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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)**

**DISCLOSEABLE TRANSACTION**

The Board is pleased to announce that on 3 March 2011, a 75.9%-owned subsidiary of the Company, HTCL, was successful in its bid for acquiring the Assigned Spectrum for the provision of mobile telecommunications services in Hong Kong for a 15-year term. The one-off spectrum utilisation fee and the estimated aggregate annual licence fee payable by HTCL for the Assigned Spectrum are HK\$1,077 million and HK\$62 million respectively.

As one or more of the percentage ratios in connection with the Transaction calculated with reference to the requirements set out in the Listing Rules is or are more than 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 3 March 2011, a 75.9%-owned subsidiary of the Company, HTCL, was successful in its bid for acquiring the Assigned Spectrum amongst the 29.7 MHz of radio spectrum divided into four frequency bands (namely, Frequency Band A, Frequency Band B, Frequency Band C1 and Frequency Band C2) which were recently made available by the Telecommunications Authority for auction by qualified bidders. Acquisition of the Assigned Spectrum allows the holder the right to provide mobile telecommunications services in Hong Kong for a period of 15 years. The one-off spectrum utilisation fee and the estimated aggregate annual licence fee payable by HTCL for the Assigned Spectrum are HK\$1,077 million and HK\$62 million respectively.



## **CONDITIONS FOR THE GRANT OF THE ASSIGNED SPECTRUM**

### **Consideration**

The one-off spectrum utilisation fee for the Assigned Spectrum determined at the Auction is HK\$1,077 million. The HK\$60 million cash deposit paid by HTCL to participate in the bid could, at the Telecommunications Authority's discretion, be applied to offset all or part of such spectrum utilisation fee. The total spectrum utilisation fee or the balance thereof, as the case may be, will be payable by HTCL in cash and in a one-off upfront lump sum. Thereafter, an annual licence fee, which is to be calculated by the Telecommunications Authority based on, among others, the number of subscribers, base stations, mobile stations and spectrum usage, will be payable by HTCL during the 15-year licence period. The estimated aggregate consideration for the 15-year assignment of the Assigned Spectrum in the sum of approximately HK\$1,139 million is to be satisfied by internal resources of the Group.

### **Performance Bond**

As a condition to the grant of the Assigned Spectrum, HTCL is required to provide to the Telecommunications Authority a performance bond issued by a Qualifying Bank in the sum of HK\$50,000,000 to secure that such part of the frequency band in the Assigned Spectrum covering a minimum network and service coverage of 50% of the population of Hong Kong will be put into use within 5 years from the issue of the licence.

## **REASONS FOR, AND THE BENEFITS OF, THE ACQUISITION OF ASSIGNED SPECTRUM**

As a leader in 3G and mobile broadband services in Hong Kong, HTCL offers an array of advanced mobile handsets and a rich portfolio of data services and applications. In order to meet the growing demand for mobile data services in Hong Kong, HTCL strives to maximise the value and usage of radio spectrum, which by its nature is a limited and scarce resource. The Board is of the view that the Assigned Spectrum could further enhance the mobile network capacity, coverage and data transmission speed and thereby enabling HTCL to respond swiftly to customers' communication needs in this sophisticated market.

The Board considers the acquisition of the Assigned Spectrum 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.

The Telecommunications Authority was appointed under section 5 of the Telecommunications Ordinance to act as the regulator of the telecommunications sector in Hong Kong. To the best of the knowledge, information and belief of the Directors, the Telecommunications Authority is a third party independent of the Company and its connected persons.



As one or more of the percentage ratios in connection with the Transaction calculated with reference to the requirements set out in the Listing Rules is or 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

“2G”	second generation wireless communications and a form of digital technology
“3G”	third generation wireless communications and a form of digital technology
“ADSs”	American depositary share(s) issued by the depositary namely Citibank N.A., each representing ownership of 15 shares of HK\$0.25 each in the capital of the Company
“Assigned Spectrum”	the radio frequency spectrum using Frequency Band B
“Auction”	the auction in which HTCL has participated by way of submission of the Bid Application for the purpose of acquiring the Assigned Spectrum
“Bid Application”	the application documents which comprise, among others, an application form and a bidder compliance certificate, all having been submitted to the Telecommunications Authority by HTCL on 31 January 2011
“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
“Directors”	directors of the Company
“Frequency Band A”	the radio frequency band specified in the form of 832.5 – 837.5 MHz paired with 877.5 – 882.5 MHz; 10 MHz in total
“Frequency Band B”	the radio frequency band specified in the form of 885 – 890 MHz paired with 930 – 935 MHz; 10 MHz in total
“Frequency Band C1”	the radio frequency band specified in the form of 2010.0 – 2014.8 MHz; 4.8 MHz in total
“Frequency Band C2”	The radio frequency band specified in the form of 2014.8 – 2019.7 MHz; 4.9 MHz in total
“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
“HTCL”	Hutchison Telephone Company Limited, a limited liability company incorporated in Hong Kong and a 75.9%-owned subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“MHz”	megahertz or million hertz
“percentage ratios”	has the meaning ascribed to that expression in the Listing Rules
“Qualifying Bank”	an institution holding a full banking licence under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) whose long term issuer rating is, or is higher than one or more of the following: (i) Moody’s A2; (ii) Standard & Poor’s A; (iii) Fitch Rating’s A; or (iv) an equivalent rating body as determined by the Telecommunications Authority
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to that expression in Listing Rule 1.01
“Telecommunications Authority”	Office of the Telecommunications Authority of Hong Kong
“Telecommunications Ordinance”	the Telecommunications Ordinance (Chapter 106 of the Laws of Hong Kong), as amended from time to time
“Transaction”	the acquisition of the Assigned Spectrum

By Order of the Board

**Edith Shih**  
Company Secretary

Hong Kong, 3 March 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)

