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Hutchison Telecom  
Hong Kong Holdings

**HUTCHISON TELECOMMUNICATIONS  
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)**

**CONTINUING CONNECTED TRANSACTIONS**

Prior to the Listing Date, the Company and HIL, a connected person of the Company, had entered into the 2009 Master Agreement for the procurement of certain supplies between the HWL Group and the Group during a three-year term commencing on Listing Date. The Board announces that on 30 December 2011, the Company and HIL agree to terminate the 2009 Master Agreement with effect from 31 December 2011 and enter into a new master agreement for a three-year term commencing from 1 January 2012.

The Company has set the annual caps for the three years ending 31 December 2012, 2013 and 2014, in respect of (i) the Group's acquisition of the HWL Group Supplies at HK\$308 million, HK\$359 million, and HK\$424 million respectively, and (ii) the provision of the Group Supplies to the HWL Group at HK\$250 million, HK\$272 million and HK\$293 million respectively.

Each of HIL and other members of the HWL Group is a connected person of the Company by virtue of being an associate of HWL, a substantial shareholder of the Company at the listed issuer level. As one or more of the relevant percentage ratios represented by the largest annual cap in relation to the HWL Group Supplies and the largest annual cap in relation to the Group Supplies is or are more than 0.1% but less than 5%, accordingly the transactions contemplated under the 2012 Master Agreement will constitute continuing connected transactions which are exempt from the independent shareholders' approval requirements but are subject to reporting, announcement and annual review requirements pursuant to the Listing Rules.

**BACKGROUND**

Prior to the Listing Date, the Company and HIL, a connected person of the Company, had entered into the 2009 Master Agreement which set forth the framework terms upon which HIL would procure the relevant members of the HWL Group to provide or acquire (as



appropriate), and the Company would procure the relevant members of the Group to acquire or provide (as appropriate), certain supplies, the respective scopes of which may be agreed from time to time on a non-exclusive basis during a term of three years commencing from the Listing Date.

Prior to the Listing Date, the Stock Exchange had granted a waiver to the Company from strict compliance with the announcement requirements relating to continuing connected transactions set out in Chapter 14A of the Listing Rules which would otherwise apply to the 2009 Master Agreement. The respective annual caps for the three years ending 31 December 2009, 2010 and 2011 proposed in the application for the Stock Exchange waiver were as follows:

- (a) HK\$123 million, HK\$144 million and HK\$164 million in respect of the Group's acquisition of the supplies from the HWL Group; and
- (b) HK\$148 million, HK\$178 million and HK\$201 million in respect of the Group's provision of the supplies to the HWL Group.

The aggregate values of supplies acquired by the Group from the HWL Group which were subject to the 2009 Master Agreement for the financial years ended 31 December 2009 and 2010 and six months ended 30 June 2011 were HK\$115 million, HK\$115 million and HK\$66 million respectively.

The aggregate values of supplies acquired by the HWL Group from the Group which were subject to the 2009 Master Agreement for the financial years ended 31 December 2009 and 2010 and six months ended 30 June 2011 were HK\$108 million, HK\$97 million and HK\$52 million respectively.

On 30 December 2011, the Company and HIL agreed to terminate the 2009 Master Agreement with effect from 31 December 2011 and entered into a new master agreement for a three-year term commencing from 1 January 2012.

## **REASONS FOR, AND THE BENEFITS OF, THE ENTERING INTO THE 2012 MASTER AGREEMENT**

The Board believes that the entering into of the 2012 Master Agreement with HIL will help to ensure the necessary Supplies will continue to be available to the Group and/or the HWL Group (as the case may be). It also helps to achieve business continuity and efficiency as well as minimise any potential disruption to the daily operation of the Group.

The Board (including the independent non-executive Directors) considers the 2012 Master Agreement to be on normal commercial terms, the transactions contemplated thereunder to be in the ordinary and usual course of business of the Group, and their terms to be fair and reasonable and in the interests of the Company's shareholders as a whole.



## THE ANNUAL CAPS

Based on the aggregate values of supplies made between the HWL Group and the Group, the annual caps set for each of the three years ended 31 December 2009, 2010 and 2011 as stated in the listing document of the Company dated 20 April 2009, the historical growth and the expected and anticipated scale and operation of the Group's business, the expanded scope of both the HWL Group Supplies and the Group Supplies and inflation factor:

- (a) the annual caps for the Group's acquisition of the HWL Group Supplies for the three years ending 31 December 2014 have been set as follows:

<b>Year ending 31 December</b>		
<b>2012</b>	<b>2013</b>	<b>2014</b>
HK\$308 million	HK\$359 million	HK\$424 million

- (b) the annual caps for the Group's provision of the Group Supplies for each of the three years ending 31 December 2014 have been set as follows:

<b>Year ending 31 December</b>		
<b>2012</b>	<b>2013</b>	<b>2014</b>
HK\$250 million	HK\$272 million	HK\$293 million

The Board is of the view that the annual caps, which are determined by reference to the underlying considerations as highlighted above, are fair and reasonable.

