholder, nor are they associated with any significant supplier, customer or professional adviser of Hutchison. Further, an independent Director does not have any significant contractual relationship with Hutchison 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 Gardener and Mr Scanlon, being the only Directors who are not officers of a significant shareholder or have not been employed as an executive of Hutchison, are considered by the Board to be independent Directors. In light of the majority ownership by Hutchison Whampoa Limited ("HWL"), 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.

Subject to the *Corporations Act 2001* requirements in relation to the retirement of Directors, the current Directors have not been appointed for a specified term. Details of the Directors' experience is set out on page 15.

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. No formal procedure for performance evaluation of the Board and its members has been implemented as the Board considers that regular ongoing informal assessment is more appropriate. Accordingly consideration of the performance of the Board forms part of the regular Board process when the Board conducts deliberations without representatives of management present at each Board meeting.

Committees

The Board has two committees to assist in the implementation of its corporate governance practices and fiduciary and financial reporting and audit responsibilities. These are an Audit Committee and a Governance, Nomination and 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 Committee

The responsibility of the Audit Committee is to assist the Board in fulfilling its audit duties through review and supervision of Hutchison's financial reporting process and internal control system. All members of the committee are non executive Directors and the composition of the committee meets the requirements of the ASX Listing Rules. The Audit Committee has appropriate financial expertise and knowledge of the telecommunications industry. Details of the committee members' qualifications, expertise, experience and attendance at Audit Committee meetings are set out on pages 15 and 20.

The Audit 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 Hutchison. The Audit Committee is also responsible for overview of the relationship between Hutchison and its external auditors, including periodic review of performance and the terms of appointment of the auditors. This committee considers any matters relating to the financial affairs of Hutchison and its subsidiaries and any other matter referred to it by the Board. The main responsibilities delegated to the committee are to:

- Consider and recommend to the Board the appointment and remuneration of the Company's external auditors and to determine with the external auditors the nature and scope of the audit or review and approve audit or review plans;
- Assess the performance and independence of the external auditors, taking into account factors which may impair the auditor's judgement in audit matters related to the Company;
- Review the interim and annual accounts of the Company before their submission to the Board;
- Ensure Hutchison's practices and procedures with respect to related party transactions are adequate for compliance with the relevant legal and stock exchange requirements;
- Review the risk management practices and oversee the implementation and effectiveness of the risk management system;
- Review with management and the external auditors the presentation and impact of significant risks and uncertainties associated with the business of Hutchison and their effects on the financial statements of Hutchison; and
- Ensure corporate compliance with applicable legislation.

The range of matters requiring consideration by the Audit Committee including the internal controls and risk management practices and systems has changed since VHA ceased to be a subsidiary of the Company and the Company no longer controls any operating entities.

External auditors

The performance of the external auditors is reviewed annually and applications for tender of external audit services will be requested as deemed appropriate. PricewaterhouseCoopers were appointed as the external auditors in 1998. It is PricewaterhouseCoopers policy to rotate audit engagement partners on listed companies every five years, and in accordance with that policy the current audit engagement partner was appointed in May 2009.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in note 27 to the financial statements. The Company's policy in relation to awarding non-audit work to the external auditors requires that all proposed non-audit service assignments in excess of $100,000 will be approved by the Audit Committee and will only be awarded to the external auditors after completion of a competitive tendering process which demonstrates that the external auditors are the preferred service provider on the basis of an objective assessment of price, capabilities and commitment. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit Committee.

The external auditors are available for questioning at the Annual General Meeting.

Governance, Nomination and Compensation Committee

The committee comprises non-executive Directors and is chaired by the Chairman of the Board. Details of the committee members' qualifications, expertise, experience and attendance at compensation committee meetings are set out on pages 15 and 20.

Compensation responsibilities

This committee is responsible for the review of remuneration and other benefits, and Hutchison's policies in relation to recruitment and retention of staff, details of which are set out in the Directors' Report on pages 19 to 27. This committee also reviews and makes recommendations to the Board on remuneration policies and other terms of employment applicable to the chief executive, senior executives and the Directors themselves. The committee will, where relevant, obtain independent advice from external consultants on the appropriateness of the remuneration policies of Hutchison.

Executive remuneration, including that of Executive Directors, has been reviewed annually by the committee having regard to personal and corporate performance, contribution to long term growth and relevant comparative information. Details of the compensation philosophy and practice of the Company are set out in the Directors' Report.

The nature of these responsibilities has changed substantially since VHA ceased to be a subsidiary of the Company and there are no longer any executives employed by the Company.

Governance and nomination responsibilities:

Related to Board Performance and Evaluation

- To periodically assess and provide recommendations to the Chairman of the Board on the effectiveness of the Board of Directors as a whole, the committees of the Board, 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;
- To oversee the maintenance of an induction and education programme for new Directors;
- To ensure appropriate structures and procedures are in place so that the Board can function independently of management;
- To review the mandates of the Board of Directors' committees and recommend appropriate changes to the Board;
- 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 Hutchison.

Related to the Board of Directors

- To recommend to the Board criteria regarding personal qualifications for Board membership, such as background, experience, technical skills, affiliations and personal characteristics.

Related to Committees of the Board of Directors

- To review from time to time and recommend to the Board the types, terms of reference and composition of Board committees, 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 committees, meeting procedures, quorum and notice requirements, records and minutes, resignations and vacancies on committees.

Business risk

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 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. As all former operational activities of the Company are now undertaken in VHA, the associated risks are now in that entity. The Audit Committee receives and considers reports prepared by the risk management function of VHA, which provides independent reports to the VHA Audit Committee. The risk management function ensures that adequate mechanisms are in place to identify, assess and manage strategic, financial, operational and regulatory risks and that VHA corporate performance is reviewed across a broad range of issues. As HTAL no longer has executives performing the function of chief executive officer or chief financial officer, the Board has not received a declaration provided in accordance with section 295A of the Corporations Act. However, a declaration of this nature has been provided in respect of the VHA financial statements.

Ethical standards

The need to ensure a strong ethical culture within Hutchison has lead to greater emphasis on the development of a strong culture 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 Hutchison working life. The corporate code of conduct, based upon the existing corporate values, has been updated to assist in maintaining this culture. This code applies to all Directors and employees and compliance with the values underlying the Company's culture forms part of the performance appraisal of senior employees and sales managers. Details of this code are available on the Company's website.

Directors' and senior executives' dealings in HTAL shares

The Company has the following policy in place regarding trading in its shares, (which currently only applies to Directors as the Company does not employ any senior executives):

- Directors discuss any proposed trade in HTAL shares with the Chairman prior to any trade;
- Senior executives discuss any proposed trade in shares with the Company Secretary or the chief executive officer prior to any trade. Unless there are unusual circumstances, trades in HTAL shares by Directors and senior executives 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 its annual general meeting.

Directors and senior executives are prohibited from trading in HTAL shares if the Director or officer is in possession of price sensitive information or would be trading for a short term gain. All directors and managers within Hutchison have also been advised of their obligations in regard to price sensitive information, including to ensure that they do not communicate price sensitive information to any other person who is likely to buy or sell HTAL shares or communicate that information to another party.

The Company's existing practices are documented in a code, 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 Hutchison 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.

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 significant information in addition to the reports required by legislation.

The Company's existing practices on information disclosure are documented in a policy, details of which are available on the Company's website.

Related party transactions

Hutchison draws great strength from its relationship with HWL and other companies in the HWL Group in relation to both its financial support, management expertise, joint procurement programmes and shared research and development costs. 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 30 to the Financial Statements.

Directors' Report

The Directors are pleased to present their report on the consolidated entity ("Hutchison") consisting of Hutchison Telecommunications (Australia) Limited ("HTAL" or "Company") and the entities it controlled at the end of or during the year ended 31 December 2009.

Principal activities

During the year, Hutchison's principal activities included the ownership and operation of Australia's first W-CDMA, third generation (3G) mobile network (branded "3") across the five mainland capital cities and national capital Canberra, and a national paging and messaging service.

On 9 June 2009, the Company finalised the merger of Hutchison 3G Australia Pty Limited ("H3GA") and Vodafone Australia Limited ("Vodafone Australia"). As a result of the transaction, H3GA issued new ordinary shares equalling a 50% interest of the enlarged share capital of H3GA to Vodafone entities and the Vodafone Australia business merged with H3GA's business. H3GA has been renamed Vodafone Hutchison Australia Pty Limited ("VHA"). From 9 June 2009, the interest in VHA is accounted for in the consolidated financial statements using the equity method.

Dividends

No dividend was declared or paid during the year.

Review of operations

Comments on the operations of Hutchison, results of those operations, the Company's business strategies and its prospects for future years are contained in pages 2 to 13 of this report. Details of the financial position of the Company are contained in pages 30 to 71 of this report.

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

No other matter or circumstance has arisen since 31 December 2009 that has significantly affected, or may significantly affect:

- Hutchison's operations in future financial years;
- the results of those operations in future financial years; or
- Hutchison's state of affairs in future financial years.

Likely developments and expected results of operations

Other than as set out in the reports on pages 4 to 11 of this report, further information on business strategies and the future prospects of the Company have not been included in this report because the Directors believe that it would be likely to result in unreasonable prejudice to Hutchison.

Environmental regulation

Hutchison's operations and business activities are subject to environmental regulations under both Commonwealth and State legislation and the requirements of the Telecommunications Act 1997. Hutchison has adopted an environmental policy which includes clearly defined accountability and responsibility for compliance with legislation and for achieving specific environmental management objectives. Hutchison's risk review and audit program is designed to ensure that Hutchison meets its obligations under current legislation.

VHA's operations and business activities are subject to environmental regulations under both Commonwealth and State legislation and the requirements of the Telecommunications Act 1997, particularly with regard to:

- the impact of the construction, maintenance and operation of transmission facilities;
- site contamination; and
- waste management.

Policies are in place to clearly define accountability and responsibility for compliance with legislation and for achieving specific environmental management objectives.

The Directors are not aware of any material breaches of environmental regulations by Hutchison or by VHA.

Directors

The following persons were Directors of HTAL during the whole of the year ended 31 December 2009 and up to the date of this report:

FOK Kin-ning, Canning

Barry ROBERTS-THOMSON

CHOW WOO Mo Fong, Susan

Justin Herbert GARDENER

LAI Kai Ming, Dominic

John Michael SCANLON

Frank John SIXT

Roderick James SNODGRASS

Mr Kevin Steven RUSSELL resigned as a Director with effect from 9 June 2009.

Further information on the Directors is set out on page 15.

Director	Other Responsibilities	Particulars of Directors' Interests in ordinary shares of HTAL
Fok Kin-ning, Canning	Non-executive Chairman, Chairman of Governance, Nomination and Compensation Committee	5,100,000*
Barry Roberts-Thomson	Deputy Chairman	83,918,337**
Chow Woo Mo Fong, Susan	Member of Governance, Nomination and Compensation Committee	–
Justin Herbert Gardener	Member of Governance, Nomination and Compensation Committee and Chairman of Audit Committee	1,030,358
Lai Kai Ming, Dominic	–	–
Kevin Steven Russell	–	–
John Michael Scanlon	Member of Audit Committee	–
Frank John Sixt	Member of Audit Committee	1,000,000
Roderick James Snodgrass	–	–

* Direct holding of 100,000 shares

** Direct holding of 4,540 shares

Note: Fok Kin-ning, Canning, holds a relevant interest in (i) 4,810,875 ordinary shares of HWL, a related body corporate of HTAL; (ii) 5,000,000 ordinary shares of HHR, a related body corporate of HTAL; (iii) a nominal amount of USD1,216,000 in the 6.50% Notes due 2013 issued by Hutchison Whampoa International (03/13) Limited, a related body corporate of HTAL; (iv) 1,202,380 ordinary shares of HTIL, a related body corporate of HTAL; (v) 1,202,380 ordinary shares of HTHKH, a related body corporate of HTAL; (vi) a nominal amount of USD4,000,000 in the 7.625% Notes due 2019 issued by Hutchison Whampoa International (09) Limited, a related body corporate of HTAL; and (vii) a nominal amount of USD4,000,000 in the 5.75% Notes due 2019 issued by Hutchison Whampoa International (09/19) Limited, a related body corporate of HTAL.

Chow Woo Mo Fong, Susan holds a relevant interest in (i) 150,000 ordinary shares of HWL; (ii) 250,000 ordinary shares of HTIL; and (iii) 250,000 ordinary shares of HTHKH.

Lai Kai Ming, Dominic holds a relevant interest in 50,000 ordinary shares of HWL.

Frank John Sixt holds a relevant interest in (i) 50,000 ordinary shares of HWL; (ii) one ordinary share of Colonial Nominees Limited, a related body corporate of HTAL, on behalf of Hutchison International Limited; (iii) 17,000 American Depository Shares (each representing 15 ordinary shares) of HTIL; and (iv) 17,000 American Depositary Shares (each representing 15 ordinary shares) of HTHKH.

Meetings of Directors

The number of meetings of HTAL's Board of Directors and each of the Board committees held during the year ended 31 December 2009 and the number of meetings attended by each Director were:

	Board Meetings held during the period as director	Board Meetings attended	Audit Committee Meetings held during the period as member of Committee	Audit Committee Meetings attended	Governance, Nomination and Compensation Committee Meetings held during the period as member of the Committee	Governance, Nomination and Compensation Committee Meetings attended
Fok Kin-ning, Canning	12	12	N/A	N/A	1	1
Barry Roberts-Thomson	12	12	N/A	N/A	N/A	N/A
Chow Woo Mo Fong, Susan	12	12	N/A	N/A	1	1
Lai Kai Ming, Dominic	12	12	N/A	N/A	N/A	N/A
Justin Herbert Gardener	12	12	3	3	1	1
Kevin Steven Russell*	8	8	N/A	N/A	N/A	N/A
John Michael Scanlon	12	11	3	3	N/A	N/A
Frank John Sixt	12	12	3	1	N/A	N/A
Roderick James Snodgrass	12	12	N/A	N/A	N/A	N/A

* Resigned as a Director on 9 June 2009

Retirement, election and continuation in office of Directors

Fok Kin-ning, Canning is a Director retiring by rotation in accordance with the Constitution who, being eligible, offers himself for re-election.

Frank John Sixt 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, EdM, Solicitor, FCS, FCIS

Ms Shih has over 12 years of experience as company secretary in listed companies and has been a Company Secretary of the Company since 1999. She has been the head group general counsel of HWL since 1993 and its company secretary since 1997. She is a qualified solicitor in Hong Kong, England and Wales and Victoria, Australia; and is also a Fellow of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

Louise SEXTON BA, LLM, MBA(Exec)

Ms Sexton has over 16 years' experience as company secretary in listed companies and has been a Company Secretary of the Company since 1999. She is also General Counsel of the Company. Ms Sexton has practiced as a solicitor since 1983 with experience in government, private practice and in-house corporate practice.

Remuneration report

Following the merger of H3GA and Vodafone Australia, the Company's employees, including all executives, working in the VHA business have ceased to be employees of the Company and have become employees of VHA. VHA is not a subsidiary of the Company and accordingly this report does not include any information relating to the employees or employment practices of VHA. As at 31 December 2009, the Company had 255 employees who are providing transition services to VHA. The Company no longer has any employees who are 'key management personnel'.

This report applies to employees of the Company only, and includes those who were key management personnel during the period to 9 June 2009.

Compensation philosophy and practice

The Governance, Nomination and Compensation Committee has been responsible for making recommendations to the Board on compensation policies and packages for all staff, including Board members and key management personnel of Hutchison. The Company's compensation policy has been designed to ensure that remuneration strategies are competitive, innovative, support the business objectives and reflect company performance. The company performance is measured according to the achievement of key financial and non-financial measures as approved by the Board. Key management personnel's remuneration packages were directly linked to these measures. Hutchison has been committed to ensuring it has compensation arrangements that reflect individual performance, overall contribution to the company performance and developments in the external market. Remuneration and other terms of employment for certain key management personnel were formalised in service agreements. Further details are included in the Corporate Governance Statement.

