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**COMBINATION OF INDONESIAN TELECOMMUNICATIONS BUSINESSES**  
**AND**  
**DISCLOSEABLE TRANSACTION IN RELATION TO**  
**THE HOLDCO SSSA TRANSACTIONS**

The Board is pleased to announce that, further to the announcement of the Company on 28 December 2020, the Group has entered into definitive agreements on 16 September 2021 in relation to the Proposed Merger and related transactions with Ooredoo Group to combine their respective Indonesian telecommunication businesses, H3I (a subsidiary of the Company) and Indosat (a subsidiary of Ooredoo). Under the Proposed Merger, H3I will be merged into Indosat by way of a statutory merger under Indonesian law in consideration for the issue of New MergeCo Shares to the shareholders of H3I (including the Group). Upon Merger Closing, Indosat will continue as the surviving legal entity, being MergeCo, which will be named PT Indosat Ooredoo Hutchison Tbk and maintain its listing on the Indonesia Stock Exchange.

Conditional on Merger Closing taking place and in connection with the HoldCo Share Transactions pursuant to the HoldCo SSSA, the Group will (i) transfer to HoldCo its entire portion of New MergeCo Shares (representing 21.84% of the entire issued share capital of MergeCo) received under the Proposed Merger in consideration for the issuance of the HoldCo Subscription Shares; and (ii) purchase from Ooredoo Group, for a cash consideration of US\$387,000,000, the HoldCo Sale Shares, such that, immediately after completion of the HoldCo Share Transactions, the Group (through CKITHL) and Ooredoo Group (through OSEA) will each directly own 50% of the issued share capital of HoldCo, and HoldCo will in turn own 65.64% of the issued share capital of MergeCo as enlarged by the issuance of the New MergeCo Shares under the Proposed Merger, before taking into account the possible increase in the number of MergeCo shares held by HoldCo (as discussed in the section headed “Possible Increase in Indosat and/or MergeCo shares held by HoldCo” in section 3.2).

Please see the section headed “Reasons for and Benefits of the Proposed Transactions” in section 3.4.

The HoldCo SSSA Transactions constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**As completion of the Proposed Transactions is conditional on the satisfaction or waiver of certain conditions, there remains a possibility that the Proposed Transactions may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **1. INTRODUCTION**

The Board is pleased to announce that, further to the announcement of the Company on 28 December 2020, the Group has entered into definitive agreements on 16 September 2021 in relation to the Proposed Merger and related transactions with Ooredoo Group to combine their respective Indonesian telecommunication businesses, H3I (a subsidiary of the Company) and Indosat (a subsidiary of Ooredoo). Conditional on Merger Closing taking place and immediately after completion of the HoldCo Share Transactions, each of the Group (through CKITHL) and Ooredoo Group (through OSEA) will directly own 50% of the issued share capital of HoldCo, and HoldCo will in turn own 65.64% of the issued share capital of MergeCo, before taking into account the possible increase in the number of MergeCo shares held by HoldCo as discussed in the section headed “*Possible Increase in Indosat and/or MergeCo shares held by HoldCo*” in section 3.2 below.

## **2. THE PROPOSED MERGER**

### **2.1 CMA**

On 16 September 2021, H3I, CKITHL and the Company (as guarantor for the obligations of CKITHL under the CMA) entered into the CMA with Indosat and OSEA which sets out, *among others*, certain terms and conditions applicable between such parties with respect to the implementation of the Proposed Merger.

#### **(a) Proposed Merger**

Pursuant to the CMA, H3I will be merged into Indosat by way of a statutory merger under Indonesian law. At Merger Closing, H3I’s assets, liabilities and businesses will be transferred by operation of law to Indosat in consideration for the issue to HAT, CAC and the H3I Minority Shareholder (being the shareholders of H3I) of an aggregate of 2,628,769,240 ordinary shares in MergeCo (being the New MergeCo Shares) representing approximately 32.60% of the fully diluted share capital of MergeCo at Merger Closing, and the original shareholders of Indosat prior to Merger Closing will hold the remaining approximately 67.40% of the fully diluted share capital of MergeCo at Merger Closing (such ratio of 32.60/67.40 being the Merger Exchange Ratio). The Merger Exchange Ratio was negotiated and determined between the parties by reference to an agreed multiple of the respective historical LTM EBITDA of H3I and Indosat as at 31 March 2021, less their respective net debt as at that date.

Out of the 2,628,769,240 New MergeCo Shares, a total of 1,760,654,152 of the New MergeCo Shares (representing approximately 21.84% of the fully diluted share capital of MergeCo at Merger Closing) will be issued to HAT and CAC, in proportion to their respective shareholdings in H3I immediately prior to Merger Closing, while the remaining 868,115,088 of the New MergeCo Shares (representing approximately 10.77% of the fully diluted share capital of MergeCo at Merger Closing) will be issued to the H3I Minority Shareholder.