## LISTING RULES IMPLICATIONS

As HIL (and each other members of the HWL Group) is a connected person of the Company by virtue of being an associate of HWL, a substantial shareholder of the Company at the listed issuer level, the acquisition of the HWL Group Supplies from the HWL Group by the Group and the provision of the Group Supplies by the Group to the HWL Group contemplated by the 2012 Master Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant percentage ratios represented by the largest annual cap in relation to the HWL Group Supplies and the largest annual cap in relation to the Group Supplies is or are more than 0.1% but less than 5%, the procurement of HWL Group Supplies and Group Supplies constitutes continuing connected transactions which are exempt from the independent shareholders' approval requirements but are subject to reporting, announcement and annual review requirements of the Listing Rules.

As none of the Directors had any material interest in the connected transactions herein announced, whilst no Director was required to abstain from voting on the Board resolutions passed in connection with this announcement, Mr Fok Kin Ning, Canning, Mrs Chow Woo Mo Fong, Susan, Mr Frank John Sixt and Mr Lai Kai Ming, Dominic voluntarily abstained from voting on the relevant Board resolutions passed to approve the entering into of the 2012 Master Agreement by the Company.



## 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.

The HWL Group operates and invests in five core businesses: ports and related services; property and hotels; retail; energy and infrastructure, finance and investments and other operations; and telecommunications.

## DEFINITIONS

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

“2009 Master Agreement”	the master agreement dated 17 April 2009 and made between the Company and HIL which sets out the framework terms for the procurement of certain supplies by the HWL Group and Group respectively
“2012 Master Agreement”	the master agreement dated 30 December 2011 and made between the Company and HIL which sets out the framework terms for the procurement of the HWL Group Supplies and Group Supplies
“associate”	has the meaning ascribed to that term in the Listing Rules
“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 American Depositary Shares are eligible for trading in the United States of America only in the over-the-counter market
“connected person”	has the meaning ascribed to that term in the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries and such other entities in which the Company is from time to time directly or indirectly interested so as to exercise or control the exercise of 50% of voting power at general meetings or of the equity interests in such entities



“Group Supplies”	include data centre services (including data centre facilities (such as power supply, telecommunications connectivity, air-conditioning, fire prevention and security systems), hardware and software management and co-location services), mobile telecommunications products (including mobile handsets, accessories and related products); mobile telecommunications services (including international direct dialing (“IDD”) and roaming services and other value-added services); telecommunications and Internet services (including local and international fixed-line telecommunications services, Internet access bandwidth with value-added services, and Internet and web-hosting services); roaming services; procurement of local and international fixed-line telecommunications services
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HIL”	Hutchison International Limited, a subsidiary of HWL and incorporated in Hong Kong with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HWL”	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 13)
“HWL Group”	HWL and its subsidiaries which, for the purpose of this announcement, exclude the Group, and such other entities in which HWL is from time to time directly or indirectly interested so as to exercise or control the exercise of 50% of voting power at general meetings or of the equity interests in such entities
“HWL Group Supplies”	include intellectual property rights licensing; roaming services; bill collection services; telecommunication products (such as contents); local and international fixed-line telecommunications services (including IDD services and international private leased circuits); leasing and licensing of offices, building spaces, car parks and warehouses; distilled water, food and beverages, groceries; stationeries, office supplies; computer supplies; printing services; records management services; office relocation services; hotel services; travel and transportation services; IT-related services (including IT platforms development services, software solutions and applications development services and other professional services); marketing, advertising and promotional services; promotional items; collaboration on the development of video and radio programmes; dealership services; global procurement services; and handset and other device supplies



“Listing Date”	8 May 2009
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to that term in the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to that term in the Listing Rules
“subsidiary”	has the meaning ascribed to that term in the Listing Rules
“Supplies”	collectively, the Group Supplies and the HWL Group Supplies

By Order of the Board

**Edith Shih**  
*Company Secretary*

Hong Kong, 30 December 2011

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*)  
*(also Alternate to Mrs CHOW WOO Mo Fong, Susan)*

Mr LUI Dennis Pok Man (*Deputy Chairman*)

Mrs CHOW WOO Mo Fong, Susan

Mr Frank John SIXT

Mr LAI Kai Ming, Dominic  
*(also Alternate to Mr Frank John SIXT)*

**Independent Non-executive Directors:**

Mr CHEONG Ying Chew, Henry  
*(also Alternate to Dr WONG Yick Ming, Rosanna)*

Mr LAN Hong Tsung, David

Dr WONG Yick Ming, Rosanna

**Alternate Director:**

Mr MA Lai Chee, Gerald

*(Alternate to Mr LAI Kai Ming, Dominic)*

