

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MAJOR TRANSACTIONS

ESTABLISHMENT OF A JOINT VENTURE IN MOBILE TELECOMMUNICATIONS OPERATIONS IN THE UK

INTRODUCTION

The Board is pleased to announce that, further to the announcement of the Company dated 3 October 2022, the Company, Hutchison, CKHGTH, Vodafone, Vodafone TopCo and MergeCo entered into the Contribution Agreement on 14 June 2023 (after the end of the market trading hours in Hong Kong) pursuant to which the parties have conditionally agreed on the Transaction to combine Vodafone's and Hutchison's respective telecommunications operations in the UK into MergeCo. Immediately following Closing, the issued share capital of MergeCo will be owned as to 51% by Vodafone and 49% by Hutchison, and Three UK and Vodafone UK will become wholly-owned subsidiaries of MergeCo.

REASONS AND BENEFITS OF THE TRANSACTION

The Board believes the combination of the Vodafone UK Group and the Three UK Group will enable MergeCo to transform customer experience and create a best-in-class mobile telecommunications network in the UK for coverage and reliability. The Vodafone UK Group's and the Three UK Group's customers will pay the same and obtain considerably more value due to the significantly better network, with at least 7 million customers benefitting from improved network performance from day one¹.

The Transaction will enable MergeCo to invest significantly in the UK to create one of Europe's most comprehensive 5G networks, driving economic growth, innovation and jobs in all nations and regions of the UK. Through combining its standalone 5G network with best-in-class spectrum, MergeCo will be better positioned to enable advanced 5G-based innovations. The Transaction will accelerate the UK government's levelling-up agenda and drive European digital tech leadership for the UK.

The Three UK Group and the Vodafone UK Group currently lack the necessary scale on a standalone basis to earn their cost of capital which puts at risk their ability to invest efficiently and sustainably. By combining the businesses, MergeCo will have the necessary scale and platform to invest, grow and compete into the future, challenging the two largest operators, BTEE and Virgin Media-O2. As a third mobile network operator with scale in the UK, MergeCo will be able to make the investments needed to roll out a leading nationwide 5G network, and to address exponential traffic growth on a sustainable basis. This will in turn spur the established market

¹ Achieved within 12 months from Closing.

leaders to accelerate their own network investment plans, thereby delivering 5G more quickly and cost-effectively to UK consumers.

The Transaction will enable MergeCo to realise significant synergies, which in turn will enable the Company to realise significant capital appreciation in its mobile telecommunications investment in the UK. No cash consideration will be paid in connection with the Transaction, with the Three UK Group and the Vodafone UK Group to be contributed with differential debt amounts owing to their respective shareholders at Closing to achieve the MergeCo ownership of 51:49 between Vodafone and Hutchison. Upon Closing, debt of £1,684,000,000 owing by the Three UK Group to the Group will be repaid in cash.

IMPLICATIONS UNDER THE LISTING RULES

The Transaction consists of the following major transactions for the Company for the purpose of Chapter 14 of the Listing Rules, namely: (i) the formation of a joint venture through the Joint Venture Establishment; and (ii) the grant and exercise of the V Call Option and the exercise of the H Put Option and certain additional protections for Hutchison relating to the non-cash consideration which may be received by the Group as exercise price for the H Put Option.

EGM AND CIRCULAR

As required by the Listing Rules, the EGM will be convened as soon as practicable at which ordinary resolution(s) will be proposed for the Shareholders to consider and, if thought fit, to approve, among others, the Transaction.

The Company has applied for a waiver from strict compliance with the relevant requirements under Rules 14.75(2) and 14.76(2) of the Listing Rules in order for the Company to seek Shareholders' approval for the exercise of the H Put Option and certain protective measures relating to the H Put Option at the EGM instead of seeking Shareholders' approval at the time of exercise. It is proposed that approval of the exercise of the H Put Option will be sought from Shareholders at the EGM in reliance on a waiver granted by the Stock Exchange as mentioned above. If approval of the implementation of the protective measures will be sought from Shareholders at the EGM, reliance will be made on a waiver from the Stock Exchange.