(b) **Conditions**

Merger Closing is conditional on, *among others*, the following conditions precedent having been satisfied or waived in accordance with the CMA:

- (i) the OJK having issued an effective statement on the merger plan;
- (ii) the Indonesia Stock Exchange having issued its in-principle approval to Indosat on the listing of the New MergeCo Shares on the Indonesia Stock Exchange;
- (iii) none of the HoldCo Shareholders' Deed and the HoldCo SSSA having been terminated in accordance with their terms as at the date all other conditions precedent have been satisfied or waived;
- (iv) the necessary anti-trust approval from the European Commission having been obtained in the manner described in the CMA;
- (v) the Ministry of Communication and Informatics of Indonesia having issued its approval for the Proposed Merger and transfer of all spectrum assignments held by H3I to Indosat;
- (vi) the Info-communications Media Development Authority of Singapore having issued its approval for the change of indirect shareholding in Indosat Singapore Pte. Ltd., a wholly-owned subsidiary of Indosat, resulting from the Proposed Merger;
- (vii) approval for the implementation of the Proposed Merger having been obtained at the general meeting of shareholders of H3I;
- (viii) approval for, *among others*, the implementation of the Proposed Merger and the adoption of new articles of association of Indosat, having been obtained at the general meeting of shareholders of Indosat (including approval by the Government of Indonesia as a shareholder of Indosat);
- (ix) each of H3I and Indosat delivering a confirmation letter in respect of its own creditors confirming either that no objections have been raised by the creditors of H3I and Indosat in respect of the Proposed Merger within the time period stipulated by applicable laws or, if applicable, all objections raised have been appropriately addressed in accordance with applicable laws on or before the date that the OJK issues an effective statement on the merger plan;
- (x) the extinguishing in full of certain trade payables and associated costs of H3I, as confirmed in writing by a director of H3I;
- (xi) the completion of one or more equity injections into H3I prior to Merger Closing as may be required to maintain the equity value of H3I at an agreed level; and
- (xii) the repayment of certain amounts outstanding under a shareholder loan facility to be entered into between a member of the Group (as lender) and H3I (as borrower).

In relation to (vii) above, the H3I Minority Shareholder has undertaken to the Company that it and its affiliates shall vote their shares in H3I in favour of the H3I shareholder resolution to be proposed for the purpose of approving the Proposed Merger.

In relation to (xi) above, the equity value of H3I will be calculated as at a test date prior to Merger Closing such that in case the equity value is below an agreed level (taking into account also the equity value of Indosat as compared against an agreed level, as at the relevant test date), CKITHL shall carry out or procure the carrying out of equity injection(s) into H3I prior to Merger Closing to maintain the equity value at the agreed level.

If any of the conditions precedent in the CMA have not been satisfied or waived on or before 5:00 p.m. (Jakarta time) one business day before 31 March 2022, all of the provisions of the CMA shall lapse and cease to have effect, subject to any accrued rights or liabilities of any party prior to such lapse or cessation.

**(c) Termination**

The CMA will terminate if:

- (i) any of the conditions precedent have not been satisfied or waived on or before 5:00 p.m. (Jakarta time) one business day before 31 March 2022;
- (ii) there is a governmental condition imposed which causes a material impact such that either of CKITHL or OSEA determines any such condition has a material adverse impact on either it or its respective groups or the MergeCo group;
- (iii) a defaulting party fails to comply with its closing obligations by the end of the cure period and a termination notice is given by the non-defaulting parties;
- (iv) a material adverse change in respect of Indosat or H3I has occurred on the relevant test date and a termination notice is given by the non-defaulting parties;
- (v) a party gives a termination notice in respect of (1) a material warranty breach (which has not been remedied as required) or (2) a fundamental warranty breach (as applicable);
- (vi) the HoldCo SSSA is terminated in accordance with its terms; or
- (vii) all parties agree to terminate the CMA in writing.

**(d) Guarantee**

The Company has agreed to guarantee to Indosat the payment and the performance of other obligations of CKITHL which are owed to Indosat under the CMA.

## **2.2 Consequence of the Proposed Merger**

Upon Merger Closing, H3I will be dissolved by operation of law and Indosat will continue as the surviving entity, MergeCo. All the assets, liabilities and businesses of H3I will be legally transferred by operation of law to MergeCo, which will continue under the name of PT Indosat Ooredoo Hutchison Tbk and maintain its listing on the Indonesia Stock Exchange. Following Merger Closing, H3I will cease to be a subsidiary of the Company.

### **3. DISCLOSEABLE TRANSACTION IN RELATION TO THE HOLDCO SSSA TRANSACTIONS**

#### **3.1 HoldCo Share Transactions**

In connection with the Proposed Merger, on 16 September 2021, the Company (as guarantor for certain obligations of CKITHL) and CKITHL also entered into the HoldCo SSSA with Ooredoo (as guarantor for certain obligations of OSEA) and OSEA, in relation to, *among others*, the HoldCo Share Transactions (being the HoldCo Share Subscription and HoldCo Share Purchase), the Buyback and the MTO (in case the OJK determines that the relevant exemption under the OJK regulations from the requirement to conduct an MTO does not apply, see section 3.2(b) below):

##### **(a) HoldCo Share Subscription**

CKITHL will procure HAT and CAC to transfer their respective New MergeCo Shares, representing in aggregate 21.84% of the entire issued share capital of MergeCo (being the HoldCo Share Subscription Consideration), to HoldCo, in consideration for OSEA procuring HoldCo to allot and issue the HoldCo Subscription Shares to CKITHL. The HoldCo Subscription Shares represent 33.266% of the fully diluted issued share capital of HoldCo.

