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Hutchison Whampoa Limited 

 **Hutchison Telecom**

HUTCHISON WHAMPOA LIMITED
(incorporated in Hong Kong with limited liability)
(Stock Code: 13)

**HUTCHISON
TELECOMMUNICATIONS
INTERNATIONAL LIMITED**

和記電訊國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2332)

DISCLOSEABLE TRANSACTION

**VERY SUBSTANTIAL DISPOSAL
AND
RESUMPTION OF TRADING**

The HWL Directors and HTIL Directors jointly announce that, on 12 August 2009, Advent Investments Pte Ltd, a wholly owned subsidiary of HTIL, entered into a conditional agreement to sell its controlling equity interest in Partner Communications Company Ltd. at the Base Purchase Price of NIS5,290,960,470 (or approximately US\$1,381 million)(or approximately HK\$10,706 million), before any adjustment. The Base Purchase Price will accrue interest at a rate of LIBOR from the date of the Agreement until the Closing Date and represents US\$17.50 or NIS67.025 per Sale Share.

Upon Closing, the HTIL Group is expected to realise an estimated disposal gain before tax of approximately US\$1,000 million (or approximately HK\$7,750 million) from the Transaction after translation into US\$ (HK\$) at Closing. HWL Group's 60.4% of HTIL Group's disposal gain before tax, after asset value consolidation adjustments, amounts to approximately US\$575 million (or approximately HK\$4,456 million). The Transaction is expected to result in a net cash inflow before tax to the HTIL Group of approximately US\$1,012 million (or approximately HK\$7,843 million).

The Transaction constitutes a discloseable transaction for HWL and a very substantial disposal for HTIL under Chapter 14 of the Listing Rules and is subject to the approval of the HTIL Shareholders.

The HTIL Circular which contains details of the Transaction and a notice convening the HTIL EGM will be despatched to HTIL Shareholders as soon as practicable after the date of this announcement. To the best of the knowledge, information and belief of the HTIL Directors, having made all reasonable enquiries, no HTIL Shareholder has a material interest in the Transaction and thus no HTIL Shareholder is required to abstain from voting at the HTIL EGM.

At the request of HTIL, trading in the HTIL Shares on the Stock Exchange was suspended from 9:30a.m. on 12 August 2009 pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the HTIL Shares from 9:30a.m. on 13 August 2009.

THE AGREEMENT

Date

12 August 2009

Parties

- (1) Advent
- (2) Purchaser

Transaction

Advent has agreed to the sale of, and the Purchaser has agreed to purchase, on Closing, the Sale Shares on the terms and conditions set out in the Agreement.

Through the Transaction, the Purchaser will acquire from Advent its entire controlling equity interest in Partner, representing approximately 51.31% of the issued and outstanding share capital of Partner as at the date of the Agreement.

Consideration

In consideration for the purchase of the Sale Shares, the Purchaser shall pay to Advent the Base Purchase Price NIS5,290,960,470 (or approximately US\$1,381 million)(or approximately HK\$10,706 million), before any adjustment which will accrue interest at a rate of LIBOR from the date of the Agreement until the Closing Date. The Purchase Price shall be satisfied at Closing as to (i) NIS4,141,960,470 (or approximately US\$1,081 million)(or approximately HK\$8,381 million), subject to adjustment, in cash; and (ii) US\$300,000,000 (or approximately HK\$2,325 million) by way of delivery to the Vendor of a secured debt instrument of Purchaser made payable to or to order of the Vendor (or such of its Affiliate as it may nominate prior to Closing and their respective permitted assigns) in the amount of US\$300,000,000 (or approximately HK\$2,325 million) (the "Debt Instrument").

Pursuant to the terms of the Agreement, the Purchaser has paid the Vendor the Deposit upon the signing of the Agreement.

If the Purchaser extends, with the consent of the Vendor, the Initial Long Stop Date to 16 January 2010 or 16 February 2010, it has to pay to the Vendor an additional amount equal to US\$10 million (approximately HK\$78 million) and US\$10 million (approximately HK\$78 million) respectively, being the Additional Deposit. Advent may also extend the Initial Long Stop Date on one or more occasions to up to 16 February 2010 by giving notice to that effect to the Purchaser.