A circular containing, among other information: (i) further information on the Transaction; and (ii) a notice of the EGM, will be despatched to the Shareholders on or before 31 December 2023 as more time is needed to prepare and finalise the information that is required to be disclosed in the circular under the Listing Rules.

As Closing is conditional on the satisfaction of certain conditions, there remains a possibility that the Transaction may not proceed. Shareholders and potential investors of the Company 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 dated 3 October 2022, the Company, Hutchison, CKHGTH, Vodafone, Vodafone TopCo and MergeCo entered into the Contribution Agreement on 14 June 2023 (after the end of the market trading hours in Hong Kong), pursuant to which the parties have conditionally agreed on the Transaction to combine Vodafone's and Hutchison's respective telecommunications operations in the UK into MergeCo. Immediately following Closing, the issued share capital of MergeCo will be owned as to 51% by Vodafone and 49% by Hutchison, and Three UK and Vodafone UK will become wholly-owned subsidiaries of MergeCo.

On Closing, the parties and certain of their affiliates will also enter into a number of agreements in connection with the Transaction, including the Shareholders' Agreement which governs the future governance of MergeCo.

Upon signing of the Shareholders' Agreement at Closing, the Transaction also involves the grant of, among others, the V Call Option and the H Put Option.

The Hongkong and Shanghai Banking Corporation Limited and Moelis & Company Asia Limited have been appointed as the financial advisors to CKHGTH in relation to the Transaction.

2 REASONS FOR AND BENEFITS OF THE TRANSACTION

The Board considers that the combined scale of the Three UK Group and the Vodafone UK Group operating as a single entity in the UK can achieve the following benefits:

- (i) enable MergeCo to transform customer experience and create a best-in-class network in the UK for coverage and reliability. The Vodafone UK Group's and the Three UK Group's customers will pay the same and obtain considerably more value due to the significantly better network, with at least 7 million customers benefitting from improved network performance from day one following the Closing;
- (ii) enable MergeCo to invest significantly in the UK to create one of Europe's most comprehensive 5G networks, driving economic growth, innovation and jobs in all nations and regions in the UK. Through combining its standalone 5G network with best-in-class spectrum, MergeCo will be better positioned to enable advanced 5G-based innovations. The Transaction will accelerate the UK government's levelling-up agenda and drive European digital tech leadership for the UK; and
- (iii) enable MergeCo to have the necessary scale and platform to invest, grow and compete into the future, challenging the two largest operators, BTEE and Virgin Media-O2. As a third mobile network operator with scale in the UK, MergeCo will be able to make the investments needed to roll out a leading 5G network, and to address exponential traffic growth on a sustainable basis. This in turn will spur the established market leaders to accelerate their own network investment plans, thereby delivering 5G more quickly and cost-effectively to UK consumers. MergeCo will also be able to give mobile virtual network operators, the fastest-growing part of the UK market, better choice for wholesale partnerships, given the scale and better quality provided by MergeCo's combined network. This will maintain strong price competition at the retail level.

The Transaction will enable MergeCo to realise significant synergies, which in turn will enable the Company to realise significant capital appreciation in its mobile telecommunications investment in the UK.

No cash consideration will be paid in connection with the Transaction, with the Three UK Group and the Vodafone UK Group to be contributed with differential debt amounts owing to their respective shareholders at Closing to achieve the MergeCo ownership of 51:49 between Vodafone and Hutchison. Upon Closing, debt of £1,684,000,000 owing by the Three UK Group to the Group will be repaid in cash.

The terms of the Transaction (including the consideration for the Joint Venture Establishment and the basis of determining the exercise prices of the Options) were reached based on arms' length negotiations. The Board considers the terms of the Transaction to be on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The consideration for the Joint Venture Establishment and the exercise price of the Options were arrived at after arm's length negotiations between Hutchison and Vodafone, taking into account factors including: (i) the historical financial performance of the Three UK Group and the Vodafone UK Group; (ii) the market conditions and economic landscape of the UK and the outlook of the respective businesses in which the Three UK Group and the Vodafone UK Group are engaged; (iii) the potential synergies that could be realised via a combination of the Three UK Group and the Vodafone UK Group; and (iv) the reasons for and benefits of the Transaction set out above.