The HoldCo Share Subscription Consideration was determined on the basis that the indirect interest in MergeCo represented by the HoldCo Subscription Shares to be issued to CKITHL equals the direct interest in MergeCo represented by the New MergeCo Shares issued to HAT and CAC at Merger Closing.

##### **(b) HoldCo Share Purchase**

OSEA will sell, and CKITHL will purchase, the HoldCo Sale Shares free from encumbrances, for a cash consideration of US\$387,000,000 (being the HoldCo Share Purchase Consideration), which will be funded by internal resources of the Group. The HoldCo Sale Shares represent 16.734% of the fully diluted issued share capital of HoldCo, through which the Group will have an attributable interest of 10.99% in MergeCo.

The HoldCo Share Purchase Consideration was determined based on an amount equal to 10.99% of the implied aggregate value of MergeCo calculated, on the same basis as the Merger Exchange Ratio was determined, by reference to an agreed multiple of the respective historical LTM EBITDA of H3I and Indosat as at 31 March 2021, less their respective net debt as at that date.

On completion of the HoldCo Share Transactions, each of CKITHL and OSEA will hold the same number of ordinary shares and redeemable shares in HoldCo, such that each of them will directly hold 50% of each class of shares constituting the issued share capital of HoldCo. The Group will account for its interests in HoldCo and MergeCo using the equity method of accounting.

##### **(c) Simultaneous completion**

Neither CKITHL nor OSEA shall be obliged to: (i) complete the HoldCo Share Subscription or pay the HoldCo Share Subscription Consideration (as applicable) unless they are completed simultaneously; (ii) complete the sale and purchase of the HoldCo Sale Shares unless the sale and purchase of all the HoldCo Sale Shares under the HoldCo Share Purchase is completed

simultaneously; and (iii) complete the HoldCo Share Subscription or HoldCo Share Purchase, in each case, unless they are completed simultaneously.

(d) **Condition Precedent and Completion**

The obligations of CKITHL and OSEA to complete the HoldCo Share Subscription and HoldCo Share Purchase are conditional on Merger Closing having occurred in accordance with the terms of the CMA. Completion shall take place on the first business day following Merger Closing.

(e) **Termination**

The HoldCo SSSA will terminate and cease to have any effect if (i) the CMA is terminated in accordance with its terms; (ii) a party gives a termination notice in respect of (1) a material warranty breach (which has not been remedied as required) or (2) a fundamental warranty breach (as applicable); or (iii) CKITHL and OSEA agree to terminate the HoldCo SSSA in writing.

(f) **Guarantee**

The Company has agreed to guarantee to OSEA: (i) the payment of the HoldCo Share Purchase Consideration and certain other obligations of CKITHL under the HoldCo SSSA; (ii) the performance of CKITHL of obligations regarding entry into certain loan facility agreements in relation to funding of the Buyback and the MTO (if required) and any funding to be provided by CKITHL under such agreements; and (iii) the performance of certain payment obligations of CKITHL under the HoldCo SSSA.

Ooredoo has agreed to guarantee to CKITHL: (i) the performance of OSEA of obligations regarding entry into certain loan facility agreements in relation to funding of the Buyback and the MTO (if required) and any funding to be provided by OSEA under such agreements; and (ii) the performance of certain payment obligations of OSEA under the HoldCo SSSA.

### **3.2 Possible Increase in Indosat and/or MergeCo shares held by HoldCo**

(a) **Buyback**

If approval is obtained at the general meeting of Indosat shareholders convened to approve, *among others*, the Proposed Merger, each Eligible Dissenting Indosat Shareholder has the right under the OJK regulations to sell their Indosat shares. CKITHL and OSEA have agreed under the HoldCo SSSA, and HoldCo and Indosat have agreed under a Share Buyback Agreement, that HoldCo shall be nominated to carry out the Buyback by purchasing the Indosat shares presented for sale by any Eligible Dissenting Indosat Shareholders at a price of IDR5,247 (equivalent to approximately HK\$2.87) per Indosat share (the “**Buyback Price Per Share**”). Any Buyback will be conducted by HoldCo following Merger Closing, in compliance with the relevant requirements of the OJK, and in accordance with the HoldCo SSSA and the Share Buyback Agreement.

Under the HoldCo SSSA, CKITHL and OSEA shall fund HoldCo for all amounts necessary for the implementation of the Buyback in equal proportions. Based on the Buyback Price Per Share and the number of Indosat shares held by all the Eligible Dissenting Indosat Shareholders, it is currently estimated that the funding to be provided by each of CKITHL and OSEA will not exceed IDR2,952 billion (equivalent to approximately HK\$1.61 billion).