At Closing, the Deposit, any Additional Deposit and the interest accrued thereon shall be released to Advent promptly pursuant to the terms of the Agreement and be applied to and credited against the Purchase Price in accordance with the terms of the Agreement.

The consideration for the Transaction (including the terms of the Debt Instrument) was arrived at after arm's length negotiations and represents US\$17.50 or NIS67.025 per Sale Share.

Conditions Precedent

Closing of the Transaction is conditional upon the satisfaction of a number of conditions, including without limitation, the following:

- (a) approval of the MoC of the Transaction under the Licences (the “MoC Approval”);
- (b) approval of the Israeli Antitrust Commissioner of the purchase of the Sale Shares pursuant to the Agreement (to the extent such approval is required) (the “Antitrust Approval”); and
- (c) a resolution at a general meeting of the HTIL Shareholders to approve the sale of the Sale Shares under the Agreement shall have been passed (the “HTIL Shareholders’ Condition”).

The MoC Approval, the Antitrust Approval and the HTIL Shareholders’ Condition are not capable of being waived by either the Purchaser or the Vendor.

In the event the conditions to Closing are not fulfilled by the Initial Long Stop Date, and such date is not extended in accordance with the terms of the Agreement, subject to compliance with the parties’ respective obligations therein provided, the Agreement will be terminated and the Transaction will not occur.

Closing

Closing shall take place two Business Days after satisfaction of the last of the conditions precedent set forth in the Agreement (other than those conditions which by their terms must be satisfied at the Closing, which such conditions shall be satisfied at Closing) or such other date and at such other time and place as is mutually agreed by the Parties.

REASONS FOR, AND BENEFITS OF, THE TRANSACTION

The Transaction effected on its terms represents an attractive opportunity for HTIL to realise, for the benefit of the HTIL Shareholders and HTIL, a substantial gain from the investments made in Partner.

The HTIL Directors (including the Independent Non-executive HTIL Directors) consider the terms of the Agreement, which were reached after an extensive bidding process, involving the calling of tender bids, evaluation of bids received and based on arms’ length negotiations, to be fair and reasonable and in the interests of HTIL and the HTIL Shareholders as a whole. The HWL Directors agree with and endorse the HTIL Directors’ reasons for the Transaction and also consider the terms of the Agreement to be fair and reasonable and in the interests of HWL and its shareholders as a whole.

FINANCIAL EFFECTS OF THE TRANSACTION

Upon Closing, HTIL is expected to realise an estimated disposal gain before tax of approximately US\$1,000 million (approximately HK\$7,750 million) from the Transaction after translation into US\$ (HK\$) at Closing and calculated by reference to the gross proceeds from the Transaction, the HTIL Group’s carrying costs and estimated expenses relating thereto. HWL Group’s 60.4% of HTIL Group’s disposal gain before tax after asset value consolidation adjustments amounts to approximately US\$575 million (or approximately HK\$4,456 million). The Transaction is expected to result in a net cash inflow before tax to the HTIL Group of approximately US\$1,012 million (or approximately HK\$7,843 million).

USE OF PROCEEDS FROM THE TRANSACTION

HTIL has not made a final decision on the use of proceeds from the Transaction. Its intention is to retain the funds for general corporate purposes until completion of a detailed review of the HTIL Group’s capital requirements.

INFORMATION ON THE SALE GROUP

The Sale Group is a leading Israeli provider of telecommunications services (cellular, fixed-line telephony and Internet Services Provider) under the orange brand. Partner is a public company organised and existing under the laws of Israel whose securities are listed on the NASDAQ Global Select Market and its shares are traded on the Tel Aviv Stock Exchange (NASDAQ and TASE: PTNR).

For the financial year ended 31 December 2007, the audited consolidated profit before tax and the audited consolidated profit for the year of the Sale Group were approximately NIS1,278 million (approximately US\$334 million or HK\$2,589 million) and NIS939 million (approximately US\$245 million or HK\$1,899 million), respectively. For the financial year ended 31 December 2008, the audited consolidated profit before tax and the audited consolidated profit for the year of the Sale Group were approximately NIS1,447 million (approximately US\$378 million or HK\$2,930 million) and NIS1,051 million (approximately US\$274 million or HK\$2,124 million), respectively.

The audited consolidated net asset value of the Sale Group as at 31 December 2008 was approximately NIS1,439 million (or approximately US\$376 million)(or approximately HK\$2,914 million).