3 THE TERMS OF THE TRANSACTION

3.1 Contribution Agreement

On 14 June 2023 (after the end of the market trading hours in Hong Kong), the Company, Hutchison, CKHGTH, Vodafone, Vodafone TopCo and MergeCo entered into the Contribution Agreement, the principal terms of which are summarised below.

The Joint Venture Establishment

The Joint Venture Establishment involves combining the Vodafone UK Group and the Three UK Group such that, immediately following Closing, the issued share capital of MergeCo will be owned as to 51% by Vodafone and 49% by Hutchison and each of Vodafone UK and Three UK will be a wholly-owned subsidiary of MergeCo. Neither MergeCo nor Three UK will be a subsidiary of the Company or consolidated in the consolidated financial statements of the Group after Closing. MergeCo and Three UK will be subsidiaries of Vodafone TopCo and consolidated in the consolidated financial statements of the Vodafone Group after Closing.

The key steps of the Joint Venture Establishment to be completed by Closing are as follows:

- (i) Vodafone shall undergo a reorganisation such that Vodafone UK will become a wholly-owned subsidiary of MergeCo;
- (ii) Hutchison shall contribute the Three UK Shares and certain intercompany debt to MergeCo; and
- (iii) Hutchison will obtain ordinary shares in MergeCo.

No cash consideration will be paid in connection with the Transaction, with Vodafone UK and Three UK to be contributed with differential debt amounts at Closing to achieve MergeCo ownership of 51:49. Vodafone UK will be contributed with debt amount of approximately £4.3 billion and Three UK with debt amount of approximately £1.7 billion, subject to customary completion adjustments. The initial total debt in MergeCo is expected to be approximately £6.0 billion, all of which will be owing to Vodafone at Closing, when Vodafone will extend a further loan of £1.7 billion to MergeCo, to be applied towards satisfying the repayment obligations of the same amount owing to the Group.

Conditions precedent

The Closing of the Contribution Agreement (including completion of the Joint Venture Establishment) is conditional upon (amongst other things) satisfaction of the following conditions:

- (i) a reorganisation of certain companies within the Group and the Vodafone Group having been completed pursuant to the Contribution Agreement;
- (ii) certain anti-trust and regulatory approvals, confirmations and filings having been obtained and/or completed, including from the UK Competition and Markets Authority;
- (iii) the Shareholders having passed requisite resolutions at a general meeting approving the Joint Venture Establishment and the V Call Option as required by and in accordance with the Listing Rules and applicable laws for the parties to the Contribution Agreement to consummate the Joint Venture Establishment and the V Call Option; and
- (iv) to the extent required, the shareholders of Vodafone TopCo having passed requisite resolutions at a general meeting approving the H Put Option and the related protective measures relating to the non-cash consideration which may be received by the Group as exercise price for the H Put Option as required by and in accordance with the listing rules made by the FCA pursuant to Part VI of FSMA and applicable laws

for the parties to the Contribution Agreement to consummate the H Put Option and the related protective measures.

None of the conditions set out above may be waived in whole or in part at any time. If any of the above conditions are not satisfied by the Longstop Date, any party may terminate the Contribution Agreement (in specified circumstances), provided that the party proposing to terminate the Contribution Agreement is not in material breach of the Contribution Agreement.

Closing

Closing is expected to occur before the end of 2024, subject to satisfaction of the conditions precedent under the Contribution Agreement.

3.2 The Shareholders' Agreement

Upon Closing, the Shareholders' Agreement will be entered into between Hutchison, CKHGTH, Vodafone, Vodafone TopCo and MergeCo to govern their relationships and matters in relation to MergeCo. The Shareholders' Agreement shall take effect upon Closing and continue until it is terminated. The principal terms of the Shareholders' Agreement are summarised below.

Board of directors and management of MergeCo

The board of directors of MergeCo will comprise six directors, of which three directors will be appointed by Vodafone and three directors will be appointed by Hutchison. Employees of both businesses will be afforded equal opportunities for relevant positions in the combined business.