Principles used to determine the nature and amount of remuneration

The Company's compensation policy has been designed to ensure that remuneration strategies are competitive, innovative and support the business objectives. The Company has been committed to ensuring it has compensation arrangements that reflect individual performance, overall contribution to the business and developments in the external market. Remuneration packages generally have involved 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 were directly related to the key management's contribution to meeting or exceeding the company's income statement and balance sheet targets. At the non-financial level the measures reflected the contribution to achieving a range of key performance indicators as well as building a high performance company culture. These performance conditions were 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, J Gardener and J Scanlon, comprised of a fixed amount only and was not performance based. The non-executive and non-independent Directors, C Fok, S Chow, D Lai, K Russell, R Snodgrass and F Sixt, did not receive any remuneration for their services as Directors. The executive and non-independent Director, B Roberts-Thomson, did not receive any remuneration for his service as a Director.

Retirement allowances for Directors

No retirement allowances are payable to non-executive Directors.

Key management personnel

In addition to the Directors listed on page 19, the following persons were the key management personnel having authority and responsibility for planning, directing and controlling the activities of the Company for the period from 1 January 2009 to 9 June 2009:

Name	**Position**	**Employer**
N Dews	Chief Executive Officer	HTAL
T Finlayson	Chief Financial Officer	HTAL
N Hamill	Director, Sales, Marketing and Product	HTAL
M Young	Director, Technology, Infrastructure and Services	HTAL

Key management personnel pay

The key management personnel pay and reward framework had four components:

- base pay and benefits;
- short-term performance incentives;
- long-term incentives through participation in the HTAL Employee Option Plan; and
- other remuneration such as superannuation.

The combination of these comprised the key management personnel's total remuneration.

Base pay

Base pay was structured as a total employment cost package delivered as a mix of cash and prescribed non-financial benefits at the key management personnel's discretion. Key management personnel were offered a competitive base pay that comprised the fixed component of pay and rewards. Base pay for key management personnel was reviewed annually to ensure the key management personnel's pay was competitive with the market. A key management personnel's pay was also reviewed on promotion. There was no guaranteed base pay increases fixed in any key management personnel's contract.

Benefits

Motor vehicles were provided to certain key management personnel as part of their salary package.

Retirement benefits

Retirement benefits were delivered under the Retail Employees Superannuation Trust (Acumen). This fund is a defined contribution fund and is based on employer and employee contributions made to the fund.

Short-term incentives

Short-term incentive components of the remuneration package were assessed against objectives which include both company and job specific financial and non-financial measures for each key management personnel. These measures may include financial, customer service, product management, risk management and individual measures that support key company objectives.

Each key management personnel had a target short-term incentive, the level of which was set depending on the accountabilities of the role and impact on organisation or business unit performance. Each year the remuneration committee considered the appropriate targets and key performance indicators to link to the short term incentive plan and the level of payout if targets were met. This included setting any maximum payout under the short term incentive plan and minimum levels of performance to trigger payment of the short term incentive.

Each year, the Governance, Nomination and Compensation Committee considered the appropriate target levels and financial and non-financial measures of performance to link to the short-term incentives. This included setting any maximum amount for incentives, and minimum levels of performance to trigger payment of the incentives.

Details of remuneration

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

Directors of HTAL

2009	Short-term benefits			Post – employment benefits	Share based payments	
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Superannuation $	Options $	Total $
C Fok	–	–	–	–	–	–
B Roberts-Thomson^	533,988	–	3,369	10,488	–	547,845
S Chow	–	–	–	–	–	–
J Gardener	50,000	–	–	4,500	–	54,500
D Lai	–	–	–	–	–	–
K Russell*	–	–	–	–	–	–
J Scanlon	50,000	–	–	4,500	–	54,500
F Sixt	–	–	–	–	–	–
R Snodgrass	–	–	–	–	–	–
Total	633,988	–	3,369	19,488	–	656,845

* Mr. Russell resigned as a Director on 9 June 2009.

^ Mr. Roberts-Thomson ceased to receive remuneration from HTAL on 31 August 2009.

2008	Short-term benefits			Post – employment benefits	Share based payments	
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Superannuation $	Options $	Total $
C Fok	–	–	–	–	–	–
B Roberts-Thomson	400,000	–	5,053	13,437	–	418,490
M Bogoievski^	–	–	–	–	–	–
S Chow	–	–	–	–	–	–
J Gardener	50,000	–	–	4,500	–	54,500
D Lai	–	–	–	–	–	–
K Russell	–	–	–	–	–	–
J Scanlon	50,000	–	–	4,500	–	54,500
F Sixt	–	–	–	–	–	–
R Snodgrass*	–	–	–	–	–	–
Total	500,000	–	5,053	22,437	–	527,490

^ Mr Bogoievski resigned as a Director on 31 January 2008.

* Mr Snodgrass was appointed as a Director on 15 February 2008.

Key management personnel and other executives of the Company

2009*	Short-term benefits			Post - Employment benefits	Long-term benefits	Share-based payments	
Name	**Cash salary and fees $**	**Cash bonus $**	**Non-$monetary benefits $**	**Super-annuation $**	**Long service leave $**	**Options $**	**Total $**
N Dews ˆ	341,250	350,000	33,355	6,872	10,554	68,056	810,087
M Young ˆ	315,000	191,750	31,272	6,872	1,796	25,384	572,074
T Finlayson ˆ	181,250	182,344	2,105	6,872	7,454	20,307	400,332
G Bourke ˆ	164,167	50,000	2,105	6,872	3,149	15,231	241,524
N Hamill ˆ	175,000	50,000	2,105	6,872	475	20,307	254,759
Total	1,176,667	824,094	70,942	34,360	23,428	149,285	2,278,776

2008	Short-term benefits			Post - Employment benefits	Long-term benefits	Share-based payments	
Name	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary benefits $**	**Super-annuation $**	**Long service leave $**	**Options $**	**Total $**
N Dews ˆ	819,000	500,000	80,053	13,437	20,744	124,292	1,557,526
M Young ˆ	756,000	283,500	75,053	13,437	34,736	40,773	1,203,499
T Finlayson ˆ	435,000	163,125	5,053	13,437	11,883	32,619	661,117
G Bourke ˆ	394,000	147,750	5,053	13,437	14,372	24,464	599,076
N Hamill ˆ	420,000	131,250	5,053	13,437	2,603	32,619	604,962
Total	2,824,000	1,225,625	170,265	67,185	84,338	254,767	4,626,180

* all key management personnel ceased to be employed by the Company on 9 June 2009.

ˆ denotes one of the 5 highest paid executives of the Company, as required to be disclosed under Corporations Act 2001.

Service agreements

Remuneration and other terms of employment for the Chief Executive Officer, Chief Financial Officer and the other key management personnel were formalised in service agreements. Each of these agreements provided for the provision of performance related cash bonuses. A target bonus was set for each key management personnel and the amount paid could be lower or higher than the target. The payment of any bonus was at the absolute discretion of the Board. The bonus was based on both company and personal performance goals. The key management personnel, when eligible, could participate in the HTAL Employee Option Plan. The Chief Executive Officer and the Director, Technology and Customer Services were provided with a non-cash benefit in the provision of a motor vehicle and all the key management personnel were provided with car parking. The service agreements for all key management personnel were for no fixed term and upon early termination, other than for gross misconduct, N Dews was entitled to 6 months base salary, M Young and N Hamill 3 month base salary and T Finlayson 1 month base salary. On cessation of employment with the Company and commencement of employment with VHA, no termination benefits were paid to any employees, including the key management personnel. Remuneration was reviewed annually by the Governance, Nomination and Compensation Committee.

Share-based compensation

Options have been granted to Directors and executives under the HTAL Employee Option Plan which was approved by the Board on 4 June 2007. All permanent full-time, permanent part-time and casual employees who were selected by the Board to receive an invitation or approved for participation in the plan were eligible to participate in the plan.

Options were granted under the plan for no consideration. Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

The exercise price of options is the higher of the following:

(a) the closing price of HTAL shares on the Australian Securities Exchange on the day on which the options are granted; and

(b) the average closing price of HTAL shares for the five trading days immediately preceding the day on which the options are granted.

Details of options over ordinary shares in the Company provided as remuneration to each of the key management personnel of the Company are shown above, in the key management personnel remuneration table. When exercisable, each option is convertible into one ordinary share of HTAL.

No ordinary shares were issued on the exercise of options during the year to any of the Directors or key management personnel.

Options holdings

The number of options over ordinary shares in the Company held during the financial year by each of the key management personnel of the Company, including their personally-related entities, is set out below.

Key management personnel of the Company

Name	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Expired during the year	Balance on ceasing to be a Key Management Personnel	Vested and exercisable on ceasing to be Key Management Personnel
N Dews*	7,000,000	–	–	–	7,000,000	2,233,333
T Finlayson*	2,000,000	–	–	–	2,000,000	833,333
N Hamill*	2,000,000	–	–	–	2,000,000	666,666
M Young*	2,500,000	–	–	–	2,500,000	666,666
	13,500,000	–	–	–	13,500,000	4,399,998

*all key management personnel ceased to be employed by the Company on 9 June 2009

No Directors were issued options during the year or hold options over the ordinary shares of the Company. No options are vested and unexercisable at the end of the year. The Board has resolved to allow the options held by any employees who have taken up employment with VHA to remain on their existing terms and conditions.

Share holdings

The number of shares in the Company held during the financial year by each Director and each of the key management personnel of the Company, including their personally-related entities, are set out below.

Directors of HTAL

Ordinary shares

Name	Balance at the start of the year	Received during the year on the exercise of options	Converted into ordinary shares on 24 June 2009	Balance at the end of the year
C Fok	5,100,000	–	–	5,100,000*
B Roberts-Thomson	83,916,297	–	2,040	83,918,337**
S Chow	–	–	–	–
J Gardener	902,858	–	127,500	1,030,358
D Lai	–	–	–	–
K Russell	–	–	–	–
J Scanlon	–	–	–	–
F Sixt	1,000,000	–	–	1,000,000
R Snodgrass	–	–	–	–

* Direct holding of 100,000 shares

** Direct holding of 4,540 shares

Key management personnel of the Company

Ordinary shares

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at 9 June 2009
N Dews	210,886	–	–	210,886
T Finlayson	112,671	–	–	112,671
N Hamill	50,638	–	–	50,638
M Young	–	–	–	–

Convertible preference shares

The number of convertible preference shares in the Company held during the financial year by each Director and each of the key management personnel of the Company, including their personally-related entities, are set out below.

Directors of HTAL

Convertible preference shares

Name	Balance at the start of the year	Received during the year on the exercise of options	Converted into ordinary shares	Balance at the end of the year
C Fok	–	–	–	–
B Roberts-Thomson	2,400	–	2,400	–
S Chow	–	–	–	–
J Gardener	150,000	–	150,000	–
D Lai	–	–	–	–
K Russell	–	–	–	–
J Scanlon	–	–	–	–
F Sixt	–	–	–	–
R Snodgrass	–	–	–	–

Key management personnel of the Company

Convertible preference shares

Name	Balance at the start of the year	Received during the year on the exercise of options	Converted into ordinary shares	Balance at the end of the year
N Dews	23,000	–	23,000	–
T Finlayson	2,400	–	2,400	–
N Hamill	–	–	–	–
M Young	–	–	–	–

Shares under option

Unissued ordinary shares of HTAL under option issued pursuant to the HTAL Employee Option Plan at the date of this report are as follows:

Grant Date	Expiry date	Issue price of shares	Value at grant date	Number
14 June 2007	13 June 2012	$0.145	$0.14	24,300,000
14 November 2007	13 June 2012	$0.200	$0.20	300,000
4 June 2008	3 June 2013	$0.139	$0.14	300,000

Options will expire five years after issue. The options issued in 2007 are exercisable, subject to meeting performance hurdles, on the following dates:

- 1/3rd on or after 1 July 2008
- 1/3rd on or after 1 January 2009
- 1/3rd on or after 1 January 2010

The options issued in 2008 are exercisable, subject to meeting performance hurdles, on or after 1 January 2010.

No option holder has any right under the options to participate in any other share issue of HTAL or of any other entity.

Shares issued on the exercise of options

No ordinary shares of HTAL were issued during the year ended 31 December 2009 or up to the date of this report on the exercise of options granted under the HTAL Employee Option Plan.

Loans to Directors and key management personnel

There were no loans made to the Directors or to the key management personnel of the Company, including their personally related entities during the years ended 31 December 2009 and 31 December 2008.

Other transactions with Directors and key management personnel

There were no other transactions with Directors and the key management personnel for the years ended 31 December 2009 and 31 December 2008.

Non-audit services

HTAL may decide to employ 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 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*. 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* for the following reasons:

- all non-audit services have been reviewed by the Audit 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 Professional Statement F1, 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 27, Remuneration of auditors, on page 59 of this report.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 28.

Directors' and officers' liability insurance

During the financial year, HWL paid a premium to insure the Directors and officers of Hutchison against loss or liability arising out of a claim for a wrongful act, including any costs, charges and expenses that may be incurred in defending any actions, suits, proceedings or claims.

Proceedings on behalf of HTAL

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

Rounding of amounts to nearest thousand dollars

Hutchison is a company of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report. Where noted, amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, or in certain cases to the nearest dollar.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

Susan Chow
Director

19 February 2010

Frank Sixt
Director

19 February 2010

PRICEWATERHOUSECOOPERS

Auditor's Independence Declaration

PricewaterhouseCoopers
ABN 52 780 433 757
Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

As lead auditor for the audit of Hutchison Telecommunications (Australia) Limited for the year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

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

D J Whale
Partner
PricewaterhouseCoopers

Sydney
19 February 2010

Financial Report

for the year ended 31 December 2009

Contents

Statements of Comprehensive Income

for the year ended 31 December 2009

		CONSOLIDATED		PARENT ENTITY	
	Notes	**2009* $'000**	**2008 $'000**	**2009 $'000**	**2008 $'000**
Revenue	2	799,410	1,623,289	133,968	151,882
Gain on disposal arising from merger	3 / 34	587,285	–	12,111	–
Other income/ (expenses)	4	1,866	3,786	2,169	(243)
Cost of interconnection and variable content costs		(216,863)	(471,810)	(504)	(709)
Other direct costs of provision of telecommunication services and goods		(150,071)	(326,871)	(4,527)	(6,968)
Cost of handsets sold		(185,510)	(387,465)	–	–
Employee benefits expense		(57,252)	(129,546)	(1,609)	(3,167)
Advertising and promotion expenses		(22,870)	(56,834)	(207)	(283)
Other operating expenses		(56,261)	(111,167)	(3,656)	(322)
Capitalisation of customer acquisition and retention costs		20,055	50,169	–	–
Depreciation and amortisation expense	5	(110,317)	(258,571)	(3,182)	(7,637)
Finance costs	5	(393)	(104,582)	(125)	(2,402)
Share of net (losses)/ profits of joint venture partnership accounted for using the equity method	13	(141,355)	6,500	–	–
Profit/ (loss) before income tax		467,724	(163,102)	134,438	130,151
Income tax expense	6	–	–	–	–
Profit/ (loss) for the year	25	467,724	(163,102)	134,438	130,151
Other comprehensive income					
Changes in the fair value of cash flow hedges, net of tax		(990)	–	–	–
Other comprehensive income for the year, net of tax		(990)	–	–	–
Total comprehensive income/ (expense) for the year attributable to members of Hutchison Telecommunications (Australia) Limited		466,734	(163,102)	134,438	130,151

		Cents	**Cents**
Earnings per share for profit / (loss) attributable to the ordinary equity holders of the Company:			
Basic earnings per share	35	6.27	(21.63)
Diluted earnings per share	35	5.85	(21.63)

*The results to 31 December 2009 represent 5 months consolidated results of HTAL and 7 months equity accounted result for VHA.