**(b) MTO**

CKITHL and OSEA have agreed under the HoldCo SSSA that HoldCo shall be nominated to implement an MTO should the OJK determine that the relevant exemption under the OJK regulations from the requirement to conduct an MTO does not apply. However, based on the legal advice obtained by the Group, there are strong grounds for relying on such exemption under the OJK regulations and as such, no MTO should be required.

Under the HoldCo SSSA, CKITHL and OSEA shall fund HoldCo for all amounts necessary for the implementation of any MTO in equal proportions. It is currently estimated that the possible funding required from CKITHL for this purpose will not exceed IDR6,200 billion (equivalent to approximately HK\$3.39 billion). The H3I Minority Shareholder has undertaken to the Company that it and its affiliates will not tender their shares in MergeCo in the event of an MTO.

**(c) Possible Subsequent Equity Increase in HoldCo**

Any funding to be provided by CKITHL and OSEA to HoldCo for the Buyback and in the event of an MTO, shall be in equal proportions and may be in the form of equity injection into HoldCo or loans subsequently repaid by issue of new shares in HoldCo which would result in the Possible Subsequent Equity Increase.

As a result of any Possible Subsequent Equity Increase, the equity interest of each of CKITHL and OSEA in HoldCo would be increased on a pro rata basis although each of CKITHL and OSEA would continue to own directly 50% of the issued share capital of HoldCo. In turn, the interest of HoldCo in the issued share capital of MergeCo may increase if any Eligible Dissenting Indosat Shareholders sell their shares to HoldCo under the Buyback, or any MergeCo shareholders tender their MergeCo shares in the case of an MTO.

**(d) Public shareholding**

If, due to the sale of Indosat shares by Eligible Dissenting Indosat Shareholders to HoldCo pursuant to the Buyback or in the event of an MTO, the share ownership of public shareholders in MergeCo becomes less than the limit determined by the OJK or the Indonesia Stock Exchange, MergeCo and/or HoldCo will be required to take any such actions as necessary to increase the share ownership of public shareholders in MergeCo to the required number as determined by the OJK or the Indonesia Stock Exchange to maintain the position of MergeCo as a public company whose shares are listed on the Indonesia Stock Exchange according to prevailing laws.

**3.3 HoldCo Shareholders' Deed**

On 16 September 2021, CKITHL, the Company, OSEA, Ooredoo (being the parties to the HoldCo SSSA) and HoldCo entered into the HoldCo Shareholders' Deed, which will take effect on and concurrently with Merger Closing, to, *among others*, govern the relationship of the HoldCo Shareholders with respect to HoldCo, and the conduct of the business of HoldCo including with respect to its shareholding in MergeCo.

The HoldCo Shareholders' Deed contains, *among* others, governance provisions in respect of: the business scope and objectives of each of HoldCo and MergeCo; the composition of the board of directors of HoldCo; the composition of the board of directors and board of commissioners of MergeCo; the reserved matters of MergeCo which requires prior approval of at least a majority of the commissioners of MergeCo (including all the commissioners nominated for appointment by each HoldCo Shareholder) or, where such matter requires shareholder approval under applicable laws, prior approval of the shareholders of MergeCo holding the requisite percentage of MergeCo shares specified under applicable law, as applicable; provisions dealing with deadlock; and various internal management and governance matters of HoldCo and MergeCo.

Certain other provisions under the HoldCo Shareholders' Deed include:

(a) **Actions taken by HoldCo**

The parties agree that all actions taken by HoldCo (including actions taken by HoldCo in its capacity as a shareholder of MergeCo) shall require the approval of: (i) at least one CKITHL Director and one OSEA Director (in the case of an action to be taken by the HoldCo Board); or (ii) each of CKITHL and OSEA (in the case of an action to be taken by the HoldCo Shareholders); and all documents to be executed by HoldCo shall require the signature of at least one CKITHL Director and one OSEA Director, unless otherwise authorised by the HoldCo Board.

(b) **Further finance**

Other than any financing required for the implementation of the Buyback and the MTO (if required), and funding required to enable HoldCo to settle certain historical liabilities, the HoldCo Shareholders intend that HoldCo shall be self-financing and, to the extent that additional funding is required, HoldCo shall obtain such additional funds from third party debt financing sources without recourse to the HoldCo Shareholders (or any of their respective affiliates), in accordance with the terms of the HoldCo Shareholders' Deed. To the extent it is not practicable for HoldCo to obtain funding from third party debt sources, subject to the prior approval of both HoldCo Shareholders and applicable laws, further funding required by HoldCo may be obtained from third party debt sources with credit support from the HoldCo Shareholders, or by way of a loan from the HoldCo Shareholders.