Lock-up

Vodafone and Hutchison shall not, for a period from Closing until the end of the third full financial year of MergeCo following Closing, dispose of all or part of its shares in MergeCo except pursuant to the terms of the Shareholders' Agreement.

Exit mechanisms

After the Lock-up Period, Vodafone may acquire Hutchison's 49% shares in MergeCo pursuant to the V Call Option, and Hutchison may sell its 49% shares in MergeCo to Vodafone pursuant to the H Put Option.

The consideration for Hutchison's 49% shares in MergeCo under the put/call framework will be based on the Fair Market Enterprise Value, determined through an independent third-party valuation process. Exercise of the V Call Option and the H Put Option will be subject to Fair Market Enterprise Value reaching a minimum enterprise value of £16.5 billion for MergeCo. After the seventh financial year following Closing, such threshold shall not apply to the exercise of the H Put Option. Completion under the V Call Option and the H Put Option will be subject to customary regulatory and shareholder approvals and consents.

In respect of both the V Call Option and the H Put Option, Vodafone can satisfy the exercise price by electing to pay Hutchison in cash and/or non-cash consideration (being new ordinary shares and loan notes issued by Vodafone TopCo), subject to certain conditions. For any non-cash consideration, one-third shall be settled by the issuance of new Vodafone TopCo ordinary shares subject to a cap of 5% (in the case of the V Call Option only) of the enlarged issued share capital. The remainder of any non-cash consideration shall be settled by loan notes, 50% of which will mature on the 2nd anniversary of completion of the V Call Option or the H Put Option (as applicable) and the residual 50% will mature on the 4th anniversary of completion of the V Call Option or the H Put Option (as applicable). On the maturity dates, Vodafone TopCo shall redeem the loan notes, based on a mix of cash and/or new Vodafone TopCo shares at its election.

The Shareholders' Agreement contains protective measures to protect the value of the non-cash consideration (being any shares and loan notes issued by Vodafone TopCo) issued to Hutchison in satisfaction of the consideration for the exercise of the H Put Option and on maturity of the loan notes. Further details of these terms and features will be included in the circular to Shareholders referred to in Section 10 below for obtaining approval from Shareholders as mentioned in Section 9 below.

Other rights

The Shareholders' Agreement also contains other customary and arm's length negotiated provisions regulating the parties' relationship as shareholders of MergeCo, including, among others, transfer restrictions, deadlock resolution, reserved matters, distribution policy and termination arrangements.

4 INTERCOMPANY SERVICES AGREEMENT

On 14 June 2023, the Intercompany Services Agreement was entered into between Vodafone Service Provider and MergeCo pursuant to which Vodafone Service Provider will, from Closing, provide certain business, technology, IT and corporate function services to MergeCo and its affiliates in the ordinary and usual course of business in consideration for service charges.

The Intercompany Services Agreement shall become effective and valid on its signing date and continue until it is terminated. The termination rights available to MergeCo and Vodafone Service Provider are more particularly described in the Intercompany Services Agreement.

5 VOTING UNDERTAKING

The Registered Shareholders have provided an irrevocable undertaking to the Company to vote in favour of the resolution(s) to be proposed at the EGM in relation to the Joint Venture Establishment and the V Call Option in respect of a total of approximately 30% of the existing issued share capital of the Company as at the date of this announcement).

6 FINANCIAL EFFECTS OF THE TRANSACTION

Upon Closing, Three UK and its subsidiaries will cease to be a subsidiary of the Group and will be de-consolidated from the consolidated financial statements of the Company, and the issued share capital of MergeCo will be owned as to 51% by Vodafone and 49% by Hutchison. As a result, the total assets and the total liabilities of the Group are expected to reduce by HK\$15,689 million and HK\$15,729 million, respectively, resulting in an expected increase in the Group's net asset of HK\$40 million at Closing.