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of Financial Position

as at 31 December 2009

	Notes	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT ENTITY 2009 $'000	PARENT ENTITY 2008 $'000
ASSETS					
Current Assets					
Cash and cash equivalents	7	2,858	134,685	2,858	4,953
Trade and other receivables	8	64,233	351,542	64,230	242,632
Inventories	9	–	60,244	–	88
Derivative financial instruments	10	–	990	–	–
Other	11	163	44,146	163	2,362
Total Current Assets		67,254	591,607	67,251	250,035
Non-Current Assets					
Receivables	12	50,332	205,320	50,332	2,442,950
Investment accounted for using the equity method	13	1,553,651	8,535	–	–
Other financial assets	14	–	–	3,664,656	1,649,418
Property, plant and equipment	15	–	1,039,648	–	29
Intangible assets	16	–	912,030	–	33,501
Other	17	–	2,828	–	–
Total Non-Current Assets		1,603,983	2,168,361	3,714,988	4,125,898
Total Assets		1,671,237	2,759,968	3,782,239	4,375,933
LIABILITIES					
Current Liabilities					
Payables	18	8,805	839,781	8,805	16,186
Borrowings	19	–	2,103	–	–
Other financial liabilities	20	286,954	1,000,000	286,954	1,000,000
Provisions	21	–	3,390	–	3,330
Other	22	–	4,130	–	2,555
Total Current Liabilities		295,759	1,849,404	295,759	1,022,071
Non-Current Liabilities					
Provisions	23	–	2,091	–	2,091
Total Non-Current Liabilities		–	2,091	–	2,091
Total Liabilities		295,759	1,851,495	295,759	1,024,162
Net Assets		1,375,478	908,473	3,486,480	3,351,771
EQUITY					
Contributed equity	24	4,204,488	4,204,488	4,204,488	4,204,488
Reserves	25	70,841	71,560	15,954	15,683
Accumulated losses	25	(2,899,851)	(3,367,575)	(733,962)	(868,400)
Total Equity		1,375,478	908,473	3,486,480	3,351,771

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

Statements of Changes in Equity

for the year ended 31 December 2009

		ATTRIBUTABLE TO MEMBERS OF HUTCHISON TELECOMMUNICATIONS (AUSTRALIA) LIMITED			
CONSOLIDATED	**Notes**	**Contributed equity $'000**	**Reserves $'000**	**Retained profits/ (losses) $'000**	**Total equity $'000**
Balance at 1 January 2008		**4,204,488**	**69,755**	**(3,204,473)**	**1,069,770**
Loss for the year		–	–	(163,102)	(163,102)
Changes in the fair value of cash flow hedges, net of tax	25	–	990	–	990
Total comprehensive income for the year		**4,204,488**	**70,745**	**(3,367,575)**	**907,658**
Transactions with members in their capacity as members:					
Employee share options – value of employee services	25	–	815	–	815
Subtotal		**–**	**815**	**–**	**815**
Balance at 31 December 2008		**4,204,488**	**71,560**	**(3,367,575)**	**908,473**
Balance at 1 January 2009		**4,204,488**	**71,560**	**(3,367,575)**	**908,473**
Profit for the year		–	–	467,724	467,724
Changes in the fair value of cash flow hedges, net of tax	25	–	(990)	–	(990)
Total comprehensive income for the year		**4,204,488**	**70,570**	**(2,899,851)**	**1,375,207**
Transactions with members in their capacity as members:					
Employee share options – value of employee services	25	–	271	–	271
Subtotal		**–**	**271**	**–**	**271**
Balance at 31 December 2009		**4,204,488**	**70,841**	**(2,899,851)**	**1,375,478**

PARENT ENTITY	**Notes**	**Contributed equity $'000**	**Reserves $'000**	**Retained profits/ (losses) $'000**	**Total equity $'000**
Balance at 1 January 2008		**4,204,488**	**14,868**	**(998,551)**	**3,220,805**
Profit for the year		–	–	130,151	130,151
Total comprehensive income for the year		**4,204,488**	**14,868**	**(868,400)**	**3,350,956**
Transactions with members in their capacity as members:					
Employee share options – value of employee services	25	–	815	–	815
Subtotal		**–**	**815**	**–**	**815**
Balance at 31 December 2008		**4,204,488**	**15,683**	**(868,400)**	**3,351,771**
Balance at 1 January 2009		**4,204,488**	**15,683**	**(868,400)**	**3,351,771**
Profit for the year		–	–	134,438	134,438
Total comprehensive income for the year		**4,204,488**	**15,683**	**(733,962)**	**3,486,209**
Transactions with members in their capacity as members:					
Employee share options – value of employee services	25	–	271	–	271
Subtotal		**–**	**271**	**–**	**271**
Balance at 31 December 2009		**4,204,488**	**15,954**	**(733,962)**	**3,486,480**

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

Statements of Cash Flows

for the year ended 31 December 2009

	Notes	CONSOLIDATED 2009* $'000	CONSOLIDATED 2008 $'000	PARENT ENTITY 2009 $'000	PARENT ENTITY 2008 $'000
Cash Flows from Operating Activities					
Receipts from customers (inclusive of GST)		894,146	1,785,441	5,830	21,310
Payments to suppliers and employees (inclusive of GST)		(1,383,481)	(1,221,684)	(691,411)	(15,350)
		(489,335)	563,757	(685,581)	5,960
Interest received		56,031	9,089	121,154	372
Rental income		66	309	–	–
Finance costs paid		(393)	(128,533)	(6,528)	(6,957)
Net cash (outflows) / inflows from operating activities	33	(433,631)	444,622	(570,955)	(625)
Cash Flows from Investing Activities					
Payments for property, plant and equipment		(74,525)	(152,785)	–	–
Proceeds from sale of other non-current assets		105	3,372	105	–
Proceeds from sale of intangible assets		86,000	–	86,000	–
Loans to jointly controlled entities or partnership		(69,186)	(43,433)	(56,342)	–
Repayment of loans from jointly controlled entities or partnership		1,113,667	–	1,113,667	–
Loans from / (to) subsidiaries		–	–	13,963	(801,395)
Payments for intangible assets		(19,666)	(50,167)	–	–
Net cash inflows / (outflows) from investing activities		1,036,395	(243,013)	1,157,393	(801,395)
Cash Flows from Financing Activities					
Proceeds from borrowings – subsidiary		124,513	–	124,513	–
Proceeds from borrowings – related parties	20	55,000	1,000,000	55,000	1,000,000
Repayment of borrowings – bank loans	20	–	(1,100,000)	–	(200,000)
Repayment of borrowings – related parties	20	(768,046)	–	(768,046)	–
Repayment of finance lease		(1,327)	(1,818)	–	–
Net cash (outflows) / inflows from financing activities		(589,860)	(101,818)	(588,533)	800,000
Net increase / (decrease) in cash and cash equivalents		12,904	99,791	(2,095)	(2,020)
Cash and cash equivalents at 1 January		134,685	34,894	4,953	6,973
Cash disposed of with H3GA merger	34	(144,731)	–	–	–
Cash and cash equivalents at 31 December		2,858	134,685	2,858	4,953

* The cash flows to 31 December 2009 represent 5 months consolidated results of HTAL and 7 months HTAL parent only cash flows.

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

Notes to the Financial Statements

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Hutchison Telecommunications (Australia) Limited as an individual entity ("Company" or "Parent Entity") and the consolidated entity consisting of Hutchison Telecommunications (Australia) Limited and its subsidiaries ("the Consolidated Entity" or "the Group").

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards ("AIFRS"), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Segment reporting

AASB 8, Operating Segments, replaces AASB 114, Segment Reporting with effect from 1 January 2009. AASB 8 is a disclosure standard that requires the disclosure of the Consolidated Entity's operating segments. It replaces the requirement under AASB 114 to determine primary (business) and secondary (geographical) reporting segments of the Consolidated Entity's operations. Adoption of this standard did not have any effect on the Consolidated Entity's results of operations or financial position.

Going concern disclosures

As at 31 December 2009, the Consolidated Entity and the Company, have a deficiency of net current assets of $229 million (2008: $1,258 million) and $229 million (2008: $772 million). The Consolidated Entity has also experienced operating losses during the financial year ended on 31 December 2009. Included in the Consolidated Entity's and Company's current liabilities is an amount of $287 million (2008: $1,000 million) which relates to an interest free financing facility provided from the ultimate parent entity, Hutchison Whampoa Limited ("HWL"), which is repayable on demand. HWL has confirmed its current intention to provide sufficient financial support to enable the Consolidated Entity and the Company to meet its financial obligations as and when they fall due. This undertaking is provided for a minimum period of twelve months from 19 February 2010. Consequently, the directors have prepared the financial statements on a going concern basis.

Statement of compliance

Australian Accounting Standards include AIFRS. Compliance with AIFRS ensures that the consolidated financial statements and notes of the Consolidated Entity comply with International Financial Reporting Standards ("IFRS"). The parent entity financial statements and notes also comply with IFRS.

Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) which are stated at fair value, as explained in the significant accounting policies set out below.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires the Group to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 37.

(b) Principles of consolidation

The consolidated financial statements include the financial statements of the Company and all subsidiaries made up to 31 December 2009.

Subsidiaries are all those entities (including special purpose entities) over which the Consolidated Entity has the power to govern the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Consolidated Entity (refer to note 1(f)).

The effects of all transactions between entities in the Consolidated Entity are eliminated. If a member of the Consolidated Entity uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Investments in controlled entities in the Company are accounted for at cost. Investments in joint ventures are accounted for as set out in note 1(g).

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Consolidated Entity'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 Hutchison Telecommunications (Australia) Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

(i) Telecommunication services

Revenue from the provision of mobile telecommunication services with respect to voice, video, internet access, messaging and media services, including data services and information provision, is recognised when the service is rendered and, depending on the nature of the services, is recognised either at gross amount billed to the customer or the amount receivable as commission for facilitating the services. Revenue from the sales of prepaid mobile calling cards is recognised upon customer's usage of the card or upon the expiry of the service period.

(ii) Sale of handsets

Revenue from sale of handsets is recognised at the date of despatch of goods, pursuant to the signing of the customer's contract and when all the associated risks and rewards have passed to the customer.

(iii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Note 1. Summary of significant accounting policies continued

(e) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled. The relevant tax rate is applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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 and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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 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.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Hutchison Telecommunications (Australia) Limited and its wholly owned Australian subsidiaries have not implemented the tax consolidation legislation.

(f) Business combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

(g) Joint ventures

A joint venture is a contractual arrangement whereby the venturers undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control.

(i) Jointly controlled entity

A jointly controlled entity is a joint venture which involves the establishment of a separate entity. The Consolidated Entity's interest in the joint venture entity is accounted for in the consolidated financial statements using the equity method of accounting. Under this method the share of the profits or losses of the entity is recognised in the statement of comprehensive income, and the share of the movements in reserves is recognised in reserves in the statement of financial position.

Profits or losses on transactions establishing the joint venture entity and transactions with the joint venture are eliminated to the extent of the Consolidated Entity's ownership interest until such time as they are realised by the joint venture entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

(ii) Jointly controlled assets

The proportionate interests in the assets, liabilities, income and expenses of a jointly controlled asset have been incorporated in the financial statements under the appropriate headings.

(h) Impairment of assets

Goodwill is not subject to amortisation and is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell 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).

(i) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within bank borrowings in current liabilities on the statement of financial position.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are generally due for settlement within 30 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

Note 1. Summary of significant accounting policies continued

(k) Inventories

Finished goods include handsets, devices and accessories and are stated at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at the statement of financial position date using the standard cost method. Costs comprise of purchase price and expenditure that is directly attributable to the acquisition of the handsets after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business and the estimated costs necessary to make the sale.

(l) Derivative financial instruments and hedging activities

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Consolidated Entity designates certain derivatives as; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Consolidated Entity documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Consolidated Entity also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within other income or other expense.

Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income.

(m) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Consolidated Entity for similar financial instruments.

(n) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated on a straight-line basis to write off the depreciable amount of each item of property, plant and equipment over its expected useful life to the Consolidated Entity. The assets' residual values and useful lives are reviewed at each statement of financial position date and adjusted if appropriate. Assets are depreciated from the date they are brought into commercial service, or in respect of internally constructed assets from the time the asset is completed and is available for commercial use. The expected useful lives are as follows:

Buildings	40 years
Computer equipment	4 to 10 years
Furniture, fittings and office equipment	4 to 7 years
Network equipment	3 to 40 years

The depreciable amount of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Consolidated Entity, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over 4 – 20 years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

(o) Leases

Leases of property, plant and equipment where the Consolidated Entity has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance lease balance outstanding. The interest element of the finance lease cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term. Leased assets held at the reporting date are being amortised over four years.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

Note 1. Summary of significant accounting policies continued

(p) Intangible assets

(i) Spectrum licences and capitalised development costs

Costs associated with acquiring spectrum licences are capitalised. The amortisation of capitalised development costs and the spectrum licences commenced upon the commercial readiness of the network. The spectrum licences and development costs are amortised on a straight-line basis over the periods of their expected benefit. The carrying values of these intangible assets are reviewed on a regular basis and written down to the recoverable amount where this is less than the carrying value (refer note 1(h)).

All costs directly attributable to the construction of the network assets are capitalised as work in progress. All other incremental costs to the creation of an asset within the business are capitalised as development costs.

(ii) Customer acquisition and retention costs

The direct costs of establishing and renewing customer contracts, other than handset subsidies which are expensed when incurred, are recognised as an asset. The direct costs are amortised as other direct costs of provision of telecommunication services and goods over the lesser of the period during which the future economic benefits are expected to be obtained and the period of the contract. The direct costs include commissions paid for obtaining customer contracts and other incremental costs directly attributable to the acquisition and retention of customers.

(iii) Transmission rights

The Consolidated Entity's right to use transmission capacity is measured at cost and amortised on a straight line basis over the term of the transmission lease.

(iv) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Consolidated Entity's share of the net identifiable assets of the acquired subsidiary/associate/jointly controlled entity at the date of acquisition. Goodwill on acquisitions of subsidiaries/jointly controlled entity is included in intangible assets. Goodwill on acquisitions of associates/jointly controlled entity is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if, events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The expected useful lives of the intangible assets, other than goodwill, are as follows:

Spectrum licences and capitalised development costs	12 to 15 years
Customer acquisition and retention costs	2 to 3 years
Transmission rights	13 years

(q) Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity 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.

(r) Interest bearing liabilities

Fixed rate loans are initially recognised at fair value, net of transaction costs incurred. Floating rate loans are initially recognised at cost, net of transaction costs incurred. Fixed and floating rate loans are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the liability using the effective interest method.

(s) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed. Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- finance lease charges; and
- certain exchange differences arising from foreign currency borrowings.

(t) Provision for decommissioning costs

A provision has been recognised for costs expected to be incurred on the expiration of the site leases and resulting decommissioning costs under the terms of lease obligations. The amount of the provision is the estimated cash flow expected to be required to fulfil the lease obligations discounted back to net present value.

(u) Employee benefits

(i) Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Bonus plan

A liability for employee benefits in the form of a bonus plan is recognised in other creditors when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there are formal terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial report; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Hutchison Telecommunications (Australia) Limited Employee Option Plan. Information relating to the Option Plan is set out in note 36.

Note 1. Summary of significant accounting policies continued

Share options granted after 7 November 2002 and vested after 1 January 2005

The fair value of options granted under the Hutchison Telecommunications (Australia) Limited Executive Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at the grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

(v) Retirement benefits

Retirement benefits are delivered under the Retail Employees Superannuation Trust, although employees have an option to choose other funds. This fund is a defined contribution fund and is based on employer and employee contributions made to the fund.

Contributions are recognised as an expense as they become payable.

(v) Contributed equity

Ordinary shares and convertible preference shares are classified as equity. Refer to note 24 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.

(w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to ordinary equity holders of the Company
- by the weighted average number of ordinary shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- 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.

(x) 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 with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(y) Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar or cent.

(z) New accounting standards and UIG interpretations

The Consolidated Entity 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 Consolidated Entity's operations and mandatory for annual periods beginning on or after 1 January 2009. The adoption of these new and revised standards, amendments and interpretations has resulted in changes to the format of the Consolidated Entity's financial statements in 2009 (including revised titles for these financial statements).

Australian Accounting Standards and Interpretations thereof that have recently been amended but are not yet effective have not been adopted for the reporting period ended 31 December 2009.

