長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1)

DISCLOSEABLE TRANSACTION

ACQUISITION OF VEON'S ENTIRE INTEREST IN VIP-CKH LUXEMBOURG S.À R.L. AND VIP-CKH IRELAND LIMITED

The Company refers to the announcements dated 6 August 2015, 1 September 2016 and 25 October 2016 in relation to the formation and completion of a joint venture (comprising the JVC Group and FinCo) equally owned by the Company and VEON, which owns and operates the mobile telecommunications businesses in Italy under the brands "**3**" and "**Wind**" via Wind Tre S.p.A..

The Board is pleased to announce that, on 3 July 2018, HET and HET LuxCo (both indirect subsidiaries of the Company) and the Company entered into the Sale and Purchase Agreement with FinCo, JVC, VEON Amsterdam,VEON and VLF and VLH (both wholly-owned subsidiaries of VEON) which sets out the terms on which HET will acquire all of VLH's shares in JVC and all of VLF's shares in FinCo, representing all of VEON's interest in the Joint Venture. The Total Consideration payable by HET to acquire all of the Sale Shares in connection with the Transaction is EUR2,450,000,000 (approximately HK$22,246,000,000).

Completion of the Transaction is conditional upon the satisfaction or waiver of the Conditions. Upon Completion, each of JVC and FinCo will become an indirect subsidiary of the Company. The Sale and Purchase Agreement will automatically terminate if Completion does not occur on or before the date falling 12 months from the date of the Sale and Purchase Agreement, or on such other date as the shareholders of each of JVC and FinCo have agreed in writing, or otherwise in accordance with its terms.

As the applicable percentage ratios in relation to the Transaction exceed 5% but are less than 25%, the Transaction will constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As completion of the Transaction is conditional on the satisfaction or waiver of the Conditions, it may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

1. INTRODUCTION

The Company refers to the announcements dated 6 August 2015, 1 September 2016 and 25 October 2016 in relation to the formation and completion of a joint venture (comprising the JVC Group and FinCo) equally owned by the Company and VEON, which owns and operates the mobile telecommunications businesses in Italy under the brands "**3**" and "**Wind**" via Wind Tre S.p.A. ("**Wind Tre**").

2. SALE AND PURCHASE AGREEMENT

On 3 July 2018, HET and HET LuxCo (both indirect subsidiaries of the Company) and the Company entered into the Sale and Purchase Agreement with FinCo, JVC, VEON Amsterdam, VEON and VLF and VLH (both wholly-owned subsidiaries of VEON) which set out the terms on which HET will acquire all of VLH's shares in JVC and all of VLF's shares in FinCo, representing all of VEON's interest in the Joint Venture.

Completion of the Transaction is conditional upon the satisfaction or waiver of the Conditions as described below. Upon Completion, each of JVC and FinCo will become an indirect subsidiary of the Company.

The principal terms of the Sale and Purchase Agreement are set out below:

(a) Conditions Precedent

Completion of the Transaction is conditional upon the satisfaction or waiver of the Conditions, which include, among other things, merger control approval by the European Commission, as well as regulatory clearances by competent Italian authorities with respect to the indirect transfer of radio frequencies and authorisation under the commonly named Italian Golden Powers legislation relating to the ownership of certain prescribed strategic assets.

(b) Termination

The Sale and Purchase Agreement will automatically terminate if Completion has not occurred on or before the date falling 12 months from the date of the Sale and Purchase Agreement, or on such other date as the shareholders of each of JVC and FinCo have agreed in writing.

If, prior to Completion, any party, Wind Tre or any other member of the JVC Group becomes subject to sanctions in accordance with applicable sanctions laws (a "**Sanctioned Person**") and as a result thereof, (i) it is unlawful for any party to perform its obligations to effect Completion, (ii) any party would be in breach of U.S. secondary sanctions laws if it were to perform its obligations to effect Completion or (iii) any party is otherwise restricted or prevented from lawfully performing its obligations to effect Completion (each a "**Sanctions Event**"), the parties will use their reasonable endeavours to agree a solution and take such steps as are necessary to permit Completion to occur lawfully and the parties to lawfully perform their respective obligations under the Sale and Purchase Agreement.

If a Sanctions Event has occurred and on the date falling three months thereafter, (i) such Sanctions Event is continuing, (ii) the Adversely Affected Party (as defined below) has complied with its obligations under the Sale and Purchase Agreement and (iii) either (1) a party remains subject to a Sanctions Event or (2) it is only lawful for a party to perform its obligations to effect Completion if that party takes an action that it is not required to take under the Sale and Purchase Agreement (an "**Adversely Affected Party**"), then an Adversely Affected Party may give each other party notice to terminate the Sale and Purchase Agreement with immediate effect.