The increase in the Group's net asset at Closing reflects a gain before reclassification adjustments (as explained below) of HK\$40 million to be realised from the Joint Venture Establishment. The calculation of this gain is based on information currently available, including estimates and assumptions about (i) the value of the consideration estimated by reference to the terms of the Transaction, the historical performance of the Three UK Group and the Vodafone UK Group to be contributed, the synergies to be realised, and the debt amounts of MergeCo at Closing; (ii) the carrying cost for the assets and liabilities of the Three UK Group as at 31 March 2023 to be de-recognised; (iii) the repayment of debt of £1,684,000,000 owing by the Three UK Group to the Group at Closing; and (iv) the exchange rate disclosed at the end of the "Definitions" section of this announcement.

In addition, the Group is required to reclassify from equity to profit or loss as an accounting adjustment of the foreign exchange gains and losses previously recognised and accumulated in other comprehensive income included in equity and recognise it in the profit or loss upon completion of the Joint Venture Establishment at Closing. For illustration purposes, based on the balance of HK\$10,271 million net foreign exchange losses accumulated as at 31 March 2023, the Group would be required to recognise a loss of the same amount in the consolidated income statement at Closing.

On the assumptions that the £ to HK\$ exchange rate and the entry and exit value of MergeCo remain constant, the exercise of the V Call Option, the H Put Option and the protective measures for Hutchison relating to the non-cash consideration received by the Group as exercise price for the H Put Option are not expected to result in any impacts on the earnings and the assets and liabilities of the Group.

The actual amount of the gain, reclassification adjustment loss and effects arising from the exercise of the V Call Option, the H Put Option and the protective measures for Hutchison relating to the non-cash consideration received by the Group as exercise price for the H Put Option to be realised by the Group is subject to audit and will depend on the actual amount/rate for items mentioned above at Closing and at the completion of the exercise of the V Call Option, the H Put Option and the protective measures, and therefore will vary from the amount mentioned above.

7 INFORMATION OF THE MERGECO GROUP

7.1 Basic information of the MergeCo Group

As at the date of this announcement, MergeCo is an indirect wholly-owned subsidiary of Vodafone TopCo and is principally engaged in the business of an investment holding company.

As at the date of this announcement, Three UK is an indirect wholly-owned subsidiary of the Company and is principally engaged in the operation of mobile telecommunications networks and the provision of telecommunications services in the UK.

As at the date of this announcement, Vodafone UK is an indirect wholly-owned subsidiary of Vodafone TopCo and is principally engaged in the operation of mobile telecommunications networks and the provision of telecommunications services in the UK.

7.2 Financial information of the MergeCo Group

No historical financial information is presented for MergeCo as it was incorporated on 30 May 2023 and Vodafone UK and Three UK have yet to be transferred to MergeCo as at the date of this announcement. Instead, the net asset value and profit (loss) before and after tax of the Three UK Group and the Vodafone UK Group are set out below.

Three UK ^(note 1)

The unaudited net asset value of the Three UK Group as at 31 December 2022 amounted to HK\$58,814 million.

The unaudited profit before and after tax of the Three UK Group for the two financial years ended 31 December 2021 and 2022 are set out below:

<i>(in million)</i>	Financial year ended 31 December	
	2021	2022
Profit before tax	HK\$671	HK\$22,175
Profit after tax	HK\$3,355	HK\$18,995

Vodafone UK ^(note 2)

As at 31 March 2023, the unaudited net asset value of the Vodafone UK Group was £6,501 million.

The unaudited profit before and after tax of the Vodafone UK Group for the two financial years ended 31 March 2022 and 2023 are set out below:

<i>(in million)</i>	Financial year ended 31 March	
	2022	2023
(Loss)Profit before tax	£(699)	£7
(Loss)Profit after tax ^(note 3)	n/a	n/a

Vodafone TopCo ^(note 4)

As at 31 March 2023, the audited consolidated net asset value of Vodafone TopCo was €64,483 million.