Australian Accounting Standards that have recently been amended but are not yet effective and have not been early adopted by the Consolidated Entity are outlined in the table following:

Note 1. Summary of significant accounting policies continued

Reference	Affected Standard(s)	Application date of standard*	Application date for Consolidated Entity
AASB 3 (revised)	AASB 3: *Business Combinations*	1 July 2009	1 January 2010
AASB 107	AASB 107: *Cash flow statements*	1 January 2010	1 January 2010
AASB 117	AASB 117: *Leases*	1 January 2010	1 January 2010
AASB 127 (revised)	AASB 127: *Consolidated and Separate Financial Statements*	1 July 2009	1 January 2010
AASB 136	AASB 136: *Impairment of assets*	1 January 2010	1 January 2010
AASB 139	AASB 139: *Financial instruments recognition and measurement*	1 January 2010	1 January 2010
AASB 2008–3	*Amendments to Australian Accounting Standards arising from AASB 3: Business Combinations and AASB 127: Consolidated and Separate Financial Statements*	1 July 2009	1 January 2010
AASB 2008–6	*Further amendments to Australian Accounting Standards arising from the annual improvements process*	1 July 2009	1 January 2010
AASB 2008–8	*Amendments to accounting for eligible hedged items*	1 July 2009	1 January 2010
AASB 2009–4	*Amendments to Australian Accounting Standards arising from the Annual Improvements Process*	1 July 2009	1 January 2010
AASB 2009–5	*Further amendments to Australian Accounting Standards arising from the Annual Improvements Process*	1 January 2010	1 January 2010
AASB 2009–7	*Editorial amendments to various accounting standards*	1 July 2009	1 January 2010
AASB 2009–8	*Amendments to group cash-settled share-based payments (AASB 2)*	1 January 2010	1 January 2010
IFRIC 9	IFRIC 9: *Reassessment of embedded derivatives*	1 July 2009	1 January 2010
IFRIC 17	IFRIC 17: *Distributions of non-cash assets to owners*	1 July 2009	1 January 2010
IFRIC 18			
	IFRIC 18: *Transfers of assets from customers*	1 July 2009	1 January 2010
IFRIC 19	IFRIC 19: *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2010	1 January 2011
IFRS 5	IFRS 5: *Non-current assets held for sale and discontinued operations (and consequential amendment to IFRS 1 First time adoption)*	1 July 2009	1 January 2010

* Application date of the standard is for the reporting periods beginning on or after the date shown in the above table.

The effect that the adoption of AASB3 (revised), AASB 127 (revised) and IFRIC 17 will have on the results and financial position of the Group will depend on the incidence and timing of business combinations occurring on or after 1 January 2010.

The adoption of other standards and amendments listed above in future periods is not expected to result in substantial changes to the Group's accounting policies.

Note 2. Revenue

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
From continuing operations				
Services	711,896	1,467,924	7,201	14,945
Sale of handsets	28,520	145,478	397	824
	740,416	1,613,402	7,598	15,769
Other revenue				
Interest	58,929	9,578	126,370	136,113
Rental income	65	309	–	–
	58,994	9,887	126,370	136,113
	799,410	1,623,289	133,968	151,882

Note 3. Gain on disposal arising from merger

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Gain on disposal arising from merger	587,285	–	12,111	–

On 10 June 2009, the Company announced that the merger of its operating subsidiary, Hutchison 3G Australia Pty Ltd (H3GA) and Vodafone Australia Limited (VAL) had completed. As a result of the merger H3GA acquired 100% of VAL and issued shares to subsidiaries of Vodafone Group Plc resulting in the Vodafone entities holding 50% of the H3GA shares. H3GA has been renamed Vodafone Hutchison Australia Pty Limited (VHA). The interest in VHA is accounted for in the consolidated financial statements using the equity method.

The gain on disposal arising from the merger for the consolidated entity of $587,285,000 represents the disposal of 50% of the group's interest in H3GA following the merger of H3GA with VAL.

The gain on disposal arising from the merger for the parent entity of $12,111,000 represents the disposal of its 850 MHz spectrum to VHA and merger costs.

As a result of the completion of the transaction, HTAL has ceased to consolidate the results and net assets of H3GA and will equity account for its interest in the Jointly Controlled Entity, VHA, on an on-going basis.

The consolidated statement of comprehensive income presented for the year ended 31 December 2009 therefore represents 5 months of the former '3' business (H3GA) and 7 months of an equity accounted result for VHA. In future periods, all of the results of VHA will be reported as an equity accounted result.

The consolidated statement of financial position presented as at 31 December 2009 includes the HTAL group's equity investment in VHA together with current and non-current loans from the group to VHA.

Note 4. Other income/ (expenses)

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Dividend income	–	–	2,009	–
Net foreign exchange gains / (losses)	1,790	1,719	84	(243)
Net gain on sale of property	76	2,067	76	–
	1,866	3,786	2,169	(243)

Note 5. Expenses

	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT ENTITY 2009 $'000	PARENT ENTITY 2008 $'000
Loss before income tax includes the following specific expenses:				
Finance costs				
Interest and finance charges paid / payable	393	104,582	125	2,402
Depreciation				
Buildings	–	20	–	–
Fixtures, fittings and office equipment	1,609	5,323	–	–
Computer equipment	14,888	40,564	–	–
Computer equipment under finance lease	482	1,156	–	–
Network equipment	9,328	22,046	–	–
Network equipment – jointly controlled asset	8,149	19,620	–	–
Assets under construction	25,045	42,409	–	–
Total depreciation	59,501	131,138	–	–
Amortisation				
Spectrum licence	29,032	77,485	3,182	7,637
Capitalised development costs	248	596	–	–
Customer acquisition and retention costs	16,594	36,872	–	–
Customer acquisition costs written off	3,512	9,417	–	–
Transmission capacity	1,430	3,063	–	–
Total amortisation	50,816	127,433	3,182	7,637
Total amortisation and depreciation	110,317	258,571	3,182	7,637
Rental expense relating to operating leases				
Lease payments (included in "Other operating expenses")	14,964	35,920	1,744	6,143
Provision for (write back of) / impairment loss of				
Current assets – Trade receivables (included in "Other operating expenses")	13,843	19,134	(16)	(205)
Non-current assets – Receivables (included in "Other operating expenses")	(3,503)	283	–	–
	10,340	19,417	(16)	(205)

Note 6. Income tax expense

	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT ENTITY 2009 $'000	PARENT ENTITY 2008 $'000
(a) Income tax expense				
Current tax	–	–	–	–
Deferred tax	–	–	–	–
Income tax expense	–	–	–	–
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit / (loss) from operations before income tax expense	467,724	(163,102)	134,438	130,151
Tax at the Australian tax rate of 30% (2008: 30%)	140,317	(48,931)	40,331	39,045
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Entertainment and other non-deductible expenses	1,293	183	1,259	2
Stamp duty on shares-merger	3,668	–	3,668	–
Profit/(loss) on disposal of H3GA shares	(159,610)	–	–	–
Interest not deductible	–	37,501	–	–
Share of net profit of jointly controlled entity	42,406	(1,950)	–	–
Deferred tax / unrecognised tax losses	(28,074)	17,725	(3,270)	(487)
	–	4,528	41,988	38,560
Previously unrecognised tax losses now recouped to reduce current tax expense	–	11,247	(44,081)	(39,048)
Previously unrecognised tax losses now recouped to reduce deferred tax expense	–	(15,775)	2,093	488
Income tax expense	–	–	–	–
(c) Unrecognised tax losses				
Unused tax losses for which no deferred tax assets has been recognised	232,561	3,489,126	232,561	638,260
Potential tax benefit @ 30%	69,768	1,046,738	69,768	191,478

All unused tax losses were incurred by Australian entities.

This benefit for tax losses will only be obtained if the specific entity carrying forward the tax losses derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and the company complies with the conditions for deductibility imposed by tax legislation.

(d) Unrecognised deferred tax assets and liabilities

	CONSOLIDATED 2009 $'000	CONSOLIDATED 2008 $'000	PARENT ENTITY 2009 $'000	PARENT ENTITY 2008 $'000
i) Deferred tax asset				
There are temporary differences attributable to:				
Provisions	1,841	31,102	1,868	6,109
Business related costs	7,262	491	7,226	491
	9,103	31,593	9,094	6,600
Utilisation of tax losses	(9,103)	231,387	(9,094)	(6,600)
Set-off of deferred tax liability pursuant to set-off provisions	–	(262,980)	–	–
Net deferred tax (liability) / asset	–	–	–	–
ii) Deferred tax liability				
There are temporary differences attributable to:				
Property, plant and equipment and intangible assets	–	(256,288)	–	–
Interest in jointly controlled entity	43,254	(6,692)	–	–
	43,254	(262,980)	–	–
Utilisation of tax losses	(52,357)	231,387	(9,094)	(6,600)
Set-off of deferred tax asset pursuant to set-off provisions	9,103	31,593	9,094	6,600
Net deferred tax (liability) / asset	–	–	–	–

Note 7. Current assets – Cash and cash equivalents

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash at bank and in hand	2,858	84,685	2,858	4,953
Short term deposits	–	50,000	–	–
	2,858	134,685	2,858	4,953

Restrictions on cash at bank

At 31 December 2009 cash at bank includes collateral for bank guarantees $nil (2008: $5,287,000) (note 28). Cash at bank has decreased due to the cash being disposed of through the H3GA merger.

Short term deposits

At 31 December 2009 there are short term deposits $nil (2008: $50,000,000). The weighted average interest rate was 3.37% p.a. in 2009 (2008: 6.94%).The short term deposits have been disposed of through the H3GA merger.

Note 8. Current assets – Trade and other receivables

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade receivables	–	376,595	–	4,307
Less: Provision for impairment of receivables	–	(25,817)	–	(1,896)
	–	350,778	–	2,411
Other receivables	–	764	–	223,903
Receivable from jointly controlled entities (note 30)	61,934	–	61,931	–
Receivable from related entity (note 30)	2,299	–	2,299	–
Receivable from subsidiaries (note 30)	–	–	–	16,318
	64,233	351,542	64,230	242,632

Receivable from subsidiaries and jointly controlled entities

Further information relating to receivable from subsidiaries and jointly controlled entities is set out in note 30.

(a) Aging of impaired trade receivables and trade receivables which are past due but not impaired

As at 31 December 2009, current trade receivables of the Consolidated Entity and Parent Entity with a nominal value of $nil (2008: $25,817,000) and $nil (2008: $1,896,000) respectively were impaired. The amount of the provision for the Consolidated Entity and Parent Entity was $nil (2008: $25,817,000) and $nil (2008: $1,896,000) respectively. The individually impaired receivables mainly relate to retail customers which are provided for based on historical impairment averages.

The ageing of these receivables is as follows:

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
1–3 months	–	17,073	–	76
Over 3 months	–	8,744	–	1,820
	–	25,817	–	1,896

As of 31 December 2009, current trade receivables of the Consolidated Entity and Parent Entity of $nil (2008: $41,682,000) and $nil (2008: $39,000) respectively were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of payment default. The ageing analysis of these trade receivables is as follows:

Note 8. Current assets – Trade and other receivables continued

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
1–3 months	–	30,890	–	39
Over 3 months	–	10,792	–	–
	–	41,682	–	39

(b) Movements in the provision for impairment of current trade receivables were as follows:

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
At 1 January	25,817	24,040	1,896	1,999
Provision for impairment / (write back) recognised during the year	13,843	19,134	(16)	(205)
Receivables disposed of / written off during the year as uncollectible	(39,660)	(17,357)	(1,880)	102
	–	25,817	–	1,896

The creation and release of the provision for impaired receivables has been included in 'other operating expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(c) Credit risk

The Consolidated Entity has no significant concentrations of credit risk. The Consolidated Entity has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

(d) Foreign exchange and interest rate risk

Refer to note 12 for an analysis of the Consolidated Entity's and Parent Entity's current receivables denominated in various currencies.

Refer to note 39 for an analysis of the Consolidated Entity's exposure to foreign exchange risk in relation to trade and other receivables.

A summarised analysis of the sensitivity of trade and other receivables to foreign exchange and interest rate risk can be found in note 39.

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying values are recognised initially at fair value and subsequently measured at amortised cost. This approximates to the fair value.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Consolidated Entity does not generally hold any collateral as security. Refer to note 39 for more information on the risk management policy of the Consolidated Entity.

Note 9. Current assets – Inventories

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Finished goods	–	60,244	–	88

Inventory expense

Inventories recognised as expense under 'cost of handsets sold' in the statement of comprehensive income during the year ended 31 December 2009 amounted to $185,599,000 (2008: $387,785,000). There was $89,000 (2008: $320,000) related to write-down or provision for write-down of inventory. The expense has been included in 'other direct costs of provision of telecommunication services and goods' in the statement of comprehensive income.

Note 10. Derivative financial instruments

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Current assets				
Forward foreign exchange contracts – cash flow hedges (note (a))	–	990	–	–

(a) Forward foreign exchange contracts – cash flow hedges

As at 31 December 2009, the balance for the forward foreign exchange contracts is $nil (2008: $990) and represents the unrealised gains on forward foreign exchange contracts to sell Australian Dollars to buy US Dollars. There were no forward foreign exchange contracts as at 31 December 2009 because the balance was disposed of through the H3GA merger.

During 2008, the Consolidated Entity paid Hutchison 3 Global Services Pvt. Ltd, which is a call centre in India owned by HWL, invoices denominated in US dollars. In order to protect against exchange rate movements, the Consolidated Entity entered into forward exchange contracts to purchase US dollars.

These contracts were hedging highly probable forecasted purchases for the ensuing financial year. The contracts were timed to mature to coincide with the payment for the service provided by the call centre in India.

The cash flows are expected to occur at various dates within six months from the reporting date. At the financial position date, the details of outstanding contracts are:

	Notional principal amount Sell Australian dollars		Average exchange rate	
Buy USD	2009 $'000	2008 $'000	2009	2008
Maturity : 0– 6 months	–	13,644	–	0.773

Amounts disclosed above represent currency sold, measured at the contracted rate.

The portion of the gain or loss on the hedging instruments that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Consolidated Entity adjusts the initial measurement of the component recognised in the statement of financial position by the related amount deferred in equity.

During the year ended 31 December 2009 a loss of $1,300,000 (2008: gain of $1,400,000) was transferred to other income in the statement of comprehensive income.

(b) Credit risk exposures

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. This arises on forward foreign exchange contract with unrealised gains. The maximum exposure to credit risk at the reporting date is the carrying amount of these forward foreign exchange contracts in the consolidated statement of financial position.

Note 11. Current assets – Other

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Prepayments	–	43,981	–	2,199
Other	163	165	163	163
	163	44,146	163	2,362

Note 12. Non–current assets – Receivables

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade receivables	–	35,609	–	–
Less: Provision for impairment of receivables	–	(3,503)	–	–
	–	32,106	–	–
Other receivables	–	173,214	–	–
Receivable from jointly controlled entities (note 30)	50,332	–	50,332	–
Receivable from subsidiaries (note 30)	–	–	–	2,442,950
	50,332	205,320	50,332	2,442,950

Other receivables

Included in other receivables is a loan to a jointly controlled entity. For further information refer to note 30.

Receivable from jointly controlled entities

Weighted average interest on the receivable from jointly controlled entities is charged at a rate of 8% p.a.

Further information relating to receivable from jointly controlled entities is set out in note 30.

Receivable from subsidiaries

Weighted average interest on the receivable from subsidiaries is charged at a rate of Bank Bills Swap Yield (BBSY) plus 2.21% p.a. in 2008.

Further information relating to receivable from subsidiaries is set out in note 30.

(a) Movements in the provision for impairment of non-current trade receivables

As at 31 December 2009 non-current trade receivables of the Consolidated Entity with a nominal value of $nil (2008: $3,503,000) were impaired. The amount of the provision was $nil (2008: $3,503,000).

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
At 1 January	3,503	3,220	–	–
Provision for impairment recognised during the year	–	283	–	–
Receivables disposed of / written off during the year	(3,503)	–		
	–	3,503	–	–

The creation and release of the provision for impaired receivables has been included in 'other operating expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within non-current receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(b) Fair values

The carrying values of non-current receivables at amortised cost approximated to fair value, based on cash flows discounted using 0% (2008: 7%).

(c) Foreign currency and interest rate risk

The carrying amounts of the Consolidated Entity's and Parent Entity's current and non-current receivables are denominated in the following currencies:

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Australian dollars	114,565	532,561	114,562	2,685,552
British pounds	–	7	–	–
US dollars	–	24,294	–	30
	114,565	556,862	114,562	2,685,582
Current receivables (note 8)	64,233	351,542	64,230	242,632
Non-current receivables	50,332	205,320	50,332	2,442,950
	114,565	556,862	114,562	2,685,582

For an analysis of the sensitivity of trade and other receivables to foreign exchange and interest rate risk refer to note 39.

(d) Credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Consolidated Entity does not hold any collateral as security. Refer to note 39 for more information on the risk management policy of the Consolidated Entity.

Note 13. Non-current assets – Investment accounted for using the equity method

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Interest in a jointly controlled entity	1,553,651	8,535	–	–

Jointly controlled entity

(a) Vodafone Hutchison Australia Pty Limited ("VHA")

On 9 June 2009 a subsidiary, H3GA merged with VAL and H3GA was renamed VHA. The interest in VHA is accounted for in the consolidated financial statements using the equity method.