(c) **Restrictions on transfer**

During the Lock-up Period (other than pursuant to the HoldCo SSSA, certain permitted transfers, affiliate transfers and other transfers with the prior consent of the other HoldCo Shareholder):

- (i) each HoldCo Shareholder undertakes that it will not (and where applicable procure that its affiliates will not): (i) transfer any HoldCo securities or assign or novate any of its HoldCo Shareholder's loan interests (if any), other than to a permitted affiliate transferee; or (ii) acquire or dispose of any MergeCo shares, provided that the Group may acquire MergeCo shares from the H3I Minority Shareholder in enforcing security rights granted by it to the Group companies on those shares, in which case Ooredoo or its subsidiaries may acquire an equal number of MergeCo shares;



- (ii) HoldCo undertakes not to transfer any MergeCo shares (other than as required to comply with applicable laws) without the prior written consent of both HoldCo Shareholders; and
- (iii) the Company and Ooredoo undertake to procure that there is no change of control of CKITHL or OSEA respectively.

After the expiry of the Lock-up Period, a HoldCo Shareholder may only transfer all (and not some only) of its HoldCo securities and assign or novate all (and not some only) of its HoldCo Shareholder's loan interests (if any) to:

- (i) a permitted affiliate;
- (ii) any party with the prior written consent of the other HoldCo Shareholder;
- (iii) a third party purchaser, in accordance with the applicable provisions of the HoldCo Shareholders' Deed governing a right of first offer, drag-along, tag-along (as applicable); or
- (iv) to the other shareholder in accordance with the applicable provisions of the HoldCo Shareholders' Deed governing a right of first offer or buy-sell agreement.

Completion of the transfer of HoldCo securities is subject to all applicable regulatory approvals.

(d) **Buy-out right**

Following the expiry of the Lock-up Period, each HoldCo Shareholder has the right to buy out the interests of the other shareholder at a certain price if the other shareholder (i) commits a specified material breach of the HoldCo Shareholders' Deed, or (ii) is subject to a change of control.

(e) **Buy-Sell right**

If, following the Lock-up Period, a deadlock matter arises and the deadlock cannot be resolved after discussions between the parties, a HoldCo Shareholder (the "**First HoldCo Shareholder**") may issue a notice (the "**Buy-Sell Notice**") to the other HoldCo Shareholder (the "**Second HoldCo Shareholder**") to offer to buy: (i) all of the shares and other securities in HoldCo (the "**Buy-Sell Securities**") held by the Second HoldCo Shareholder at the price specified in the Buy-Sell Notice (such price to be determined according to the agreed parameters, including by reference to a minimum floor price) (the "**Buy-Sell Price**"); and (ii) all of the shareholder loan interests (if any) held by the Second HoldCo Shareholder. The Second HoldCo Shareholder, if it does not accept the offer under the Buy-Sell Notice, may serve a notice to the First HoldCo Shareholder requiring the First HoldCo Shareholder to sell: (iii) all of the Buy-Sell Securities held by the First HoldCo Shareholder at the Buy-Sell Price; and (iv) all of the shareholder loan interests (if any) held by the First HoldCo Shareholder. Completion of the transfer of shares and/or other securities pursuant to the buy-sell process is subject to obtaining all applicable regulatory approvals.

(f) **Protective covenants**

Subject to certain exceptions, each HoldCo Shareholder covenants with MergeCo that it shall not, and shall procure that none of its respective group members shall, for so long as such HoldCo Shareholder holds any securities in the issued share capital of MergeCo and for a period of two years after the date upon which it ceases to be a HoldCo Shareholder, be concerned in any business in Indonesia which is or is likely to be in competition with the core business of

MergeCo, being the business of operating and maintaining retail and/or wholesale mobile telecommunications services, fixed line telecommunication services, internet telecommunications services, mobile broadband services, digital mobile video services, fixed line broadband services and/or data services in Indonesia disregarding for such purposes shareholdings of less than 5% in such a competitive business whose shares are listed or traded on a generally recognised market.

(g) **Guarantee**

The Company has given a guarantee for the benefit of OSEA in respect of certain payment and performance of other obligations of CKITHL under the HoldCo Shareholders' Deed to the extent CKITHL fails to perform such obligations when due. Ooredoo has given a guarantee for the benefit of CKITHL for certain payment and performance of other obligations of OSEA under the HoldCo Shareholders' Deed to the extent OSEA fails to perform such obligations when due.

### **3.4 Reasons for and Benefits of the Proposed Transactions**

The Company considers that both H3I and Indosat are ready to combine their strengths to operate more effectively as a single entity to accomplish the following benefits:

- (i) MergeCo will have greater scale and a more efficient cost structure, enabling it to accelerate investment in its network, quality of service and product and service innovation in a way that would not be possible for either H3I or Indosat on a standalone basis.
- (ii) MergeCo would be the second largest mobile telecoms company in the country, maintaining its network competitiveness against incumbents in the market.
- (iii) The MergeCo, when compared to H3I and Indosat on a standalone basis, would leverage the talents of both companies and be able to make and encourage investments in infrastructure and support the digital agenda of the Government of Indonesia.
- (iv) The Proposed Merger will benefit both existing and future customers through the provision of better quality of service and higher network quality and reliability.
- (v) MergeCo will be financially stronger and better positioned for 5G rollout, with its denser network compared to the standalone businesses of H3I and Indosat.