The audited consolidated profit before and after tax of Vodafone TopCo for the two financial years ended 31 March 2022 and 2023 are set out below:

<i>(in million)</i>	Financial year ended 31 March	
	2022	2023
Profit before tax	€4,103	€12,816
Profit after tax	€2,773	€12,335

Notes:

- (1) Amounts attributable to the Three UK Group as included in the Company's audited consolidated financial statements for the years ended 31 December 2021 and 31 December 2022.
- (2) Amounts attributable to the Vodafone UK Group as included in Vodafone TopCo's audited consolidated financial statements for the years ended 31 March 2022 and 31 March 2023.
- (3) As advised by Vodafone UK, profit after tax for the financial years ended 31 March 2022 and 2023 for the Vodafone UK Group is not available as the tax charge / credit is not prepared on a consolidated basis for the Vodafone UK Group.
- (4) Amounts as per Vodafone TopCo's audited consolidated financial statements for the year ended 31 March 2023 (including comparative for the year ended 31 March 2022).

8 INFORMATION OF THE GROUP AND OTHER PARTIES

8.1 The Group

The Group is principally engaged in four core businesses: ports and related services, retail, infrastructure and telecommunications. The diverse businesses of the Group and associated companies operate in over 50 countries/markets across the world.

8.2 Hutchison

Hutchison is an indirect wholly-owned subsidiary of CKHGTH and will be the sole shareholder of Three UK prior to Closing. Hutchison is an investment holding company.

8.3 CKHGTH

CKHGTH is an indirect wholly-owned subsidiary of the Company. CKHGTH together with its subsidiaries is a worldwide operator of mobile telecommunications networks, with operations in six European countries and Hong Kong and Macau of the PRC. Its telecom operations in Europe comprise telecommunications businesses in the UK, Italy, Sweden, Denmark, Austria and Ireland, offering telecommunication services. Its telecommunications operations in Hong Kong comprise an approximately 66.09% interest in Hutchison Telecommunications Hong Kong Holdings Limited, which is listed on the Stock Exchange.

8.4 Vodafone

Vodafone is an indirect wholly-owned subsidiary of Vodafone TopCo and its principal function as a holding company in the Vodafone Group.

8.5 Vodafone TopCo

Vodafone is the largest pan-European and African telecoms company. It provides mobile and fixed services to over 300 million customers in 17 countries, partners with mobile networks in 46 more and is also a world leader in the Internet of Things (IoT), connecting over 160 million devices and platforms.

Hutchison Telecommunications (Australia) Limited, an 87.87% owned subsidiary of the Company listed on the Australian Securities Exchange, and Vodafone TopCo are each interested in 25.05% of TPG Telecom Limited, a company listed on the Australian Securities Exchange. Notwithstanding such common interest in TPG Telecom Limited, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Vodafone, Vodafone TopCo and their ultimate beneficial owners (i) are not connected persons of the Company; and (ii) are otherwise third parties independent of the Company and connected persons of the Company.

9 IMPLICATIONS UNDER THE LISTING RULES

9.1 The Joint Venture Establishment

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the Joint Venture Establishment exceed 25% but all the applicable percentage ratios are less than 75% or 100% (as the case may be, being the thresholds applicable for determining whether a very substantial disposal or a very substantial acquisition is constituted, respectively), the Joint Venture Establishment constitutes a major transaction for the Company and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

9.2 The V Call Option

The V Call Option is exercisable at the discretion of Vodafone. Under Rule 14.74(1) of the Listing Rules, the grant of the V Call Option is classified as if it had been exercised at the time of the grant. As neither the actual amount nor the maximum amount of consideration receivable by Hutchison on the exercise of the V Call Option can be ascertained at the time of grant, pursuant to Rule 14.76(1) of the Listing Rules, the V Call Option shall be classified as at least a major transaction for the Company. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the V Call Option exceed 25% but all the applicable percentage ratios are less than 75%, the V Call Option (including its grant and exercise, as well as the possible acquisition of new ordinary shares and loan notes issued by Vodafone TopCo in satisfaction of the exercise price and on maturity of the loan notes) constitutes a major transaction for the Company and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. If the requisite Shareholders' approval is obtained at the time of grant of the V Call Option, in accordance with the Listing Rules, no further approval from the Company's shareholders will be required at the time of exercise of the V Call Option.