The Sale Group's consolidated financial statements for the financial years 2007 and 2008 respectively have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The Sale Group adopted the International Financial Reporting Standards (IFRS) from the first quarter of 2009.

Until Closing, the results of the Sale Group will continue to be consolidated with the results of the HWL Group and HTIL Group. On Closing, the Sale Group will cease to be subsidiaries of HWL and HTIL.

INFORMATION ON THE HWL GROUP

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

INFORMATION ON THE HTIL GROUP

The HTIL Group is a leading global provider of telecommunications services. In addition to mobile and fixed telecommunications services in Israel, it also operates mobile telecommunication services in Indonesia, Vietnam, Sri Lanka and Thailand.

INFORMATION ON THE PURCHASER

The Purchaser is engaged in the importing, marketing, and provision of maintenance services for cell phones and accessories from Samsung. In addition, the Purchaser markets cell phones and associated accessories, as well as provides maintenance, repair, and technical warranty services for various cell phones to end customers in the Cellcom network through a chain of 'Dynamica Cellular' stores and points of sale.

To the best of the knowledge, information and belief of the HWL Directors and HTIL Directors respectively, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of HWL and its connected persons and of HTIL and its connected persons.

LISTING RULES IMPLICATIONS FOR HWL AND HTIL

The Transaction constitutes a discloseable transaction for HWL and a very substantial disposal for HTIL under Chapter 14 of the Listing Rules and is subject to the approval of the HTIL Shareholders.

The HTIL Circular which contains, amongst others, details of the Transaction and a notice convening the HTIL EGM will be despatched to the HTIL Shareholders as soon as practicable after the date of this announcement.

To the best of the knowledge, information and belief of the HTIL Directors, having made all reasonable enquiries, no HTIL Shareholder has a material interest in the Transaction and thus no HTIL Shareholder is required to abstain from voting at the HTIL EGM.

SUSPENSION AND RESUMPTION OF TRADING OF HTIL SHARES

At the request of HTIL, trading in the HTIL Shares on the Stock Exchange was suspended from 9:30a.m. on 12 August 2009 pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the HTIL Shares from 9:30a.m. on 13 August 2009.

DEFINITIONS

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

“Additional Deposit”	the amount of US\$ 10 million (or approximately HK\$78 million) or US\$10 million (or approximately HK\$ 78 million) which is payable by the Purchaser upon its election to extend the Initial Long Stop Date to 16 January 2010 or 16 February 2010 respectively
“Affiliate”	has the meaning ascribed to such term in the Agreement
“Agreement”	the conditional agreement dated 12 August 2009 and made between Advent as vendor and the Purchaser for the sale and purchase of the Sale Shares
“Base Purchase Price”	NIS 5,290,960,470 (or approximately US\$1,381 million)(or approximately HK\$10,706 million)
“Business Day”	any day on which banks are open for business in the State of Israel, Singapore and New York City
“Closing”	the closing of the Transaction as set out in the Agreement
“Closing Date”	the date on which Closing occurs
“connected persons”	shall have the meaning ascribed to such term in the Listing Rules
“Debt Instrument”	the secured debt instrument to be issued at Closing by the Purchaser in favour of the Vendor (or its nominated holder or permitted assigns) in the principal amount of US\$300 million (or approximately HK\$2,325 million) bearing interest at an average rate of 3% for the different stages of the instrument and maturing on the end of a 54-month period after issue subject to provisions for prepayment and other terms and conditions to be stipulated prior to Closing
“Deposit”	the amount of US\$25 million (or approximately HK\$194 million) paid by the Purchaser to the Vendor upon the signing of the Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HTIL”	Hutchison Telecommunications International Limited, a company incorporated

in the Cayman Islands, whose HTIL Shares are listed on the Main Board of the Stock Exchange (Stock Code: 2332) and HTIL ADSs are listed on the New York Stock Exchange (Ticker: HTX)