The Company believes that the Proposed Transactions will create significant synergies, which will enable investments that will benefit customers and will provide accretive returns for the shareholders of MergeCo.

The terms of the Proposed Transactions were arrived at based on arms' length negotiations and the Directors believe that the terms of the Proposed Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## 4. INFORMATION ON H3I, INDOSAT AND HOLDCO

### 4.1 Information on H3I

H3I is one of the leading mobile communication service providers in Indonesia operating a nationwide network. It has been in commercial operation in Indonesia since 2007 and has grown into a digital lifestyle provider, offering data, digital, voice, SMS, international roaming and other mobile telecommunication services to customers. H3I operates under the '3' brand.

Upon Merger Closing, H3I will be dissolved by operation of law and all the assets, liabilities and businesses of H3I will be legally transferred by operation of law to MergeCo.

The audited net asset value of H3I, based on Indonesian Financial Accounting Standards, as at 31 December 2020 was IDR1,450,813 million (equivalent to approximately HK\$793 million).

The audited profit before and after tax of H3I for the two financial years ended 31 December 2019 and 2020, based on Indonesian Financial Accounting Standards, are set out below:

	<b>Financial year ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<i>(million)</i>	<i>(million)</i>
(Loss)Profit before tax	(IDR18,390,571)	(IDR4,338,394)
	<i>Equivalent to (HK\$10,057)</i>	<i>Equivalent to (HK\$2,372)</i>
(Loss) Profit after tax	(IDR18,390,571)	(IDR4,338,394)
	<i>Equivalent to (HK\$10,057)</i>	<i>Equivalent to (HK\$2,372)</i>

### 4.2 Information on Indosat

Indosat is an integrated telecommunications company. It focuses on providing cellular, connectivity, internet and VPN, and fixed services for both retail consumers and enterprise customers ranging from small and medium enterprises to large enterprises, and the Government of Indonesia. Indosat is also a prominent player in providing cloud, security and data center services along with other enterprise solutions to Indonesian as well as international enterprises and Government of Indonesia.

Following Merger Closing, Indosat as the surviving legal entity and the resulting MergeCo will be named PT Indosat Ooredoo Hutchison Tbk and maintain its listing on the Indonesia Stock Exchange.

Based on the information provided by Indosat, the audited consolidated net asset value of Indosat, based on Indonesian Financial Accounting Standards, as at 31 December 2020 was IDR12,913,396 million (equivalent to approximately HK\$7,062 million).

Based on the information provided by Indosat, the audited consolidated profit before and after tax of Indosat for the two financial years ended 31 December 2019 and 2020, based on Indonesian Financial Accounting Standards, are set out below:

### Financial year ended 31 December

	2019	2020
	(million)	(million)
(Loss) Profit before tax	IDR1,587,191 <i>Equivalent to HK\$868</i>	(IDR599,541) <i>Equivalent to (HK\$328)</i>
(Loss) Profit after tax	IDR1,630,372 <i>Equivalent to HK\$892</i>	(IDR630,160) <i>Equivalent to (HK\$345)</i>

#### 4.3 Information on HoldCo

HoldCo is an investment holding company incorporated in Singapore that is wholly owned by the Ooredoo Group. As at the date of this announcement, it owns 65% of the issued shares of Indosat. Subject to Merger Closing, HoldCo's business shall be the holding of shares in MergeCo and the provision of management services to the HoldCo Shareholders.

Based on the information provided by HoldCo, the unaudited consolidated net asset value of HoldCo, based on the Singapore Financial Reporting Standards, as at 31 December 2020 was US\$1,988 million (equivalent to approximately HK\$15,467 million).

Based on the information provided by HoldCo, the profit before and after tax of HoldCo for the two financial years ended 31 December 2019 (audited) and 2020 (unaudited), based on the Singapore Financial Reporting Standards, are set out below:

	2019	2020
	(million)	(million)
(Loss) Profit before tax	(US\$0.537) <i>Equivalent to (HK\$4.18)</i>	(US\$0.485) <i>Equivalent to (HK\$3.77)</i>
(Loss) Profit after tax	(US\$0.538) <i>Equivalent to (HK\$4.19)</i>	(US\$0.489) <i>Equivalent to (HK\$3.80)</i>

## 5. INFORMATION ON THE COMPANY, OOREDOO AND OSEA

### 5.1 The Company

The Company is an investment holding company. The Group is a renowned multinational conglomerate committed to development, innovation and technology in many different sectors. Its operations consist of four core businesses – ports and related services, retail, infrastructure and telecommunications.

### 5.2 Ooredoo and OSEA

Headquartered in Doha, Qatar, Ooredoo is an international communications company operating across the Middle East, North Africa and Southeast Asia. Serving consumers and businesses in 10 countries, Ooredoo delivers the leading data experience through a broad range of content and services via its advanced, data-centric mobile and fixed networks.