Information relating to the jointly controlled entity is set-out below.

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Share of the jointly controlled entity's assets and liabilities				
Current assets	554,437	–	–	–
Non-current assets	3,180,941	–	–	–
Total assets	3,735,378	–	–	–
Current liabilities	(1,557,664)	–	–	–
Non-current liabilities	(765,013)	–	–	–
Total liabilities	(2,322,677)	–	–	–
Net assets	1,412,701	–	–	–
Share of the jointly controlled entity's revenue, expenses and results				
Revenues	1,302,373	–	–	–
Expenses	(1,446,553)	–	–	–
Loss for the period	(144,180)	–	–	–
Reconciliation of interest in a jointly controlled entity				
Initial investment at 9 June 2009	1,556,881	–	–	–
Loss for the period	(144,180)	–	–	–
Net assets	1,412,701	–	–	–
Goodwill (note 16)	165,321	–	–	–
Gain on disposal of spectrum licence from HTAL to VHA, net of amortisation	(24,371)	–	–	–
Interest in a jointly controlled entity at 31 December 2009	1,553,651	–	–	–
Share of the jointly controlled entity's commitments				
Lease commitments	478,327	–	–	–
Capital commitments	123,770	–	–	–
	602,097	–	–	–
Contingent liabilities relating to the jointly controlled entity	–	–	–	–

Note 13. Non-current assets – Investment accounted for using the equity method continued

Shares in jointly controlled entity

Under the joint venture agreement described below each party has contributed $1 to the share capital of the entity.

(b) 3 GIS Partnership ("3 GIS")

In December 2004 a controlled entity, VHA (formerly known as "H3GA") established a 50% interest in a joint venture with Telstra OnAir Holdings Pty Limited named 3GIS. 3GIS's principal activity is the operation and construction of 3G radio access network infrastructure. The interest in 3GIS is accounted for in the consolidated financial statements using the equity method until 9 June 2009. Following the merger between H3GA and VAL, from 10 June 2009 the 3GIS partnership is accounted for using the equity method in VHA's consolidated financial statements.

Information relating to the jointly controlled entity is set-out below.

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Share of the jointly controlled entity's assets and liabilities				
Current assets	–	45,794	–	–
Non-current assets	–	141,322	–	–
Total assets	–	187,116	–	–
Current liabilities	–	(10,997)	–	–
Non-current liabilities	–	(167,584)	–	–
Total liabilities	–	(178,581)	–	–
Net assets	–	8,535	–	–
Share of the jointly controlled entity's revenue, expenses and results				
Revenues	34,868	80,303	–	–
Expenses	(32,043)	(73,803)	–	–
Profit for the year	2,825	6,500	–	–
Share of the jointly controlled entity's commitments				
Lease commitments	–	121,063	–	–
Capital commitments	–	–	–	–
	–	121,063	–	–
Contingent liabilities relating to the jointly controlled entity	–	–	–	–
(c) Total share of the jointly controlled entity's revenue, expenses and results	(141,355)	6,500	–	–

Note 14. Non-current assets – Other financial assets

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Non-traded investments				
Shares in controlled and jointly controlled entities (note (a)) – at cost	–	–	3,664,656	1,649,418

(a) Controlled and jointly controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled and jointly controlled entities in accordance with the accounting policy described in note 1(b) and 1(g):

				Equity Holding *	
Name of Entity	Notes	Country of Incorporation	Class of Shares	2009 %	2008 %
Bell Organisation Pty Limited		Australia	Ordinary	100	100
Bell Paging Pty Limited		Australia	Ordinary	100	100
Bell Communications Pty Limited		Australia	Ordinary	100	100
Lindian Pty Limited		Australia	Ordinary	100	100
Erlington Pty Limited		Australia	Ordinary	100	100
Hutchison Telephone Pty Limited		Australia	Ordinary	100	100
HTAL Facilities Pty Limited		Australia	Ordinary	100	100
Hutchison 3G Australia Holdings Pty Limited	(a)	Australia	Ordinary	100	100
Vodafone Hutchison Australia Pty Limited (formerly Hutchison 3G Australia Pty Limited)	(b)	Australia	Ordinary	50	100
H3GA Facilities Pty Limited		Australia	Ordinary	–	100
H3GA Properties (No. 3) Pty Limited		Australia	Ordinary	–	100

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

(a) This entity has been granted relief from the necessity to prepare financial reports in accordance with Class Order (98/1418) issued by the Australian Securities and Investments Commission.

(b) This entity is accounted for in the consolidated financial statements using equity accounting for the year ended 31 December 2009.

Note 15. Non-current assets – Property, plant and equipment

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Land and buildings				
At cost	–	30	–	29
Less: accumulated depreciation	–	–	–	–
Total land and buildings	–	30	–	29
Fixtures, fittings and office equipment				
At cost	–	116,358	–	68,628
Less: accumulated depreciation	–	(108,955)	–	(68,628)
Total fixtures, fittings and office equipment	–	7,403	–	–
Computer equipment				
At cost	–	467,173	–	74,923
Less: accumulated depreciation	–	(374,396)	–	(74,923)
Total computer equipment	–	92,777	–	–
Computer equipment under finance lease	–	16,742	–	–
Less: accumulated amortisation	–	(10,146)	–	–
Total computer equipment under finance lease	–	6,596	–	–
Total computer equipment	–	99,373	–	–
Network equipment				
At cost	–	701,617	–	230,128
Less: accumulated depreciation	–	(340,754)	–	(230,128)
Total network equipment	–	360,863	–	–
Network equipment – jointly controlled asset				
At net book value	–	356,249	–	–
Less: accumulated depreciation	–	(79,668)	–	–
Total network equipment – jointly controlled asset	–	276,581	–	–
Assets under construction				
Work in progress	–	384,446	–	2,434
Less: accumulated depreciation	–	(89,048)	–	(2,434)
Total work in progress	–	295,398	–	–
Total property, plant and equipment	–	1,039,648	–	29
Reconciliation of land and buildings				
Carrying amount at beginning of year	30	1,335	29	29
Additions	–	–	–	–
Disposals	(30)	(1,285)	(29)	–
Depreciation (note 5)	–	(20)	–	–
Carrying amount at end of year	–	30	–	29

Note 15. Non-current assets – Property, plant and equipment continued

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Reconciliation of fixtures, fittings and office equipment				
Carrying amount at beginning of year	7,403	10,125	–	–
Additions	9,820	2,601	–	–
Disposals through H3GA merger	(15,614)	–	–	–
Depreciation (note 5)	(1,609)	(5,323)	–	–
Carrying amount at end of year	–	7,403	–	–
Reconciliation of computer equipment				
Carrying amount at beginning of year	92,777	116,063	–	–
Additions	54,643	17,278	–	–
Disposals	(1,194)	–	–	–
Disposals through H3GA merger	(131,338)	–	–	–
Depreciation (note 5)	(14,888)	(40,564)	–	–
Carrying amount at end of year	–	92,777	–	–
Reconciliation of computer equipment under finance lease				
Carrying amount at beginning of year	6,596	7,752	–	–
Additions	–	–	–	–
Disposals through H3GA merger	(6,114)	–	–	–
Depreciation (note 5)	(482)	(1,156)	–	–
Carrying amount at end of year	–	6,596	–	–
Reconciliation of network equipment				
Carrying amount at beginning of year	360,863	362,108	–	–
Additions	96,151	20,801	–	–
Disposals	(346)	–	–	–
Disposals through H3GA merger	(447,340)	–	–	–
Depreciation (note 5)	(9,328)	(22,046)	–	–
Carrying amount at end of year	–	360,863	–	–
Reconciliation of network equipment – jointly controlled asset				
Carrying amount at beginning of year	276,581	296,201	–	–
Additions	–	–	–	–
Disposals through H3GA merger	(268,432)	–	–	–
Depreciation (note 5)	(8,149)	(19,620)	–	–
Carrying amount at end of year	–	276,581	–	–
Reconciliation of assets under construction				
Carrying amount at beginning of year	295,398	222,322	–	–
Additions	47,367	156,164	–	–
Disposals through H3GA merger	(157,106)	–	–	–
Transfers out	(160,614)	(40,679)	–	–
Depreciation (note 5)	(25,045)	(42,409)	–	–
Carrying amount at end of year	–	295,398	–	–

Note 16. Non-current assets – Intangible assets

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Spectrum licences at cost	–	953,067	–	57,534
Less: accumulated amortisation	–	(443,272)	–	(24,033)
	–	509,795	–	33,501
Capitalised development costs	–	66,052	–	61,843
Less: accumulated amortisation	–	(61,097)	–	(61,843)
	–	4,955	–	–
Customer acquisition and retention costs	–	159,023	–	49,793
Less: accumulated amortisation	–	(118,926)	–	(49,793)
	–	40,097	–	–
Transmission capacity at cost	–	38,794	–	–
Less: accumulated amortisation	–	(12,252)	–	–
	–	26,542	–	–
Goodwill	–	330,641	–	–
Less: Provision for impairment	–	–	–	–
	–	330,641	–	–
	–	912,030	–	33,501
Reconciliation of spectrum licences				
Carrying amount at beginning of year	509,795	587,280	33,501	41,138
Additions	–	–	–	–
Disposals through H3GA merger	(480,763)	–	(30,319)	–
Amortisation (note 5)	(29,032)	(77,485)	(3,182)	(7,637)
Carrying amount at end of year	–	509,795	–	33,501
Reconciliation of capitalised development costs				
Carrying amount at beginning of year	4,955	5,551	–	–
Additions	–	–	–	–
Disposals through H3GA merger	(4,707)	–	–	–
Amortisation (note 5)	(248)	(596)	–	–
Carrying amount at end of year	–	4,955	–	–
Reconciliation of customer acquisition and retention costs				
Carrying amount at beginning of year	40,097	36,219	–	–
Additions	20,055	50,167	–	–
Write off (note 5)	(3,512)	(9,417)	–	–
Disposals through H3GA merger	(40,046)	–	–	–
Amortisation (note 5)	(16,594)	(36,872)	–	–
Carrying amount at end of year	–	40,097	–	–
Reconciliation of transmission capacity				
Carrying amount at beginning of year	26,542	29,605	–	–
Additions	–	–	–	–
Disposals through H3GA merger	(25,112)	–	–	–
Amortisation (note 5)	(1,430)	(3,063)	–	–
Carrying amount at end of year	–	26,542	–	–

Note 16. Non-current assets – Intangible assets continued

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Reconciliation of goodwill				
Carrying amount at beginning of year	330,641	330,641	–	–
Additions	–	–	–	–
Disposals through H3GA merger	(165,320)	–	–	–
Reclassification to investment as part of H3GA merger	(165,321)	–	–	–
Carrying amount at end of year	–	330,641	–	–

Goodwill

The goodwill of $330,641,000 arises from HTAL's acquisition of a further 19.94% interest in H3GAH on 10 October 2007. On 9 June 2009, HTAL disposed of 50% of the goodwill as a result of H3GA's merger with Vodafone Australia Limited.

Note 17. Non-current assets – Other

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Prepayments	–	2,828	–	–

Note 18. Current liabilities – Payables

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade creditors	105	196,996	105	1,713
Other creditors	8,700	89,833	8,700	14,473
Payables to related entity (note 30)	–	552,952	–	–
	8,805	839,781	8,805	16,186

Payables to related entity

Further information relating to payables to related entity is set out in note 30.

(a) Foreign currency and interest rate risk

The carrying amounts of the Consolidated Entity's and Parent Entity's trade and other payables are predominantly denominated in Australian Dollars:

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Australian Dollars	8,805	835,546	8,805	16,186
Euro	–	2,088	–	–
British Pounds	–	6	–	–
Hong Kong Dollars	–	–	–	–
US Dollars	–	2,141	–	–
	8,805	839,781	8,805	16,186

Refer to note 39 for an analysis of the Consolidated Entity's exposure to foreign currency risk in relation to trade payables.

A summarised analysis of the sensitivity of trade payables to foreign exchange and interest rate risk can be found in note 39.

Note 19. Current liabilities – Borrowings

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Secured				
Obligations under finance leases	–	2,103	–	–
Unsecured				
Bank loans at amortised cost	–	–	–	–
	–	2,103	–	–

(a) Obligations under finance leases

Obligations under finance leases are secured against the underlying assets which revert to the lessor in case of default. The carrying value of the assets pledged as security is $nil (2008: $6,596,000) (note 15) representing leased computer equipment.

(b) Fair value

The carrying amounts and fair values of current and non-current borrowings of the Consolidated Entity at balance date are:

	2009		2008	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Secured				
Obligations under finance leases	–	–	2,103	2,103
Unsecured				
Bank loans	–	–	–	–
	–	–	2,103	2,103

(i) On-balance sheet

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not material.

(ii) Contingent liabilities

The Parent Entity and certain controlled entities have potential financial liabilities which may arise from certain contingencies disclosed in note 28. As explained in the note, no material losses are anticipated in respect of any of those contingencies.

(c) Risk exposures

The following table sets out the Consolidated Entity's exposure to interest rate risk for the year ending 31 December 2008, including the contractual repricing dates and the effective weighted average interest rate by maturity periods.

In 2008 exposures arise from lease liabilities as all the bank loans were fully repaid during the year.

There is no risk exposure in 2009 as all the bank loans were fully repaid in 2008 and there are no lease liabilities outstanding as at 31 December 2009.

		Fixed interest rate						
2008	Floating interest rate $'000	1 year or less $'000	Over 1 to 2 years $'000	Over 2 to 3 years $'000	Over 3 to 4 years $'000	Over 4 to 5 years $'000	Over 5 years $'000	Total $'000
Obligations under finance leases	–	2,103	–	–	–	–	–	2,103
	–	2,103	–	–	–	–	–	2,103
Weighted average interest rate	–	6.99%	–	–	–	–	–	6.99%

(d) Fair value disclosures

Details of the fair value of borrowings of the Consolidated Entity are set out in note 39.

Note 20. Current liabilities – Other financial liabilities

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Loan from a related entity (note 30)	286,954	1,000,000	286,954	1,000,000

Loan from a related entity

Further information relating to loan from a related entity is set out in note 30.

The loan from a related entity is an interest free financing facility and is repayable on demand.

(a) Financing arrangements

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Unrestricted access was available at balance date to the following lines of credit:				
Other financial liabilities				
Total facilities	1,100,000	1,100,000	1,100,000	1,100,000
Used at balance date	(286,954)	(1,000,000)	(286,954)	(1,000,000)
Unused at balance date	813,046	100,000	813,046	100,000

Note 21. Current liabilities – Provisions

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Employee benefits	–	3,390	–	3,330

Hutchison Telecommunications (Australia) Limited employees have been transferred to VHA (formerly H3GA) following the merger between H3GA and VAL.

(a) Movement in provisions

Movements in provision for employee benefits are as follows:

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
At 1 January	3,390	2,453	3,330	2,396
Transfer to VHA as at 9 June 2009	(6,316)	–	(6,316)	–
Amounts utilised during the year	2,926	937	2,986	934
	–	3,390	–	3,330

Note 22. Current liabilities – Other

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Unearned income	–	4,130	–	201
Loans from subsidiaries (note 30)	–	–	–	2,354
	–	4,130	–	2,555

Loans from subsidiaries and related entity

No interest is charged on the loans from subsidiaries and related entities. For further information refer to note 30.

Note 23. Non-Current Liabilities – Provisions

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Employee benefits	–	2,091	–	2,091

Hutchison Telecommunications (Australia) Limited employees have been transferred to VHA (formerly H3GA) following the merger between H3GA and VAL.

Note 24. Contributed equity

	CONSOLIDATED		PARENT ENTITY	
	2009 Shares	2008 Shares	2009 $'000	2008 $'000
a) Share capital				
Ordinary shares (fully paid)	13,572,508,577	754,028,255	4,204,488	1,045,194
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) Convertible Preference Shares ("CPS")				
Convertible preference shares	–	15,080,565,089	–	3,159,294
Total contributed equity	13,572,508,577	15,834,593,344	4,204,488	4,204,488

The CPS:

(a) were issued at 21 cents;

(b) have no voting rights except in limited circumstances;

(c) are convertible (at the option of the holder) into 0.85 ordinary shares for each CPS either:

- (i) after expiry of the two year non-conversion period during a conversion window of 10 business days commencing on the first day of each calendar quarter; or
- (ii) upon a takeover offer being made for HTAL; or
- (iii) upon a change of control of HTAL; or
- (iv) following an announcement by HTAL of a major disposal of its assets may be converted by HTAL into 0.85 ordinary shares in certain circumstances

(d) will convert into 0.85 ordinary shares for each CPS five years after their date of issue;

(e) rank ahead of ordinary shares in the event of a winding up, but are subordinated to secured debt; and

(f) are entitled to a non-cumulative preferential dividend equal to 5% per annum of the issue price, subject to the directors determining in their discretion; that a dividend is payable under rule 5.1 of the Constitution of HTAL.