9.3 The H Put Option

The H Put Option and the related protective measures relating to the non-cash consideration are granted to the Group at no cost and the exercise of them are at the discretion of the Group. Pursuant to Rule 14.75(1) of the Listing Rules, on the grant of the H Put Option, only the premium will be taken into consideration for the purpose of classification of notifiable transactions. The grant of the H Put Option and the related protective measures do not constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules, or give rise to the announcement and shareholders' approval requirements under that Chapter. Pursuant to Rule 14.75(2) of the Listing Rules, the exercise of the H Put Option and the related protective measures by Hutchison will be subject to the requirements under Chapter 14 of the Listing Rules at the time of exercise.

Under Rule 14.76(2) of the Listing Rules, a listed issuer may, at the time of entering into an option, seek any shareholders' approval necessary for the exercise of the option (in addition to seeking any shareholders' approval necessary for the entering into of the option). Such approval, if obtained, will be sufficient for satisfying the shareholders' approval requirement under Chapter 14 of the Listing Rules, provided that the actual monetary value of the total consideration payable upon exercise and all other relevant information are known and disclosed to the shareholders at the time such approval is obtained and there has been no change in any relevant facts at the time of exercise.

The Company has applied for a waiver from strict compliance with the relevant requirements under Rules 14.75(2) and 14.76(2) of the Listing Rules such that the Company can seek Shareholders' approval for the exercise of the H Put Option and the related protective measures at the EGM instead of seeking Shareholders' approval at the time of exercise, based on the following grounds:

- (i) it is in the best interests of the Company and the Shareholders for Hutchison to be able to act promptly to exercise the H Put Option and ensure the Company has the benefit of the related protective measures. If the exercise of the H Put Option or the related protective measures required further approval to be sought from Shareholders, the Group would be subject to deal uncertainty and market risk arising from such need at the time of exercise; and
- (ii) Vodafone is not, and will not upon Closing become, a connected person of the Company.

For the H Put Option (including any acquisition of new ordinary shares and loan notes issued by Vodafone TopCo in satisfaction of the exercise price and on maturity of the loan notes), as one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 25% but all the applicable percentage ratios are less than 75%, the exercise of the H Put Option will constitute a major transaction for the Company under the Listing Rules. It is proposed that approval of the exercise of the H Put Option will be sought from Shareholders at the EGM in reliance on a waiver granted by the Stock Exchange as mentioned above.

For the protective measures in connection with the H Put Option, the grant of them to Hutchison does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. If approval of the implementation of the protective measures will be sought from Shareholders at the EGM, reliance will be made on a waiver from the Stock Exchange, and in that case as one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules, and on the bases and limits on which such waiver is granted) exceed 25% but all the applicable percentage ratios are less than 100%, it is expected that the implementation of such protective measures will constitute a major transaction for the Company. Further details will be published by the Company at the time of issuing the circular to Shareholders as mentioned in Section 10 below, as may be necessary and appropriate.

10 EGM AND CIRCULAR

As required by the Listing Rules, the EGM will be convened as soon as practicable at which ordinary resolution(s) will be proposed for the Shareholders to consider and, if thought fit, to approve, among others, the Transaction.

A circular containing, among other information: (i) further information on the Transaction; and (ii) a notice of the EGM, will be despatched to the Shareholders on or before 31 December 2023 as more time is needed to prepare and finalise the information that is required to be disclosed in the circular under the Listing Rules.

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

11 DEFINITIONS

“Board”	the board of Directors
“CKHGTH”	CK Hutchison Group Telecom Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, being an indirect wholly-owned subsidiary of the Company
“Closing”	the closing of the transactions under the Contribution Agreement
“Company”	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)
“Contribution Agreement”	the contribution agreement dated 14 June 2023, entered into between the Company, Hutchison, CKHGTH, Vodafone, Vodafone TopCo and MergeCo in relation to the Transaction
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened as required by the Listing Rules to consider and, if thought fit, approve the resolution(s) in relation to the Transaction
“Fair Market Enterprise Value”	the fair market enterprise value of MergeCo
“FCA”	the Financial Conduct Authority of the UK and any successor or replacement body from time to time (as the context may require)
“FSMA”	the Financial Services and Markets Act 2000
“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 PRC
“H Put Option”	a put option to be granted by Vodafone to Hutchison pursuant to the Shareholders’ Agreement, whereby Hutchison may put to Vodafone all (but not part only) of the shares in MergeCo then held by Hutchison
“Hutchison”	Brilliant Design Limited, a company incorporated in the British Virgin Islands, being an indirect wholly-owned subsidiary of the Company
“Intercompany Services Agreement”	the intercompany services agreement dated 14 June 2023, entered into between Vodafone Service Provider and MergeCo