OSEA is an investment holding company incorporated in Bahrain that is wholly owned by the Ooredoo Group.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Ooredoo, OSEA and their respective ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company (as defined in the Listing Rules).

## **6. IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the transactions contemplated under the HoldCo SSSA Transactions exceed 5% but are all less than 25%, the transactions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

**As completion of the Proposed Transactions is conditional on the satisfaction or waiver of certain conditions, there remains a possibility that the Proposed Transactions may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

<b>“Board”</b>	the board of Directors
<b>“Buyback”</b>	the purchase by HoldCo of any Indosat shares presented for sale by Eligible Dissenting Indosat Shareholders, pursuant to the Share Buyback Agreement
<b>“CAC”</b>	CAC Holdings (Netherlands) B.V., a company incorporated in the Netherlands and an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, CAC owns 0.658% of the issued shares of H3I
<b>“CKITHL”</b>	CK Hutchison Indonesia Telecom Holdings Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
<b>“CKITHL Director”</b>	director nominated by CKITHL to the HoldCo Board pursuant to the terms of the HoldCo Shareholders’ Deed
<b>“Company”</b>	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)
<b>“CMA ”</b>	the conditional merger agreement dated 16 September 2021 entered into between H3I, CKITHL, the Company, Indosat and OSEA
<b>“Director(s)”</b>	the director(s) of the Company
<b>“EBITDA ”</b>	earnings before interest, taxes, depreciation and amortization, as defined and agreed in the CMA

<b>“Eligible Dissenting Indosat Shareholders”</b>	all the shareholders of Indosat (which for the purpose of this announcement only, excludes HoldCo and is assumed to exclude the Government of Indonesia) who vote against the Proposed Merger at the general meeting of shareholders of Indosat to be held to approve, <i>among others</i> , the Proposed Merger
<b>“Group”</b>	the Company and its subsidiaries
<b>“H3I”</b>	PT Hutchison 3 Indonesia, a company incorporated in Indonesia, which is indirectly owned as to 66.976% by the Company as at the date of this announcement
<b>“H3I Minority Shareholder”</b>	PT Tiga Telekomunikasi Indonesia, a company incorporated in Indonesia, which owns 33.024% of the issued shares of H3I as at the date of this announcement
<b>“HAT”</b>	Hutchison Asia Telecommunications Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, HAT owns 66.318% of the issued shares of H3I
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“HoldCo”</b>	Ooredoo Asia Pte. Ltd., a company incorporated in Singapore, an indirect wholly-owned subsidiary of Ooredoo and to be renamed Ooredoo Hutchison Asia Pte. Ltd. at completion of the HoldCo Share Transactions. As at the date of this announcement, HoldCo owns 65% of the issued shares of Indosat
<b>“HoldCo Board”</b>	the board of directors of HoldCo following Merger Closing
<b>“HoldCo Sale Shares”</b>	(i) such number of ordinary shares of HoldCo representing 16.734% of the total issued ordinary shares in the capital of HoldCo and (ii) such number of redeemable preference shares of HoldCo representing 16.734% of the total issued redeemable preference shares in the capital of HoldCo, in each case immediately after completion of the HoldCo Share Transactions
<b>“HoldCo Share Purchase”</b>	the purchase of the HoldCo Sale Shares by CKITHL from OSEA, pursuant to the terms of the HoldCo SSSA
<b>“HoldCo Share Purchase Consideration”</b>	US\$387,000,000, being the cash consideration to be paid for the HoldCo Sale Shares
<b>“HoldCo Share Subscription”</b>	the allotment and issuance of the HoldCo Subscription Shares to CKITHL, pursuant to the terms of the HoldCo SSSA

<b>“HoldCo Share Subscription Consideration”</b>	the transfer to HoldCo of HAT’s and CAC’s New MergeCo Shares (representing 21.84% of the entire issued share capital of MergeCo)
<b>“HoldCo Share Transactions”</b>	the HoldCo Share Subscription and the HoldCo Share Purchase
<b>“HoldCo Shareholder(s)”</b>	shareholder(s) of HoldCo from time to time, being CKITHL and OSEA immediately following the completion of the HoldCo Share Transactions, or any registered shareholder of HoldCo having executed a deed of adherence in accordance with the terms of the HoldCo Shareholders’ Deed
<b>“HoldCo Shareholders’ Deed”</b>	the shareholders’ deed dated 16 September 2021 in respect of HoldCo entered into by, <i>among others</i> , CKITHL and OSEA
<b>“HoldCo SSSA”</b>	the share subscription and sale agreement dated 16 September 2021 entered into among CKITHL, the Company, OSEA and Ooredoo
<b>“HoldCo SSSA Transactions”</b>	the HoldCo Share Transactions and the Possible Subsequent Equity Increase
<b>“HoldCo Subscription Shares”</b>	(i) such number of ordinary shares of HoldCo representing 33.266% of the total issued ordinary shares in the capital of HoldCo and (ii) such number of redeemable preference shares of HoldCo representing 33.266% of the total issued redeemable preference shares in the capital of HoldCo, in each case immediately after completion of the HoldCo Share Transactions
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“IDR”</b>	Indonesian Rupiah, the lawful currency of Indonesia
<b>“Indonesia”</b>	the Republic of Indonesia
<b>“Indonesian Financial Accounting Standards”</b>	Indonesian Financial Accounting Standards as issued by the Indonesian Financial Accounting Standards Board (Dewan Standar Akuntansi Keuangan – DSAK IAI)
<b>“Indosat”</b>	PT Indosat Tbk, a company incorporated in Indonesia, the shares of which are listed on the Indonesia Stock Exchange (IDX: ISAT)
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Lock-up Period”</b>	the period ending at 11:59 p.m. (Jakarta time) on the fifth anniversary of the date on which Merger Closing takes place