On 24 June 2009, the CPS were converted into Ordinary Shares. On 10 June 2009, HTAL announced the completion between its subsidiary H3GA and Vodafone Australia Limited, pursuant to an arrangement between the Company and Vodafone Group Plc. Under the arrangement H3GAH entered into a joint venture with subsidiaries of Vodafone to own H3GA on a 50/50 basis. The joint venture was implemented on 9 June 2009 and resulted in the occurrence of a change of control event, which follows (c)(iii) above.

Note 24. Contributed equity continued

(c) Movement in ordinary shares:

Date	Detail	Number of shares	$'000
01 January 2008	Opening balance	754,028,255	1,045,194
31 December 2008	Closing balance	754,028,255	1,045,194
01 January 2009	Opening balance	754,028,255	1,045,194
24 June 2009	Conversion of CPS into ordinary shares	12,818,480,322	3,159,294
31 December 2009	Closing balance	13,572,508,577	4,204,488

(d) Movement in convertible preference shares:

Date	Detail	Number of shares	Issue price	$'000
01 January 2008	Opening balance	15,080,565,089	0.21	3,159,294
31 December 2008	Closing balance	15,080,565,089		3,159,294
01 January 2009	Opening balance	15,080,565,089	0.21	3,159,294
24 June 2009	Conversion of CPS into ordinary shares	(15,080,565,089)	0.21	(3,159,294)
31 December 2009	Closing balance	–		–

(e) Options

Information relating to the HTAL Employee Option plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year are set out in note 36.

(f) Capital risk management

The Consolidated Entity's and the Parent Entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Consolidated Entity and the Parent Entity monitor 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 (including 'borrowings' and 'trade and other payables' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position (including minority interest) plus net debt.

The gearing ratios at 31 December 2009 and 31 December 2008 were as follows:

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Total payables, borrowings and other financial liabilities	295,759	1,841,884	295,759	1,016,186
Less: cash and cash equivalents (note 7)	(2,858)	(134,685)	(2,858)	(4,953)
Net debt	292,901	1,707,199	292,901	1,011,233
Total equity	1,375,478	908,473	3,486,480	3,351,771
Total capital	1,668,379	2,615,672	3,779,381	4,363,004
Gearing ratio	18%	65%	8%	23%

The decrease in the gearing ratio during 2009 resulted primarily from the decrease in cash which was disposed though the H3GA merger during the year.

Note 25. Reserves and accumulated losses

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
(a) Reserves				
Capital reserve	54,887	54,887	–	–
Hedging reserve – cash flow hedges	–	990	–	–
Share-based payments reserve	15,954	15,683	15,954	15,683
	70,841	71,560	15,954	15,683
Movements:				
Capital reserve				
There has been no movement in the capital reserve during the year.				
Hedging reserve – cash flow hedges				
Balance at 1 January	990	–	–	–
Hedging movements	(990)	990	–	–
Balance at 31 December	–	990	–	–
Share-based payments reserve				
Balance at 1 January	15,683	14,868	15,683	14,868
Option expense	271	815	271	815
Balance at 31 December	15,954	15,683	15,954	15,683
(b) Accumulated losses				
Accumulated losses at 1 January	(3,367,575)	(3,204,473)	(868,400)	(998,551)
Profit/ (loss) attributable to the members of Hutchison Telecommunications (Australia) Limited	467,724	(163,102)	134,438	130,151
Accumulated losses at 31 December	(2,899,851)	(3,367,575)	(733,962)	(868,400)

(c) Nature and purpose of reserves

Capital reserve

The capital reserve relates to the surplus arising on initial consolidation of 19.9% stake in Hutchison 3G Australia Holdings Pty Limited.

It is not distributable until realised.

Hedging reserve – cash flow hedges

The hedging reserve is used to record gains and losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(l)(ii). Amounts are recognised in the statement of comprehensive income when the associated hedged transaction affects profit and loss.

Share-based payments reserve

The share-based payments reserve is used to recognise:

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

(b) the fair value of the 850 MHz spectrum licence assigned from TCNZ. The fair value was determined by reference to the fair value of the option granted to TCNZ.

Note 26. Director and key management personnel disclosures

(a) Key management personnel compensation

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
Short term employee benefits	1,855,432	3,673,087	–	–
Post employment benefits	27,490	53,748	–	–
Long term benefits	20,279	69,966	–	–
Share based payments	134,055	230,303	–	–
	2,037,256	4,027,104	–	–

Detailed remuneration disclosures including details of total remuneration, share options and shareholdings are provided on pages 21–26 of the Remuneration report in the Directors' report.

The decrease in key management personnel compensation in 2009 resulted primarily from the merger between H3GA (renamed VHA) and VAL. From 10 June 2009, the key management personnel have been transferred to VHA.

(b) Loans to key management personnel

There were no loans made to Directors or key management personnel of the Company, including their personally related entities during the years ended 31 December 2009 and 31 December 2008.

(c) Other transactions with key management personnel

There were no other transactions with the Directors or key management personnel of the Company for the years ended 31 December 2009 and 31 December 2008.

Note 27. Remuneration of auditors

	CONSOLIDATED		PARENT ENTITY	
	2009 $	2008 $	2009 $	2008 $
During the year fees paid to the auditor of the Parent Entity, its related practices and non-related audit firms for the following services:				
Assurance services				
1. Audit services				
Fees paid to PricewaterhouseCoopers Australian firm:				
Audit and review of financial reports and other audit work under the Corporations Act 2001	343,066	381,300	343,066	151,000
2. Other assurance services				
Fees paid to PricewaterhouseCoopers Australian firm:				
IT audit	110,000	110,000	–	–
Accounting services	85,000	9,000	85,000	9,000
Other assurance services				
Audit of regulatory returns	10,500	11,500	10,500	11,500
Due diligence services	424,499	–	424,499	–
Total remuneration for assurance services	973,065	511,800	863,065	171,500
Taxation services				
Fees paid to PricewaterhouseCoopers Australian firm:				
Tax compliance services, including review of company tax returns	56,190	158,610	56,190	66,880
Tax advice on recapitalisation	–	107,840	–	67,440
Tax advice on merger	634,595	–	634,595	–
	690,785	266,450	690,785	134,320
Total remuneration of PricewaterhouseCoopers Australia	1,663,850	778,250	1,553,850	305,820

It is the Consolidated Entity's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Consolidated Entity are important. These assignments are principally tax advice and due diligence reporting on acquisitions. It is the Consolidated Entity's policy to seek competitive tenders for all major consulting projects.

Note 28. Contingencies

Details and estimates of maximum amounts of contingent liabilities as at 31 December 2009 are as follows:

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Guarantees				
Secured guarantees in respect of leases and loans of controlled entities	–	5,287	–	3,350
Unsecured guarantees in respect of leases of controlled entities	7,858	32,053	7,858	32,053
	7,858	37,340	7,858	35,403

The secured guarantees in respect of leases and loans of controlled entities are secured by cash collateral over the term of the leases.

No material losses are anticipated in respect of any of the above contingent liabilities.

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

Note 29. Commitments

Capital Commitments

Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Not later than 1 year	–	49,929	–	–
Later than 1 year but not later than 5 years	–	22,925	–	–
Later than 5 years	–	–	–	–
	–	72,854	–	–

Lease Commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Operating leases				
Not later than 1 year	136	28,072	136	965
Later than 1 year but not later than 5 years	220	69,818	220	218
Later than 5 years	–	9,997	–	–
	356	107,887	356	1,183
Representing:				
Non-cancellable operating leases	356	107,887	356	1,183

The Consolidated Entity leases various sites, offices, retail shops and warehouses under non-cancellable operating leases expiring within one to eighteen years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Finance leases				
Commitments in relation to finance leases are payable as follows:				
Not later than 1 year	–	2,156	–	–
Later than 1 year but not later than 5 years	–	–	–	–
Minimum lease payments	–	2,156	–	–
Less: Future finance charges	–	(53)	–	–
Recognised as a liability	–	2,103	–	–
Representing lease liabilities:				
Current (note 19)	–	2,103	–	–
	–	2,103	–	–

The weighted average interest rate implicit in the leases is 0% (2008: 6.99%).

The Consolidated Entity leases various computer equipment with a carrying value of $nil (2008: $6,596,000) (note 15) under finance leases which expire within one to four years. Under the terms of the leases, the Consolidated Entity has the option to acquire the leased assets for an agreed amount or an agreed fair value as detailed in the lease agreement.

Note 30. Related party transactions

(a) Parent entities

The holding company and Australian parent entity is Hutchison Communications (Australia) Pty Limited which at 31 December 2009 owns 88% (2008: 52%) of the issued ordinary shares of Hutchison Telecommunications (Australia) Limited. On 24 June 2009, the CPS were converted into Ordinary shares. Refer to note 24 for further details.

The ultimate parent entity is Hutchison Whampoa Limited (incorporated in Hong Kong).

(b) Directors

The names of persons who were Directors of the Company at any time during the financial year are as follows: FOK Kin-ning, Canning; Barry ROBERTS-THOMSON; CHOW Woo Mo Fong, Susan; Justin H. GARDENER; LAI Kai Ming, Dominic; Kevin Steven RUSSELL; John Michael SCANLON; Frank John SIXT and Roderick James SNODGRASS. Mr Kevin Steven RUSSELL resigned as a Director on 9 June 2009.

(c) Key management personnel compensation

Disclosures relating to key management personnel compensation are set out in the Directors' Report.

(d) Transactions with related parties

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

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Sales of goods and services				
Sale of interconnection services to subsidiary	–	–	–	53
Sale of telecommunications related goods and services to joint venture	1,937	5,296	–	–
Recharge of staff costs	–	–	60,972	137,362
Purchases of goods				
Purchase of goods and services from commonly controlled entities	13,412	142,968	–	–
Purchase of telecommunications related goods and services from joint venture	78,362	58,646	–	–
Dividend income				
Subsidiaries	–	–	2,009	–
Payables				
Repayments to:				
Related entity	591,468	–	591,468	–
Loans to related parties				
Loans advanced to:				
Subsidiaries	–	–	–	1,000,000
Jointly controlled entity	1,320,000	–	1,320,000	–
Loans from related parties				
Loans advanced from:				
Related entity	55,000	1,552,952	55,000	1,000,000
Subsidiaries	–	–	–	201,222
Loans repayments to:				
Related entity	768,046	–	768,046	2,619
Loans repayments from:				
Related entity	1,250,000	–	1,250,000	–

Note 30. Related party transactions continued

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Interest revenue				
Jointly controlled entity	56,347	–	56,347	–
Subsidiaries	–	–	69,858	135,748
Interest expense				
Ultimate parent entity	358	19,715	105	568
Advances to jointly controlled entity	50,332	26,739	50,332	–

Advances to jointly controlled entity's represents funds advanced under the terms of the agreement with the jointly controlled entity. The funds advanced under the agreement are interest free and to be offset by charges from the jointly controlled entity.

(e) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Current receivables				
Jointly controlled entity (note 8)	61,934	–	61,931	–
Related entity (note 8)	2,299	–	2,299	–
Subsidiaries (note 8)	–	–	–	16,318
Non current receivables				
Jointly controlled entity (note 12)	50,332	166,999	50,332	–
Subsidiaries (note 12)	–	–	–	2,442,950
Payables				
Related entity (note 18)	–	552,952	–	–
Current liabilities – Other financial liabilities				
Related entity (note 20)	286,954	1,000,000	286,954	1,000,000
Current liabilities – Other				
Subsidiaries (note 22)	–	–	–	2,354

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(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.

Note 31. Deed of Cross Guarantee

Hutchison Telecommunications (Australia) Limited ("HTAL"), Hutchison 3G Australia Holdings Pty Limited ("H3GAH") and Hutchison 3G Australia Pty Limited ("H3GA") are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others. By entering into the Deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission. The Deed was entered into during the year ended 31 December 2007.

On 10 June 2009, the Company announced that the merger of its subsidiary H3GA with VAL has been completed. H3GA has been renamed VHA. As a result the parties to the Deed of Cross Guarantee are HTAL and H3GAH.

(a) Consolidated statement of comprehensive income and a summary of movements in consolidated retained losses

H3GAH and H3GA represent a 'Closed Group' for the purposes of the Class Order for the period from 1 January to 9 June 2009. After the 10 June 2009, H3GAH represent the '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'.

Set out below is a consolidated statement of comprehensive income and a summary of movements in consolidated retained losses for the year ended 31 December 2009 of the Closed Group.

	2009 $'000	2008 $'000
Statement of Comprehensive Income		
Revenue	736,191	1,607,212
Gain on disposal arising from merger	768,119	–
Other income	1,707	1,961
Cost of interconnection and variable content costs	(129,008)	(305,723)
Other direct costs of provision of telecommunication services and goods	(233,263)	(485,845)
Cost of handsets sold	(185,295)	(386,957)
Employee benefits expense	(55,643)	(126,379)
Advertising and promotion expenses	(22,663)	(56,551)
Other operating expenses	(56,422)	(105,816)
Capitalisation of customer acquisition and retention costs	20,055	50,169
Depreciation and amortisation expense	(109,491)	(249,369)
Finance costs	(70,127)	(250,689)
Share of net profits of jointly controlled entities and partnership accounted for using the equity method	2,825	6,500
Profit / (loss) before income tax	666,985	(301,487)
Income tax expense	–	–
Profit / (loss) for the year	666,985	(301,487)
Summary of movements in consolidated retained losses		
Retained losses at the beginning of the financial year	(2,837,535)	(2,536,048)
Profit / (loss) for the year	666,985	(301,487)
Retained losses at the end of the financial year	(2,170,550)	(2,837,535)

Note 31. Deed of Cross Guarantee continued

(b) Statement of Financial Position

Set out below is a statement of financial position as at 31 December 2009 of the Closed Group consisting of H3GAH.

	2009 $'000	2008 $'000
Current Assets		
Cash and cash equivalents	–	129,731
Trade and other receivables	3	349,097
Inventories	–	60,156
Derivative financial instruments	–	990
Other	–	41,864
Total Current Assets	3	581,838
Non-Current Assets		
Receivables	–	205,320
Investment accounted for using the equity method	1,556,881	8,535
Property, plant and equipment	–	1,041,994
Intangible assets	–	545,691
Other	–	2,828
Total Non-Current Assets	1,556,881	1,804,368
Total Assets	1,556,884	2,386,206
Current Liabilities		
Payables	–	1,045,184
Borrowings	–	2,103
Other	–	20,317
Total Current Liabilities	–	1,067,604
Non-Current Liabilities		
Borrowings	–	1,442,951
Other	–	1,000,000
Total Non-Current Liabilities	–	2,442,951
Total Liabilities	–	3,510,555
Net Assets	1,556,884	(1,124,349)
EQUITY		
Contributed equity	3,727,434	1,712,196
Reserves	–	990
Accumulated losses	(2,170,550)	(2,837,535)
Total Equity	1,556,884	(1,124,349)

Note 32. Segment Information

The Consolidated Entity operated within the telecommunications industry until 9 June 2009. On 10 June 2009, the Company announced that the merger of its subsidiary H3GA with VAL has been completed. H3GA has been renamed VHA . As a result, the Consolidated Entity now invests in an operator within the telecommunications industry.

The chief operating decision maker of the Consolidated Entity receives information to manage its operations and investment based on one operating segment, that of operator of telecommunication services prior to 10 June 2009, and investor in an operator of telecommunication services post 10 June 2009. As such, the Consolidated Entity believes it is appropriate that there is one business segment, telecommunication services and one geographical segment, that being Australia as the Consolidated Entity operates wholly in Australia.

Segment results are therefore disclosed with reference to the entire statement of comprehensive income and year end balances as disclosed in the statement of financial position.

