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**Hutchison Telecom**  
Hong Kong Holdings

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Hong Kong Holdings Limited**

**和記電訊香港控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code : 215)

**DISCLOSEABLE TRANSACTION**

The Board is pleased to announce that on 30 July 2009, a 75.9%-owned subsidiary of the Company, HTCL, entered into the Framework Agreement with NSN for the purchase of the Equipment and Services from NSN in connection with the modernisation and expansion of the 3G Network on and subject to the terms and conditions set out therein, including HTCL's minimum purchase commitment of HK\$346,494,971.00 to be fulfilled within the initial twenty-four (24) months of its five-year term.

As one or more of the relevant percentage ratios represented by the minimum purchase commitment and the maximum contract value payable by HTCL under the Framework Agreement are respectively more than 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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**FRAMEWORK AGREEMENT**

**Date**

30 July 2009

**Parties**

- (1) NSN, as the supplier
- (2) HTCL, as the purchaser

**Term**

The Framework Agreement has a five-year term commencing on 30 July 2009, subject to the early termination provisions contained therein.



## **Principal Terms**

The modernisation and expansion of the 3G Network as stipulated in the Framework Agreement is expected to occur in phases over its five-year term during which HTCL will from time to time place orders for purchase of the Equipment and Services (or part thereof). In respect of each confirmed purchase order, NSN will provide HTCL with a performance bond issued by an affiliate of NSN of an amount equal to the pre-agreed percentage of the amount of such purchase order to secure NSN's performance of the Framework Agreement.

## **Consideration**

Under the Framework Agreement, HTCL has agreed, subject to NSN performing and discharging its obligations in accordance with its terms, to fulfil a minimum commitment to purchase Equipment and Services of an aggregate value of HK\$346,494,971.00 within the initial twenty-four (24) months of the Term. Having regard to all relevant circumstances then prevailing including availability of site locations, stage of development of relevant technology and ability of NSN to implement HTCL's request, HTCL may from time to time during the Term place further orders with NSN to purchase Equipment and Services in excess of its minimum purchase commitment. The parties have agreed the maximum price payable by HTCL for NSN's supply of Equipment and Services in order to meet the capacity and traffic requirements specified in the Framework Agreement. In the event such specified requirements are not met by the Equipment and Services delivered by NSN, it has agreed to supply such additional Equipment and Services as may be required to meet the aforesaid requirements all at NSN's own costs.

The consideration for the Equipment and Services is payable in cash and in instalments at each stage of delivery, commercial launch, conditional acceptance and final acceptance in the pre-agreed proportions. This amount was arrived at following the completion of a tender process conducted by HTCL and after arm's length negotiations between the parties.

## **REASONS FOR, AND THE BENEFITS OF, THE TRANSACTION**

As the leading 3G mobile telecommunications operator (in terms of number of subscribers) in Hong Kong, the Group always seeks to fulfil customers' expectation and diverse needs by improving its service quality. With widespread data and mobile Internet activities, the Transaction enables HTCL to modernise and expand its existing 3G Network with the latest HSPA+ technology available in the market. Completion of the modernisation and expansion works under the Framework Agreement will enhance and upgrade the Group's overall network performance including increasing the Group's network transmission speed of up to 42Mbps downlink and 11Mbps uplink.

The Board considers the terms of the Framework Agreement to be on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

## **GENERAL**

The Group is a provider of 2G and 3G mobile telecommunications services in Hong Kong and Macau, and fixed-line telecommunications services in Hong Kong.

NSN is a leading global enabler of telecommunications services. With its focus on innovation and sustainability, NSN provides a complete portfolio of mobile, fixed and converged network technology, as well as professional services including consultancy and systems integration, deployment, maintenance and managed services. To the best of the knowledge, information and belief of the Directors, after all reasonable enquiries, NSN and its ultimate beneficial owners are independent of the Company and its connected persons.



As one or more of the relevant percentage ratios represented by the minimum purchase commitment and the maximum contract value payable by HTCL under the Framework Agreement for the purchase of the Equipment and Services are more than 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company which is only subject to the notification and publication requirements of the Listing Rules.

## DEFINITIONS

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

“2G”	second generation wireless communications and a form of digital technology
“3G”	third generation wireless communications and a form of digital technology
“3G Network”	the 3G telecommunications network owned by HTCL over which HTCL provides its 3G mobile telecommunications services in Hong Kong
“ADS(s)”	American depository share(s) issued by the Depository, each representing ownership of 15 Shares
“affiliate”	of either party to the Framework Agreement means another entity which controls such party, is controlled by such party, or which is under common control with such party
“Board”	the board of Directors
“Company”	Hutchison Telecommunications Hong Kong Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 215) and whose ADSs are eligible for trading in the United States only in the over-the-counter market
“connected person”	has the meaning ascribed to that expression in the Listing Rules
“Depository”	depository in relation to the ADSs, being Citibank N.A.
“Directors”	directors of the Company
“Equipment and Services”	the hardware, software (or parts or bundles thereof) and the design, planning, development, engineering, installation and integration and other services specified in the Framework Agreement which are to be supplied by NSN to HTCL to ensure full installation use and efficacy of the Equipment so as to achieve modernisation and expansion of the 3G Network subject to the terms and conditions of the Framework Agreement
“Framework Agreement”	the framework agreement dated 30 July 2009 and made between NSN as the supplier and HTCL as the purchaser in respect of supply of the Equipment and Services
“Group”	the Company and its subsidiaries
“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
“HSPA+”	High Speed Packet Access Evolution



“HTCL”	Hutchison Telephone Company Limited, a limited liability company incorporated in Hong Kong, a 75.9%-owned subsidiary of the Company and the purchaser of the Equipment and Services (or part thereof) under the Framework Agreement
“Listing Rules”	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Mbps”	Megabits per second, which is a measurement of speed for digital signal transmission expressed in millions of bits per second
“NSN”	Nokia Siemens Networks Oy, a company incorporated in Republic of Finland, the supplier of the Equipment and Services under the Framework Agreement and a party independent of the Company and its connected persons
“percentage ratios”	has the meaning ascribed to that expression in the Listing Rules
“Share(s)”	ordinary share(s) of par value HK\$0.25 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to that expression in the Listing Rules
“Term”	the five-year term commencing on 30 July 2009, subject to provisions for early termination under the Framework Agreement
“Transaction”	the purchase of the Equipment and Services (or part thereof) by HTCL from NSN subject to and in accordance with the terms and conditions of the Framework Agreement

By Order of the Board

**Edith Shih**  
Company Secretary

Hong Kong, 30 July 2009

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

**Executive Director:**

Mr. WONG King Fai, Peter

**Non-executive Directors:**

Mr. FOK Kin-ning, Canning (*Chairman*)  
Mrs. CHOW WOO Mo Fong, Susan  
Mr. Frank John SIXT  
Mr. LAI Kai Ming, Dominic  
Mr. LUI Dennis Pok Man (*Deputy Chairman*)

**Independent Non-executive Directors:**

Mr. CHEONG Ying Chew, Henry  
Mr. LAN Hong Tsung, David  
Dr. WONG Yick Ming, Rosanna

**Alternate Director:**

Mr. MA Lai Chee, Gerald  
(*Alternate to Mr. Lai Kai Ming, Dominic*)