<b>“LTM EBITDA”</b>	EBITDA for the period of the last twelve months (information concerning the respective historical LTM EBITDA of H3I and Indosat as at 31 March 2021 and their respective net debt as at that date has been included in their respective audited financial statements for the year ended 31 December 2020 and the quarter ended 31 March 2021)
<b>“MergeCo”</b>	the surviving entity following completion of the Proposed Merger, to be named PT Indosat Ooredoo Hutchison Tbk
<b>“Merger Closing”</b>	the issuance of approval from the Ministry of Law and Human Rights of Indonesia in relation to the Proposed Merger in accordance with the CMA
<b>“Merger Exchange Ratio”</b>	an agreed merger exchange ratio of 32.60/67.40 on which the Proposed Merger is to be effected between Indosat and H3I
<b>“MTO”</b>	a mandatory tender offer to be made to the shareholders of MergeCo, if required by the OJK
<b>“New MergeCo Shares”</b>	an aggregate of 2,628,769,240 ordinary shares in MergeCo representing 32.60% of the fully diluted share capital of MergeCo at Merger Closing
<b>“OJK”</b>	Financial Services Authority of Indonesia ( <i>Otoritas Jasa Keuangan</i> )
<b>“Ooredoo”</b>	Ooredoo Q.P.S.C., a company incorporated in Qatar, the shares of which are listed on the Qatar Stock Exchange and the Abu Dhabi Securities Exchange (Ticker: ORDS)
<b>“Ooredoo Group”</b>	Ooredoo and its subsidiaries
<b>“OSEA”</b>	Ooredoo South East Asia Holding W.L.L, a company incorporated in the Kingdom of Bahrain and a direct wholly-owned subsidiary of Ooredoo. As at the date of this announcement, OSEA directly owns 100% of the issued shares of HoldCo
<b>“OSEA Director”</b>	director nominated by OSEA to the HoldCo Board pursuant to the terms of the HoldCo Shareholders’ Deed



<b>“Possible Subsequent Equity Increase”</b>	possible increase in the share capital of HoldCo as a result of issuance of new redeemable preference shares of HoldCo on an equal pro rata basis to each of CKITHL and OSEA, (i) in connection with an equity injection into HoldCo by way of redeemable preference share subscription; and/or (ii) for the purpose of repaying the portion of any amounts advanced to HoldCo that have been utilised by HoldCo for the implementation of the Buyback and/or the MTO, in each case, as a result of funding the Buyback and/or the MTO (as applicable)
<b>“Proposed Merger”</b>	the proposed merger of H3I and Indosat by way of a statutory merger in accordance with Indonesian law
<b>“Proposed Transactions”</b>	the Proposed Merger, the HoldCo Share Transactions, the Possible Subsequent Equity Increase and the HoldCo Shareholders’ Deed
<b>“Share Buyback Agreement”</b>	a share buyback agreement to be entered into in an agreed form between Indosat and HoldCo setting out the commitment of HoldCo to conduct the Buyback
<b>“Shareholders”</b>	holder(s) of the Share(s)
<b>“Singapore Financial Reporting Standards”</b>	Singapore Financial Reporting Standards as issued by the Accounting Standards Council Singapore (ASC)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“US\$”</b>	United States Dollar, the lawful currency of the United States
<b>“%”</b>	per cent.

For reference only, in this announcement the conversion of IDR into HK\$ has been made at the rate of IDR1,828.64 to HK\$1, and the conversion of US\$ into HK\$ has been made at the rate of US\$1 to HK\$7.78. The conversion should not be construed as a representation that IDR amounts or US\$ amounts actually represented have been, or could be, converted into HK\$ at this or any other rate.

References to time and date in this announcement are to Hong Kong time and date (unless otherwise stated).

Certain amounts and percentage figures in this announcement have been subject to rounding adjustments.

By Order of the Board

**Edith Shih**

*Executive Director and Company Secretary*

Hong Kong, 16 September 2021

As at the date of this announcement, the Directors of the Company 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 George Colin MAGNUS

**Independent Non-executive Directors:**

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 Paul Joseph TIGHE  
Mr WONG Kwai Lam  
Dr WONG Yick-ming, Rosanna