Note 33. Reconciliation of profit / (loss) after income tax to net cash (outflows) / inflows from operating activities

		CONSOLIDATED		PARENT ENTITY	
	Notes	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Profit / (loss) after income tax		467,724	(163,102)	134,438	130,151
Amortisation	5	30,710	81,144	3,182	7,637
Depreciation	5	59,501	131,138	–	–
Amortisation – subscriber acquisition and retention costs	5	16,594	36,872	–	–
Customer acquisition costs written off	5	3,512	9,417	–	–
Non-cash employee benefits expense – share-based payments	25	271	815	271	815
Fair value adjustment on liabilities		–	2,109	–	19
Net gain on sale of property, plant and equipment		(76)	(2,067)	(76)	–
Gain on disposal arising from merger	3	(587,285)	–	(12,111)	–
Share of net losses / (profits) of joint venture partnership accounted for using equity method	13	141,355	(6,500)	–	–
Change in operating assets and liabilities					
(Decrease) / increase in provision for doubtful debts		(6,265)	2,060	(1,896)	(102)
Decrease / (increase) in receivables		37,427	(24,462)	2,008	(134,249)
(Increase) / decrease in inventories		(686)	46,594	88	(19)
Decrease / (increase) in other assets		11,227	(27,990)	220,084	161
(Decrease) / increase in payables		(603,241)	361,605	(911,318)	(6,202)
Increase / (decrease) in other current liabilities		1,016	(4,345)	(201)	(170)
(Decrease) / increase in employee entitlements		(5,415)	1,334	(5,424)	1,334
Net cash (outflows) / inflows from operating activities		(433,631)	444,622	(570,955)	(625)

Note 34. Disposal of a subsidiary

(a) Disposal of Vodafone Hutchison Australia Pty Ltd (formerly H3GA)

On 10 June 2009, the Company disposed of 50% of its subsidiary H3GA following from the merger of H3GA and VAL. Details of the disposal are as follows:

		$'000
Consideration received		
Consideration received for shares in H3GA	(c)	2,411,000
Historical cost of net identifiable assets disposed	(b)	(1,150,156)
Gain on de-consolidation of H3GA		1,260,844
50% share of gain on disposal of shares in H3GA		630,422
Merger related costs		(43,137)
Gain on disposal arising from merger (note 3)		587,285

(b) Assets and liabilities disposed of

The share of assets and liabilities arising from the disposal of H3GA are as follows:

Current assets	562,271
Non-current assets	2,693,602
Current liabilities	(2,105,717)
Non-current liabilities	–
Share of net identifiable assets disposed of	1,150,156

(c) Net cashflow on disposal

Total consideration received	2,411,000
Less: non cash consideration in respect of H3GA	(2,411,000)
Consideration received in cash	–
Less: cash and cash equivalent balances disposed	(144,731)
Net cashflow	(144,731)

Note 35. Earnings per share

	CONSOLIDATED	
	2009 Cents	2008 Cents
(a) Basic earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the Consolidated Entity	6.27	(21.63)
(b) Diluted earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the Consolidated Entity	5.85	(21.63)

(c) Earnings used in calculating earnings per share

	CONSOLIDATED	
	2009 $'000	2008 $'000
Basic earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the Consolidated Entity used in calculating basic earnings per share	467,724	(163,102)
Diluted earnings per share		
Profit / (loss) attributable to the ordinary equity holders of the Consolidated Entity used in calculating diluted earnings per share	467,724	(163,102)

Note 35. Earnings per share continued

(d) Weighted average number of shares used as the denominator

	CONSOLIDATED 2009 Number	CONSOLIDATED 2008 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	7,461,780,971	754,028,255
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	7,988,567,834	754,028,255

On 24 June 2009, the CPS were converted into Ordinary shares. Refer to note 24 for further details.

Note 36. Share-based payments

Option Plans

The HTAL Employee Option Plan was established by the Board on 4 June 2007. All permanent full-time, permanent part-time and casual employees who have been selected by the Board to receive an invitation or who have been approved for participation in the plan are eligible to participate in the plan.

When exercisable, each option is convertible into one ordinary share. The exercise price of options is the higher of the following:

(a) the closing price of HTAL shares on the Australian Securities Exchange on the day on which the options are granted; and

(b) the average closing price of HTAL shares for the five trading days immediately preceding the day on which the options are granted.

Set out below are summaries of options granted under each plan.

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Grant date	Expiry date	Exercise price	Balance at the start of the year	Issued during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Exercisable at the end of the year
14–Jun–07	13–Jun–12	$0.145	27,400,000	–	–	3,025,000	24,375,000	16,341,644
14–Nov–07	13–Nov–12	$0.200	300,000	–	–	–	300,000	–
21–May–08	20–May–13	$0.165	200,000	–	–	200,000	–	–
4–Jun–08	3–Jun–13	$0.139	300,000	–	–	–	300,000	–
Total			28,200,000	–	–	3,225,000	24,975,000	16,341,644
Weighted average exercise price			$0.146	–	–	$0.146	$0.146	$0.145

CONSOLIDATED AND PARENT ENTITY – 2008

Grant date	Expiry date	Exercise price	Balance at the start of the year	Issued during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Exercisable at the end of the year
14–Jun–07	13–Jun–12	$0.145	28,920,000	–	–	1,520,000	27,400,000	9,183,301
14–Nov–07	13–Nov–12	$0.200	300,000	–	–	–	300,000	–
21–May–08	20–May–13	$0.165	–	200,000	–	–	200,000	–
4–Jun–08	3–Jun–13	$0.139	–	300,000	–	–	300,000	–
Total			29,220,000	500,000	–	1,520,000	28,200,000	9,183,301
Weighted average exercise price			$0.146	$0.149	–	$0.145	$0.146	$0.145

The number of options that were forfeited during the year were 3,225,000 (2008: 1,520,000). The weighted average remaining contractual life of share options outstanding at the end of the period was 2.5 years (2008: 3.5 years).

Fair value of options granted

The assessed fair value at grant date of options expensed during the year ended 31 December 2009 was 4 cents (2008: 4 cents).

Refer to note 1(u)(iv) for how the fair value of options were determined. The additional model inputs for options expensed during the year ended 31 December 2009 and 31 December 2008 not already outlined above include:

(a) weighted average share price at grant date: 14.9 cents.

(b) weighted average of expected price volatility of the company's shares: 34%.

(c) expected dividend yield: 0%.

(d) weighted average risk-free interest rate: 6.4%.

The expected price volatility is based on the historical 12 month period prior to grant date.

Note 36. Share-based payments continued

Employee Share Purchase Plan

The employee share purchase plan allows for HTAL's shares to be purchased on-market for employees. All Australian resident permanent employees and casual employees who have been employed by the company for more than one year are eligible to participate in the plan. Employees may elect not to participate in the plan.

Under the plan, up to $1,000 of HTAL shares are purchased for each participating employee with the company contributing up to $250 of the cost of the purchase, and brokerage and stamp duty costs.

Shares purchased under the plan may not be sold until the earlier of 3 years after purchase or cessation of employment with the company.

Expenses arising under share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employment costs were as follows:

	CONSOLIDATED		PARENT ENTITY	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Options issued under HTAL Employee Option Plan	271	815	271	815

Note 37. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgements under different assumptions and conditions.

(a) Critical accounting estimates and assumptions

Impairment of investments in controlled and jointly controlled entities

In accordance with the Consolidated Entity's accounting policy stated in note 1(h), investments in controlled and jointly controlled entities have been tested for impairment. The recoverable amount of the Company's investment in controlled entities (note 14), and the recoverable amount of the Consolidated Entity's investment in jointly controlled entities (note 13) have been determined on the value in use methodology. The fair value underlying the calculations has been based on the approved business plan for VHA. These calculations require the use of estimates and assumptions.

The Directors believe that the resulting net present value (NPV) is appropriate to support the carrying values of both the parent entity's investment and the Consolidated Entity's investments in jointly controlled entities as at 31 December 2009.

(b) Critical judgements in applying the Consolidated Entity's accounting policies

There are no judgements made in applying the Consolidated Entity's accounting policies that have a significant effect on the amounts recognised in the financial report.

Note 38. Events occurring after the reporting date

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

(i) the operations of the Company and Consolidated Entity's in future financial years, or

(ii) the results of those operations in future financial years, or

(iii) the state of affairs of the Company and Consolidated Entity's in future financial years.

Note 39. Financial risk management

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity'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 Consolidated Entity. The Consolidated Entity cautiously uses derivatives, principally forward foreign exchange contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's assets and liabilities. It is the Consolidated Entity'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 exposure.

Risk management is carried out by a central treasury department under policies approved by the Board of Directors. Treasury operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks. Treasury identifies, evaluates and hedges financial risks in close co-operation with the Consolidated Entity's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Note 39. Financial risk management continued

(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, e.g. the interest rate sensitivity analysis does not take into account of the impact of changes in interest rates would have on the relative strengthening and weakening of the currency with other currencies.

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. functional currency rate or 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. exchange or 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) Foreign exchange risk

The Consolidated Entity purchases handsets from its suppliers on invoices denominated in US dollars and also pays Hutchison 3 Global Services Pvt. Ltd, which is a call centre in India owned by HWL, on invoices denominated in US dollars. In order to protect against exchange rate movements, the Consolidated Entity enters into foreign exchange contracts to purchase US dollars.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is monitored using sensitivity analysis and cash flow forecasting.

Management has set up a policy requiring operating units to manage their foreign exchange risk against their functional currency. Operating units review individual requirements with the central treasury department to hedge their foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts transacted with financial institutions.

For reporting purposes, the entity designates contracts as fair value hedges or cash flow hedges, as appropriate. External foreign exchange contracts are designated as hedges of foreign exchange risk on specific assets, liabilities or future transactions on a gross basis.

At 31 December 2009, had the Australian Dollar weakened/strengthened by 10% against all other currencies with all other variables held constant, post-tax loss for the year would have been $nil lower/$nil higher (2008: $2,185,000 lower/$2,185,000 higher). Equity would have been $nil lower/$nil higher (2008: $2,615,000 lower/$341,000 higher). The foreign currency hedging was disposed of with the H3GA merger and as a result there was no impact on post- tax loss and equity.

(ii) Interest rate risk

The Consolidated Entity's main interest rate risk arises from cash balances. All long-term borrowings have been fully repaid during the year.

(iii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Consolidated Entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

		Interest rate risk				Foreign exchange risk			
		-1%		+1%		-10%		+10%	
31–Dec–09	Carrying amount $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000
Financial assets									
Cash and cash equivalents	2,858	(29)	–	29	–	–	–	–	–
Trade receivables	–	–	–	–	–	–	–	–	–
Financial liabilities									
Trade payables	(105)	–	–	–	–	–	–	–	–
Borrowings	–	–	–	–	–	–	–	–	–
Other financial liabilities	(286,954)	–	–	–	–	–	–	–	–
Total increase/(decrease)	(284,201)	(29)	–	29	–	–	–	–	–

Note 39. Financial risk management continued

		Interest rate risk				Foreign exchange risk			
		-1%		+1%		-10%		+10%	
31–Dec–08	Carrying amount $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000	Post-tax loss $'000	Other equity $'000
Financial assets									
Cash and cash equivalents	134,685	(1,347)	–	1,347	–	–	–	–	–
Trade receivables	376,595	–	–	–	–	2,609	–	(2,609)	–
Derivative financial instruments	990	–	–	–	–	–	2,615	–	(341)
Financial liabilities									
Trade payables	(196,996)	–	–	–	–	(424)	–	424	–
Borrowings	(2,103)	–	–	–	–	–	–	–	–
Other financial liabilities	(1,000,000)	–	–	–	–	–	–	–	–
Total increase/(decrease)	(686,829)	(1,347)	–	1,347	–	2,185	2,615	(2,185)	(341)

(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 retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Credit Department following a credit risk assessment. The utilisation of credit limits by wholesale customers is regularly monitored by line management. The entity uses automated payment facilities such as direct deposit of customers bank account or credit card to settle amounts due by retail customers, mitigating credit risk.

Credit risk further arises in relation to financial guarantees given to certain parties (see note 28 for details). Such guarantees are only provided in exceptional circumstances and are subject to board approval.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the support from related parties.

The Consolidated Entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, Treasury aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

The table below analyses the Consolidated Entity's financial 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.

At 31 December 2009	Effective interest rate	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
Payables	–	8,805	–	–	–	8,805
Other financial liabilities	–	286,954	–	–	–	286,954
Total ($'000)		295,759	–	–	–	295,759

At 31 December 2008	Effective interest rate	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total $'000
Payables	–	839,781	–	–	–	839,781
Other financial liabilities	–	1,000,000	–	–	–	1,000,000
Finance lease liabilities	6.99%	2,156	–	–	–	2,156
Total ($'000)		1,841,937	–	–	–	1,841,937

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 30 to 71 are in accordance with the Corporations Act 2001, 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 Company's and Consolidated Entity's financial position as at 31 December 2009 and of their performance for the financial year ended on that date; and

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

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 31 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 31.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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

Susan Chow
Director
19 February 2010

Frank Sixt
Director
19 February 2010

PRICEWATERHOUSECOOPERS

Independent Auditor's Report

to the members of Hutchison Telecommunications (Australia) Limited

PricewaterhouseCoopers
ABN 52 780 433 757
Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Report on the financial report

We have audited the accompanying financial statements of Hutchison Telecommunications (Australia) Limited (the company), which comprise the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Hutchison Telecommunications (Australia) Limited and the Hutchison Telecommunications (Australia) Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757
Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Auditor's opinion

In our opinion:

(a) the financial report of Hutchison Telecommunications (Australia) Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2009 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 26 of the directors' report for the year ended 31 December 2009. 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.

Auditor's opinion

In our opinion, the Remuneration Report of Hutchison Telecommunications (Australia) Limited for the year ended 31 December 2009, complies with section 300A of the *Corporations Act 2001*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report and remuneration report of Hutchison Telecommunications (Australia) Limited (the company) for the year ended 31 December 2009 included on Hutchison Telecommunications (Australia) Limited's web site. The company's directors are responsible for the integrity of the Hutchison Telecommunications (Australia) Limited's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or the remuneration report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information included in the audited financial report and remuneration report presented on this web site.

PricewaterhouseCoopers.

PricewaterhouseCoopers

D J Whale
Partner

Sydney
19 February 2010

Shareholder Information

The shareholder information set out below was applicable as at 19 February 2010.

Substantial shareholders

Substantial shareholders in the Company are:

	Shareholding	Percentage
Hutchison Communications (Australia) Pty Limited#	12,009,393,175	88.48%
Vodafone Group Plc and subsidiaries*	12,009,393,175	88.48%
Telecom 3G (Australia) Limited and Telecom Corporation of New Zealand Limited	1,357,250,858	10.00%

Notes:

Substantial shareholding includes relevant interest arising from an equitable mortgage of shares between Leanrose Pty Limited and Hutchison Communications (Australia) Pty Limited.

* Substantial shareholding arises solely as a result of the relevant interests which Vodafone Group Plc and its subsidiaries have in shares in the Company held by Hutchison Communications (Australia) Pty Limited. Such relevant interests arise under a Shareholders Agreement between Vodafone Group Plc, Hutchison Whampoa Limited (parent entity of Hutchison Communications (Australia) Pty Limited) and other parties in relation to Vodafone Hutchison Australia Pty Limited. The acquisitions of such relevant interests were approved by shareholders on 2 April 2009. None of Vodafone Group Plc or any of its subsidiaries holds any shares in the Company.

Distribution of equity securities

Range	Ordinary Shares	Options
1 – 1000	1,576	0
1,001 – 5,000	3,076	0
5,001 – 10,000	1,172	0
10,001 – 100,000	1,699	9
100,001 – OVER	279	38
TOTAL	7,802	47

Twenty largest shareholders

There were 4122 holders of less than a marketable parcel of ordinary shares. The names of the 20 largest holders of quoted ordinary shares as at 19 February 2010 are as follows:

Shareholder	Shareholding	Issued % Capital	Rank
Hutchison Communications (Australia) Pty Limited	11,925,479,378	87.87	1
Telecom 3G (Australia) Limited	1,357,250,858	10.00	2
Leanrose Pty Limited	83,913,797	0.62	3
Citicorp Nominees Pty Limited	12,176,881	0.09	4
J P Morgan Nominees Australia	11,538,593	0.09	5
HSBC Custody Nominees (Australia) Limited	5,870,844	0.04	6
Arjee Pty Limited	4,048,851	0.03	7
George Thomson	2,962,676	0.02	8
Yet Kwong Chiang & Ho Yuk Lin Chiang	2,700,138	0.02	9
Weresyd Proprietary Limited	2,560,854	0.02	10
Effie Holdings Pty Limited	2,500,000	0.02	11
National Nominees Limited	2,212,973	0.02	12
Yim Fong Leung	1,849,000	0.01	13
Hung Fong Chong	1,779,000	0.01	14
John Franciszek Chodorowski	1,432,456	0.01	15
Jason Boua Hong Lo	1,400,000	0.01	16
Bin Liu	1,316,000	0.01	17
Yee Man Tang	1,250,000	0.01	18
Song Song Zhang	1,225,000	0.01	19
Share Direct Nominees	1,190,000	0.01	20

Unquoted Equity Securities

Options issued under the Employee Option Plan

Number of Options on issue	24,900,000
Number of holders	47

Voting rights

The voting rights attaching to each class of equity securities are:

(a) 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.