“Joint Venture Establishment”	the establishment of a joint venture (namely MergeCo) and the contribution to MergeCo by Hutchison and Vodafone of their respective mobile telecommunications operations in the UK pursuant to the Contribution Agreement, comprising, among other things, the disposal of 100% equity interest in Three UK and certain intercompany debt
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lock-up Period”	three years following Closing
“Longstop Date”	24 months after the date of the Contribution Agreement, subject to an extension in certain limited circumstances
“MergeCo”	Vodafone UK Trading Holdings Limited, a company incorporated in England and Wales, being an indirect wholly-owned subsidiary of Vodafone TopCo as at the date of this announcement and immediately following Closing, the issued share capital of MergeCo will become owned as to 51% by Vodafone and 49% by Hutchison
“MergeCo Group”	MergeCo and its subsidiaries, from time to time, including upon Closing taking place
“Options”	the V Call Option, the H Put Option and certain protective measures in connection with the H Put Option
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Registered Shareholders”	Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust, Li Ka-Shing Castle Trustee Company Limited as trustee of The Li Ka-Shing Castle Trust and their related companies
“Shareholders”	the holders of the shares of the Company
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between Hutchison, CKHGTH, Vodafone, Vodafone TopCo and MergeCo upon Closing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Three UK”	Hutchison 3G UK Holdings Limited, a company incorporated in England and Wales with limited liability, being an indirect wholly-owned subsidiary of the Company
“Three UK Group”	Three UK and its subsidiary undertakings from time to time
“Three UK Shares”	4,446,486,753 ordinary shares of £0.001 each, being the entire issued share capital of Three UK to be acquired by MergeCo from Hutchison pursuant to the Contribution Agreement

“Transaction”	the transactions and steps contemplated under the Contribution Agreement, including the Joint Venture Establishment and the grant and exercise of the Options including the possible acquisition and disposal of any non-cash consideration issued to Hutchison in connection with the H Put Option, as applicable under the Shareholders’ Agreement
“UK”	the United Kingdom
“V Call Option”	a call option to be granted by Hutchison to Vodafone pursuant to the Shareholders’ Agreement, whereby Vodafone may call for all (but not part only) of the shares in MergeCo then held by Hutchison
“Vodafone”	Vodafone International Operations Limited, a company incorporated in England and Wales, being an indirect wholly-owned subsidiary of Vodafone TopCo
“Vodafone Group”	Vodafone TopCo and its subsidiary undertakings from time to time (excluding MergeCo)
“Vodafone Service Provider”	Vodafone Group Services Limited, a company registered in England and Wales, being an indirect wholly-owned subsidiary of Vodafone Topco
“Vodafone TopCo”	Vodafone Group Plc, a company incorporated in England and Wales, the shares of which are listed on the London Stock Exchange
“Vodafone UK”	Vodafone Limited, a company incorporated in England and Wales, being an indirect wholly-owned subsidiary of Vodafone
“Vodafone UK Group”	Vodafone UK and its subsidiary undertakings from time to time
“%”	per cent
“£”	British pounds, the lawful currency of the UK
“€”	the lawful currency of the member states of the European Union

For the purpose of this announcement, the conversion of amounts in British pounds into Hong Kong dollars has been made at the rate of HK\$9.8 to £1.0. The conversion should not be construed as a representation that amounts in British pounds have been, or could be, converted into Hong Kong dollars at this or any other rate.

By Order of the Board

Edith Shih
Executive Director and Company Secretary

Hong Kong, 14 June 2023

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 Philip Lawrence KADOORIE
Ms LEE Wai Mun, Rose
Mrs LEUNG LAU Yau Fun, Sophie
Mr Paul Joseph TIGHE
Mr WONG Kwai Lam
Dr WONG Yick-ming, Rosanna