If prior to Completion, either (i) VEON or any of its associates (as defined in the Sale and Purchase Agreement) becomes a Sanctioned Person or (ii) JVC, Wind Tre or any JVC Group company becomes a Sanctioned Person as a result of VEON or any of its associates becoming a Sanctioned Person and as a result, (1) there is or there is an imminent threat that there will be a grave disruption to the business of the JVC Group taken as a whole (as determined in accordance with the Sale and Purchase Agreement) or (2) no acceptable financial institution has agreed to accept payment of the Total Consideration to VLH's bank account with such financial institution in accordance with the terms of the Sale and Purchase Agreement, HET may, except in certain limited circumstances, give the other parties notice to terminate the Sale and Purchase Agreement with effect not earlier than three Business Days after the date of such notice of termination, unless HET, VLH and VLF agree otherwise.

(c) Completion

Subject to the satisfaction or waiver of the Conditions, Completion will take place on the fifth Business Day after the Unconditional Date.

(d) Guarantee

The Company has agreed to guarantee the payment and other obligations of HET under the Sale and Purchase Agreement. VEON has agreed to guarantee the payment and other obligations of VLH and VLF under the Sale and Purchase Agreement.

(e) Other matters

The parties to the Sale and Purchase Agreement have agreed to make consequential amendments to the existing governance arrangements relating to the Joint Venture during the period from the date of the Sale and Purchase Agreement until Completion relating to, among other things, the restrictions on the transfer of shares in JVC or FinCo.

3. TOTAL CONSIDERATION

The total consideration payable by HET to acquire all of the Sale Shares is EUR2,450,000,000 (approximately HK$22,246,000,000) and is payable in cash on Completion. The Total Consideration was determined by reference to, among other things, the overall financial position and performance of the Joint Venture, JVC and FinCo, the realisation of future synergies and the ability to exercise unilateral control of the Joint Venture, JVC and FinCo, and is based on arm's length negotiations with VEON.

4. SHAREHOLDERS' DEEDS AND THE CONTRIBUTION AND FRAMEWORK AGREEMENT

On Completion, the JVC Shareholders' Deed and FinCo Shareholders' Deed, which each contain certain restrictions that apply to the Sale Shares (details of which were included in the announcement of the Company dated 6 August 2015) and the Contribution and Framework Agreement, shall automatically terminate and the restrictions set out therein shall cease to apply to the shares of JVC or the shares of FinCo, with a reciprocal waiver and release between the Company and its subsidiaries (and JVC and FinCo), on the one hand, and VEON and its subsidiaries, on the other hand, in respect of all claims, rights and obligations thereunder.

5. INFORMATION ON THE GROUP

The Group operates and invests in five core businesses: ports and related services, retail, infrastructure, energy, and telecommunications.

The Group's telecommunications division includes the 3 Group businesses in Europe, which operate in six countries in Europe (namely Italy, the United Kingdom, Sweden, Denmark, Austria and Ireland) and provides high-speed mobile telecommunications and mobile broadband services. The Group also operates telecommunications businesses in six markets across Asia Pacific (namely Australia, Hong Kong, Macau, Indonesia, Vietnam and Sri Lanka).

In Italy, the Group operates its telecommunications business through the Joint Venture comprising the JVC Group and FinCo.

6. INFORMATION ON THE JOINT VENTURE

The Joint Venture comprising the JVC Group and FinCo operates via Wind Tre in Italy under the brands "**3**" and "**Wind**", and offers fixed line and mobile telecommunications services such as voice, SMS, MMS, mobile internet, mobile broadband and multimedia content such as mobile television, music, games, sports news, video calling and other digital content. The Wind Tre group has, in aggregate, approximately 29.5 million mobile customers and 2.7 million fixed line customers as at 31 December 2017. The Wind Tre group is currently the largest mobile operator measured by customer number in the Italian telecommunications market.

Based on the audited consolidated financial statements of JVC for the financial years ended 31 December 2016 and 31 December 2017 prepared in accordance with the International Financial Reporting Standards, the audited loss before and after income tax of JVC for the financial years ended 31 December 2016 and 31 December 2017 are set out below:

	Year ended 31 December	
	2016	**2017**
Loss before taxation	EUR1,832 million (approximately HK$16,635 million)	EUR2,763 million (approximately HK$25,088 million)
Loss after taxation	EUR1,785 million (approximately HK$16,208 million)	EUR2,678 million (approximately HK$24,316 million)

Based on the audited consolidated financial statements of JVC for the financial year ended 31 December 2017 prepared in accordance with the International Financial Reporting Standards, the audited net liabilities of JVC as at 31 December 2017 was approximately EUR2,838 million (approximately HK$25,769 million).