“HTIL ADS(s)”	American depository share(s) issued by Citibank N.A., each representing ownership of 15 HTIL Shares
“HTIL Board”	the board of HTIL Directors
“HTIL Circular”	the circular to the HTIL Shareholders on the Transaction to be despatched by HTIL as soon as practicable after the date of this announcement
“HTIL Directors”	directors of HTIL
“HTIL EGM”	the extraordinary general meeting of HTIL to be convened and held to consider and, if thought fit, approve the Transaction
“HTIL Group”	HTIL and its subsidiaries
“HTIL Shareholder(s)”	holder(s) of the HTIL Shares
“HTIL Share(s)”	ordinary share(s) in the capital of HTIL with a nominal value of HK\$0.25 each
“HWL”	Hutchison Whampoa Limited, a company incorporated in Hong Kong, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 13) and indirect holder of approximately 60.4% of the HTIL issued shares
“HWL Board”	the board of HWL Directors
“HWL Directors”	directors of HWL
“HWL Group”	HWL and its subsidiaries
“Initial Long Stop Date”	16 December 2009; provided however, that the Vendor may by written notice to the Purchaser prior to the Initial Long Stop Date, extend the Initial Long Stop Date on one or more occasions through and up to 16 February 2010
“Interest”	interest on the Base Purchase Price from the date of the Agreement to the date of Closing at LIBOR
“LIBOR”	shall have the meaning ascribed to such term in the Agreement
“Licences”	the licences granted by the MoC to Partner and its Subsidiaries as specified in the Agreement
“Listing Rules”	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“MoC”	The Israeli Ministry of Communications
“Partner”	Partner Communications Company Ltd., a public company organised and existing under the laws of the State of Israel whose securities are listed on the NASDAQ Global Select Market and on the Tel Aviv Stock Exchange

“Purchase Price”	the Base Purchase Price, subject to such adjustments as provided in the Agreement including the addition of Interest Payment
“Purchaser”	Scailex Corporation Ltd., a company incorporated in the State of Israel and the purchaser under the Agreement
“Transaction”	the sale and purchase of the Sale Shares on and subject to the terms and conditions set out in the Agreement
“Sale Group”	Partner and its subsidiaries
“Sale Shares”	78,940,104 fully paid ordinary shares at a par value of NIS 0.01 each, representing approximately 51.31% of the current issued share capital of Partner, and each a “Sale Share”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to that expression in Listing Rule 1.01
“Vendor” or “Advent”	Advent Investments Pte Ltd, a wholly owned subsidiary of HTIL incorporated in Singapore, and the legal and beneficial owner of the Sale Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“NIS”	New Israeli Shekels, the lawful currency of the State of Israel
“US\$”	United States dollars, the lawful currency of the United States of America

For the purpose of this announcement and for reference only, exchange rates of US\$1.00 to HK\$7.75 and US\$1.00 to NIS3.83 are adopted.

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

Executive Directors:

Mr. LI Ka-shing (*Chairman*)
 Mr. LI Tzar Kuoi, Victor (*Deputy Chairman*)
 Mr. FOK Kin-ning, Canning
 Mrs. CHOW WOO Mo Fong, Susan
 Mr. Frank John SIXT
 Mr. LAI Kai Ming, Dominic
 Mr. KAM Hing Lam

Non-executive Directors:

Mr. George Colin MAGNUS
 Mr. William SHURNIAK

Independent Non-executive Directors:

The Hon. Sir Michael David KADOORIE
 Mr. Holger KLUGE
 Mrs. Margaret LEUNG KO May Yee
 Mr. WONG Chung Hin

Alternate Director:

Mr. William Elkin MOCATTA
(Alternate to The Hon. Sir Michael David Kadoorie)

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

Executive Directors:

Mr. LUI Dennis Pok Man
Mr. Christopher John FOLL
Mr. CHAN Ting Yu

(also Alternate to Mr. Lui Dennis Pok Man)

Non-executive Directors:

Mr. FOK Kin-ning, Canning *(Chairman)*
Mrs. CHOW WOO Mo Fong, Susan
*(also Alternate to Mr. Fok Kin-ning, Canning and
Mr. Frank John Sixt)*
Mr. Frank John SIXT

Independent Non-executive Directors:

Mr. KWAN Kai Cheong
Mr. John W. STANTON
Mr. Kevin WESTLEY

Alternate Director:

Mr. WOO Chiu Man Cliff
(Alternate to Mr. Christopher John Foll)

By Order of the Board
**HUTCHISON WHAMPOA
LIMITED**

Edith Shih
Company Secretary

By Order of the Board
**HUTCHISON TELECOMMUNICATIONS
INTERNATIONAL LIMITED**

Edith Shih
Company Secretary

Hong Kong, 12 August 2009