(b) Options

No voting rights

Corporate Directory

Directors
Fok Kin-ning, Canning
Barry Roberts-Thomson
Chow Woo Mo Fong, Susan
Justin Herbert Gardener
Lai Kai Ming, Dominic
John Michael Scanlon
Frank John Sixt
Roderick James Snodgrass

Company Secretaries
Edith Shih
Louise Sexton

Investor Relations
Tel: (02) 9964 4646
Fax: (02) 9964 4649
Email: investors@hutchison.com.au
Web: www.hutchison.com.au

Registered Office
Building A, 207 Pacific Highway
St Leonards NSW 2065

Tel: (02) 9964 4646
Fax: (02) 9964 4668

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

(02) 8280 7111
www.linkmarketservices.com.au

Auditor
PricewaterhouseCoopers
Chartered Accountants
201 Sussex Street
Sydney NSW 2000

Securities Exchange Listing
Hutchison shares are listed on the Australian Securities Exchange Limited ASX Code: HTA

Notice of Annual General Meeting
The Annual General Meeting of Hutchison will be held at:

The Conference Centre
Building A, 207 Pacific Highway
St Leonards NSW 2065
Date: Tuesday, 4 May 2010
Time: 10.00am

DESIGNED AND PRODUCED BY
DESIGNATE INVESTOR

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF HUTCHISON TELECOMMUNICATIONS (AUSTRALIA) LIMITED (ABN 15 003 677 227) (***"HTAL"***) WILL BE HELD AT THE CONFERENCE CENTRE, GROUND FLOOR, BUILDING A, 207 PACIFIC HIGHWAY, ST LEONARDS, NEW SOUTH WALES ON TUESDAY, 4 MAY 2010 AT 10.00 AM.

ORDINARY BUSINESS

FINANCIAL REPORT

To receive and consider the financial report, including the Directors' report and the Auditor's report for the year ended 31 December 2009.

RE-ELECTION OF DIRECTORS

To consider, and if thought fit, pass the following resolutions as ordinary resolutions:

1. THAT Mr Fok Kin-ning, Canning who retires in accordance with the Constitution and being eligible, offers himself for re-election, be re-elected as a Director.
2. THAT Mr Frank John Sixt, who retires in accordance with the Constitution and being eligible, offers himself for re-election, be re-elected as a Director.

SPECIAL BUSINESS

REMUNERATION REPORT

To consider, and if thought fit, pass the following resolution as a non-binding ordinary resolution:

3. THAT the Remuneration Report for the year ended 31 December 2009 be adopted.

Note: In accordance with section 250R of the Corporations Act, the vote on resolution 3 will be advisory only and will not bind the Directors of HTAL. Nevertheless, the discussion on this resolution and the outcome of the non-binding vote will be taken into consideration by the Board when considering the remuneration arrangements of HTAL.

APPOINTMENT OF NEW AUDITOR

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

4. THAT Deloitte Touche Tohmatsu, being qualified to act as auditor of HTAL and having consented to act as auditor of HTAL, be appointed as the auditor of HTAL.

Note: Resolution 4 will only be put to the Annual General Meeting if, prior to the commencement of the meeting, the Australian Securities & Investments Commission ("ASIC") has given its consent to the resignation of PricewaterhouseCoopers as HTAL's auditor.

An explanation for each of the proposed resolutions is set out in the Explanatory Notes.

BY ORDER OF THE BOARD

Edith Shih
Louise Sexton
Joint Company Secretaries
31 March 2010

NOTES OF VOTING

PROXIES

If you cannot or do not wish to attend the Annual General Meeting, you may appoint a proxy to attend and vote for you. The appointment may specify the proportion or number of your votes that the proxy may exercise. The proxy does not need to be a shareholder. If you are entitled to cast 2 or more votes at the meeting, you may appoint up to 2 proxies. If you appoint 2 proxies and the appointment does not specify the proportion or number of your votes the proxy may exercise, each proxy may exercise half of the votes.

To ensure that all shareholders can exercise their right to vote on the resolutions, a proxy form is enclosed together with a reply paid envelope. You can lodge the proxy form by sending it in the reply paid envelope or otherwise posting, delivering or faxing it to HTAL's Share Registry (see below). The proxy form tells you what you need to do.

If you return your proxy form but do not nominate a representative, the Chairman of the Annual General Meeting will be your proxy and will vote on your behalf as you direct on the proxy form.

If your nominated representative does not attend the Annual General Meeting, then your proxy will revert to the Chairman who will vote as directed on the proxy form. Any undirected proxies in favour of or reverting to the Chairman may be voted by the Chairman as he thinks fit (and will be voted by the Chairman in favour of each resolution) unless you have not marked the relevant box on the proxy form which permits the Chairman to vote as he thinks fit, in which case the Chairman will not cast your votes and they will not be counted in calculating the required majority if a poll is called on the resolution.

WHEN

The proxy form (along with any power of attorney or certified copy of the power of attorney under which it is signed) must be received by HTAL's Share Registry, Link Market Services Limited, by no later than **10.00 am (Sydney time)** on **2 May 2010**. Any proxy form lodged after that time will be treated as invalid.

HOW

The completed proxy form (along with any power of attorney or certified copy of the power of attorney under which it is signed) may be:

- mailed to Link Market Services Limited at Locked Bag A14, Sydney South, NSW 1235 in the enclosed reply-paid envelope; or
- sent by facsimile to: Link Market Services Limited on (02) 9287 0309; or
- delivered in person to Level 12, 680 George Street, Sydney Australia; or
- lodged on-line at www.linkmarketservices.com.au in accordance with the instructions given there.

ENTITLEMENT TO VOTE DEADLINE

Pursuant to Regulation 7.11.37 of the Corporations Regulations, for the purposes of the Annual General Meeting, **only those persons holding Shares at 7.00pm (Sydney time) on Sunday 2 May 2010** (the ***Meeting Record Date***) will be treated as shareholders. This means that if you are not the registered holder of a Share at that time you will not be entitled to vote in respect of that Share.

The vote on the resolutions will be decided on a show of hands unless a poll is demanded. On a show of hands, every shareholder who is present in person or by proxy, or by representative or by attorney, will have one vote. Upon a poll, every shareholder who is present in person or by proxy, or by representative or by attorney, will have one vote for each Share held by that shareholder.

If your Shares are jointly held, only one of the joint holders is entitled to vote. If more than one shareholder votes in respect of jointly held Shares, only the vote of the Shareholder whose name appears first in the register will be counted.

REQUIREMENTS WITH REGARD TO LETTERS OF REPRESENTATION FOR CORPORATE SHAREHOLDERS

In order to vote at the Annual General Meeting (other than by proxy), a corporation that is a shareholder must appoint a person to act as its representative. The appointment must comply with section 253B of the Corporations Act. The representative must bring to the Annual General Meeting evidence of his or her appointment, including any authority under which it was signed.

SUBMISSION OF WRITTEN QUESTIONS TO HTAL OR AUDITOR

In accordance with the Corporations Act, a reasonable opportunity will be given to shareholders - as a whole - to ask questions about or to make comments on HTAL's management or its Remuneration Report at the meeting. Similarly, a reasonable opportunity will be given to shareholders - as a whole - to ask HTAL's external auditor, PricewaterhouseCoopers, questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by HTAL in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may submit a question to PricewaterhouseCoopers online prior to the meeting by visiting the Share Registrar's website at www.linkmarketservices.com.au, or by sending the written question to HTAL C/o Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, if the question is relevant to the content of PricewaterhouseCoopers' audit report or the conduct of its audit of HTAL's financial report for the year ended 31 December 2009. Relevant online questions for the auditor must be received no later than 5.00pm (Sydney time) on 27 April 2010. Where appropriate, a list of those relevant questions will be made available to shareholders attending the AGM. HTAL or PricewaterhouseCoopers will either answer these questions at the AGM or table written answers to them at the AGM or make them available to shareholders as soon as practicable after the AGM.

Irrespective of whether Resolution 4 (Appointment of new auditor) is put to shareholders and approved, PricewaterhouseCoopers will remain as HTAL's auditor for at least the duration of the Annual General Meeting.

EXPLANATORY NOTES TO RESOLUTIONS 1, 2, 3 AND 4

RESOLUTION 1

RE-ELECTION OF MR FOK KIN-NING, CANNING AS A DIRECTOR

Fok Kin-ning, Canning, aged 58, has been an executive director since 1984 and group managing director since 1993 of Hutchison Whampoa Limited ("HWL"), director since 1992 and chairman since 2002 of Hutchison Harbour Ring Limited, non-executive chairman of Hutchison Telecommunications International Limited ("HTIL") since 2004, Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH") since 2009, executive director since 1985 and chairman since 2005 of Hongkong Electric Holdings Limited ("HKEH"), co-chairman of Husky Energy Inc. ("Husky") since 2000, executive director and deputy chairman of Cheung Kong Infrastructure Holdings Limited ("CKIH") since 1997, and non-executive director of Cheung Kong (Holdings) Limited ("CKH") since 1985. He was previously the chairman of Partner Communications Company Ltd. ("Partner") from 1998 to 2009. He holds a Bachelor of Arts degree and a Diploma in Financial Management, and is a member of the Australian Institute of Chartered Accountants. Mr Fok was appointed as a Director on 8 February 1999.

The Directors (other than Mr Fok who abstained because of his interest in the resolution) have resolved to recommend that shareholders vote in favour of the re-election of Mr Fok.

RESOLUTION 2

RE-ELECTION OF MR FRANK JOHN SIXT AS A DIRECTOR

Frank John Sixt, aged 58, has been an executive director since 1991 and group finance director since 1998 of HWL, non-executive chairman of TOM Group Limited since 1999 and TOM Online Inc. (which ceased to be a public listed company in September 2007) since 2003, executive director of CKIH since 1996, HKEH since 1998, non-executive director of CKH since 1991, HTIL since 2004, HTHKH since 2009, and director of Husky since 2000. He was previously a director of Partner from 1998 to 2009. He 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 Quebec and Ontario, Canada. Mr Sixt was appointed as a Director on 12 January 1998 and as an Alternate Director to Mrs Susan Chow and Mr Dominic Lai on 25 February 2008.

The Directors (other than Mr Sixt who abstained because of his interest in the resolution) have resolved to recommend that shareholders vote in favour of the re-election of Mr Sixt.

RESOLUTION 3

ADOPTION OF THE REMUNERATION REPORT

Consistent with section 250R of the Corporations Act, HTAL submits to shareholders for consideration and adoption by way of a non-binding resolution its Remuneration Report for the year ended 31 December 2009. At the meeting there will be a reasonable opportunity for discussion of the report.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and executives of HTAL. The Remuneration Report can be located in HTAL's Annual Report on pages 21 to 26. The Annual Report is available on HTAL's website (www.hutchison.com.au).

The Directors recommend that shareholders vote in favour of the resolution.

RESOLUTION 4

APPOINTMENT OF NEW AUDITOR

PricewaterhouseCoopers ("PwC") has been the auditor of HTAL since prior to the company's listing on the ASX in 1999. The Board and PwC have reviewed the role of auditor and consider that it is appropriate that PwC ceases to hold office as auditor. The reasons for this include that the Board wishes for Deloitte Touche Tohmatsu ("Deloitte"), the auditor of Vodafone Hutchison Australia Pty Limited ("VHA") (being HTAL's 50-50 joint venture with Vodafone), to be appointed as HTAL's auditor. The Board believes that having the same firm as auditor of both HTAL and VHA will simplify the process of preparing future financial reports.

Accordingly, in accordance with section 329(5) of the Corporations Act, PwC has sought consent from ASIC to resign as auditor of HTAL with effect from the end of the Annual General Meeting. If and when ASIC notifies PwC and HTAL that it consents to PwC's resignation, PwC will give its notice of resignation to HTAL to take effect from the end of the Annual General Meeting.

HTAL has received a notice from Hutchison Communications (Australia) Pty Limited, being a shareholder, nominating Deloitte as the new auditor of HTAL. In accordance with section 328B of the Corporations Act, a copy of that notice of nomination is attached.

If, prior to the commencement of the Annual General Meeting, ASIC has given its consent to the resignation of PwC as HTAL's auditor, shareholders will be asked to approve the appointment of Deloitte as the new auditor of HTAL. The Directors have resolved to recommend that shareholders vote in favour of that appointment. The appointment would take effect immediately after the end of the Annual General Meeting.

However if, prior to the commencement of the Annual General Meeting, ASIC has yet to give that consent or has refused to give that consent, PwC will continue as HTAL's auditor and shareholders will not be asked to approve the appointment of Deloitte.

Hutchison Telecoms

HUTCHISON COMMUNICATIONS
(AUSTRALIA) PTY LIMITED
ACN 003 658 222

A MEMBER OF THE HUTCHISON TELECOMMUNICATIONS GROUP

LEVEL 27, AMP CENTRE
50 BRIGDE STREET
SYDNEY NSW 2000

30 MARCH 2010

The Directors
HUTCHISON TELECOMMUNICATIONS
(AUSTRALIA) LIMITED
Building A, 207 Pacific Highway
St Leonards NSW 2065

Dear Directors

NOMINATION OF DELOITTE TOUCHE TOHMATSU AS AUDITOR

Pursuant to section 328B(1) of the *Corporations Act 2001* (Cth), Hutchison Communications (Australia) Pty Ltd (ACN 003 658 222) (**"HCAPL"**), being a member of Hutchison Telecommunications (Australia) Limited (**"HTAL"**), nominates Deloitte Touche Tohmatsu (ABN 74 490 121 060) of 225 George Street, Sydney, NSW 2000 for appointment as auditor of HTAL at the next annual general meeting of HTAL to be held on or about 4 May 2010.

HCAPL notes that, subject to ASIC consent, the office of auditor will become vacant by virtue of the resignation of PricewaterhouseCoopers (ABN 52 780 433 757) of Darling Park Tower 2, 201 Sussex Street, Sydney, NSW from that position.

Please distribute copies of this nomination notice as required by sections 328B(3) and 328B(4) of the *Corporations Act 2001* (Cth).

Signed by Hutchison Communications (Australia) Pty Limited:

Frank Sixt
Director

Edith Shih
Director

Hutchison Telecoms
ABN 15 003 677 227

LODGE YOUR VOTE

By mail:
Hutchison Telecommunications (Australia) Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

By fax: (02) 9287 0309

ONLINE www.linkmarketservices.com.au

All enquiries to:
Telephone: 1800 629 116
(02) 8280 7116

X99999999999

SECURITYHOLDER VOTING FORM

I/We being a member(s) of Hutchison Telecommunications (Australia) Limited and entitled to attend and vote hereby appoint:

STEP 1 APPOINT A PROXY

the **Chairman of the Meeting (mark box)** ☐

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00 am on Tuesday, 4 May 2010, at the Conference Centre, Ground Floor, Building A, 207 Pacific Highway, St Leonards, New South Wales and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an X

STEP 2 VOTING DIRECTIONS

	For	Against	Abstain*
Resolution 1 Re-election of Mr Fok Kin-ning Canning as a Director	☐	☐	☐
Resolution 2 Re-election of Mr Frank John Sixt as a Director	☐	☐	☐
Resolution 3 Adoption of the Remuneration Report	☐	☐	☐
Resolution 4 Appointment of new Auditor	☐	☐	☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HTA PRX001

HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business – Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00 am on Sunday, 2 May 2010, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:

by mail:

Hutchison Telecommunications (Australia) Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

by fax:

(02) 9287 0309

online: ONLINE **www.linkmarketservices.com.au**

lodging it online at Link's website (www.linkmarketservices.com.au) in accordance with the instructions given there (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website);

by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.