FinCo was incorporated on 30 August 2016 and has prepared its first set of unaudited financial statements from its date of incorporation to 31 December 2017. Based on the unaudited financial statements of FinCo for such financial period prepared in accordance with Financial Reporting Standard 102 ("**FRS 102**"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, the unaudited loss before and after income tax of FinCo for such financial period ended 31 December 2017 are set out below:

	For the period from the date of incorporation to 31 December 2017
Loss before taxation	EUR64,365 (approximately HK$584,434)
Loss after taxation	EUR64,365 (approximately HK$584,434)

Based on the unaudited financial statements of FinCo for the financial period ended 31 December 2017 prepared in accordance with FRS 102, the unaudited net asset value of FinCo as at 31 December 2017 was approximately EUR5,114 million (approximately HK$46,435 million).

The share of the results of the Joint Venture included in the Group's results following the formation and completion of the Joint Venture is different from the Group's pro rata share of the results of the Joint Venture.

The accounting standards require the Group to account for the Joint Venture's assets and liabilities at fair value at the formation of the Joint Venture. Accordingly, provisions for commitments, onerous contracts and guarantees had been made and a lower valuation had been assigned by the Group to the assets of the telecommunications businesses in Italy as a result of the formation of the Joint Venture. These provisions and lower values are required to be reflected in the Group's consolidated financial statements as a result of the applicable accounting standards. Consequently, adjustments to results of the telecommunications businesses in Italy have been made when the Group's 50% interest in the Joint Venture is incorporated into the Group's consolidated results.

Please refer to the announcement dated 21 February 2018 in relation to the 2017 annual results of Wind Tre for the reconciliation of the differences between the Group's share of Wind Tre's full year 2017 results and the 2017 full year results as announced by Wind Tre.

7. INFORMATION ON VEON

Headquartered in Amsterdam, the Netherlands, VEON is an international communications and technology company driven by a vision to unlock new opportunities for customers as they navigate the digital world. Present in some of the world's most dynamic markets, VEON provides more than 240 million customers with voice, fixed broadband, data and internet services. VEON offers services to customers in 12 markets including Russia, Italy (via JVC and Wind Tre), Algeria, Pakistan, Uzbekistan, Kazakhstan, Ukraine, Bangladesh, Kyrgyzstan, Tajikistan, Armenia and Georgia. VEON operates under the "Beeline", "Kyivstar", "WIND 3", "Jazz", "banglalink", and "Djezzy" brands. Its stock is traded on the NASDAQ Global Select Market and Euronext Amsterdam under the symbol "VEON".

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, VEON, VEON Amsterdam, VLH, VLF and their ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company (as defined in the Listing Rules).

8. REASONS FOR, AND BENEFITS OF, THE TRANSACTION

Upon Completion, each of JVC and FinCo will become an indirect subsidiary of the Company. The Transaction will give the Group control of the largest mobile operator in Italy as measured by customer number and will be earnings and cashflow accretive for the Group.

The Directors, having regard to the reasons and benefits of the Transaction referred to above, consider that the terms of the Transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole.

9. LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as set out and calculated under Rule 14.07 of the Listing Rules) in relation to the Transaction exceed 5% but are less than 25%, the Transaction will constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

10. GENERAL

As completion of the Transaction is conditional on the satisfaction or waiver of the Conditions, it may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

11. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Board"	the board of Directors
"Business Day"	a day (other than a Saturday or Sunday) on which banks are generally open in London, Amsterdam, Luxembourg and Hong Kong for normal business
"Company"	CK Hutchison Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1)
"Completion"	completion of the Transaction in accordance with the terms of the Sale and Purchase Agreement
"Conditions"	the conditions precedent to Completion of the Transaction as set out in the Sale and Purchase Agreement
"Contribution and Framework Agreement"	the contribution and framework agreement between VEON Amsterdam, VEON, HET, the Company, JVC and FinCo dated 6 August 2015, as amended and restated on 4 November 2016
"Director(s)"	the director(s) of the Company
"EUR"	Euros, the lawful single European currency
"FinCo"	VIP-CKH Ireland Limited, a private company limited by shares incorporated under the laws of the Republic of Ireland
"FinCo Sale Shares"	all of the shares in the capital of FinCo held by VLF to be sold to HET pursuant to the terms of the Sale and Purchase Agreement
"FinCo Shareholders' Deed"	the shareholders' deed originally executed between FinCo, VLH, HET, VEON and the Company on 6 August 2015, as adhered to on 30 November 2016 by VLF in place of VLH via a deed of adherence (in connection with the transfer of VLH's interest in FinCo to VLF)
"Group"	the Company and its subsidiaries
"HET"	Hutchison Europe Telecommunications S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg and an indirect wholly-owned subsidiary of the Company
"HET LuxCo"	HET Investments, a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg and an indirect subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Joint Venture"	the joint venture (comprising the JVC Group and FinCo) equally owned by the Company and VEON, which owns and operates the mobile telecommunications businesses in Italy under the brands "**3**" and "**Wind**" via Wind Tre
"JVC"	VIP-CKH Luxembourg S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg
"JVC Group"	JVC and its subsidiaries from time to time
"JVC Sale Shares"	all of the shares in the capital of JVC held by VLH to be sold to HET pursuant to the terms of the Sale and Purchase Agreement
"JVC Shareholders' Deed"	the shareholders' deed between JVC, VLH, HET, VEON, the Company and HET LuxCo dated 6 August 2015, as amended and restated on 4 November 2016
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Sale and Purchase Agreement"	the sale and purchase agreement dated 3 July 2018 entered into between HET and HET LuxCo (both indirect subsidiaries of the Company), the Company, FinCo, JVC, VEON Amsterdam, VEON and VLF and VLH (both wholly-owned subsidiaries of VEON) in relation to the Transaction
"Sale Shares"	the JVC Sale Shares and the FinCo Sale Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Total Consideration"	the total consideration payable by HET to acquire all of the Sale Shares
"Transaction"	the acquisition by HET (i) from VLH of all of the JVC Sale Shares, and (ii) from VLF of all of the FinCo Sale Shares, representing all of VEON's interest in the Joint Venture, for the Total Consideration
"Unconditional Date"	the first Business Day on or by which the Conditions have been fulfilled or waived (if applicable)
"VEON"	VEON Ltd., an exempted company limited by shares incorporated under the laws of Bermuda
"VEON Amsterdam"	VEON Amsterdam B.V., a private limited liability company (*besloten vennootschap*) incorporated under the laws of the Netherlands
"VLF"	VEON Luxembourg Finance Holdings S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg and a wholly-owned subsidiary of VEON

"VLF Group"	VLF and its affiliates from time to time (excluding FinCo and any JVC Group company)
"VLH"	VEON Luxembourg Holdings S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg and a wholly-owned subsidiary of VEON
"VLH Group"	VLH and its affiliates from time to time (excluding FinCo and any JVC Group company)
"%"	per cent.

In this announcement, save as expressly stated otherwise, the HK$ amounts have been converted from EUR amounts at the rate of EUR1 to HK$9.08. Such conversion is for illustration purposes only. No representation is made that the Euro amounts have been or could have been or could be converted into HK$, or vice versa, at such rate or at any other rates on any relevant dates.

By Order of the Board

Edith Shih
Executive Director & Company Secretary

Hong Kong, 3 July 2018

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

Executive Directors:
Mr LI Tzar Kuoi, Victor *(Chairman and Group Co-Managing Director)*
Mr FOK Kin Ning, Canning *(Group Co-Managing Director)*
Mr Frank John SIXT *(Group Finance Director and Deputy Managing Director)*
Mr IP Tak Chuen, Edmond *(Deputy Managing Director)*
Mr KAM Hing Lam *(Deputy Managing Director)*
Mr LAI Kai Ming, Dominic *(Deputy Managing Director)*
Ms Edith SHIH

Non-executive Directors:
Mr CHOW Kun Chee, Roland
Mrs CHOW WOO Mo Fong, Susan
Mr LEE Yeh Kwong, Charles
Mr LEUNG Siu Hon
Mr George Colin MAGNUS

Independent Non-executive Directors:
Mr KWOK Tun-li, Stanley
Mr CHENG Hoi Chuen, Vincent
The Hon Sir Michael David KADOORIE
Ms LEE Wai Mun, Rose
Mr William Elkin MOCATTA *(Alternate to The Hon Sir Michael David Kadoorie)*
Mr William SHURNIAK
Mr WONG Chung Hin
Dr WONG Yick-ming, Rosanna