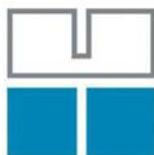


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Hutchison Telecom
Hong Kong Holdings

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 AND CONNECTED TRANSACTION RELATING
TO THE ACQUISITION OF MINORITY INTERESTS IN
HUTCHISON TELEPHONE COMPANY LIMITED
AND
HUTCHISON 3G HK HOLDINGS LIMITED**

THE TRANSACTION

The Board is pleased to announce that on 29 March 2019, the Company (as purchaser) and DOCOMO (as seller) entered into the Sale and Purchase Agreement pursuant to which DOCOMO agreed to sell (through itself and its various intermediate holding vehicles) its entire 24.1% interest in each of HTCL and H3GHK, which hold the Group's mobile telecommunications business, to Pilot Gateway (a wholly owned subsidiary of the Company) for the Consideration of US\$60 million (approximately HK\$471 million), which will be paid in cash by the Company to DOCOMO on the date of Closing.

It is agreed that Closing will take place on 31 May 2019. Following the Closing, HTCL and H3GHK will become wholly owned subsidiaries of the Company.

In connection with the Transaction, the Company and DOCOMO have agreed, among other things, that at the Closing, the Company and DOCOMO will enter into the Consultation and Cooperation Agreement pursuant to which a process will be established by the Company and DOCOMO to discuss and explore the feasibilities and possibilities of joint and mutual collaboration between and among the Group and the DOCOMO Group within the field of mobile telecommunications products and services.

REASONS FOR, AND BENEFITS OF, THE TRANSACTION

HTCL, currently an indirect 75.9% owned subsidiary of the Company, is the main mobile telecommunications operating arm of the Group which contributes a substantial part of the revenue of the Group. The Transaction will allow the Company to gain full control of its mobile telecommunications operating arm and to enhance efficiency of operations through elimination of resources expended on shareholders' communications. By utilising the cash proceeds derived from the disposal of its fixed-line business in October 2017, the Transaction is considered accretive as it adds to the value of the Shares.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as set out and calculated under Rule 14.07 of the Listing Rules) in respect of the Transaction is more than 5% but all of them are less than 25%, the Transaction constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As DOCOMO is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of HTCL and H3GHK (two of the Company's subsidiaries), the Transaction also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Board has approved the Transaction and the Directors (including the Independent Non-executive Directors) have also confirmed that the terms of the Transaction are fair and reasonable, the Transaction is on normal commercial terms, is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. Therefore, by virtue of Rule 14A.101 of the Listing Rules, the Transaction is subject to the reporting and announcement requirements applicable to connected transactions, but is exempt from the circular, independent financial advice and Shareholders' approval requirements.

1. INTRODUCTION

The Board is pleased to announce that on 29 March 2019, the Company (as purchaser) and DOCOMO (as seller) entered into the Sale and Purchase Agreement pursuant to which DOCOMO agreed to sell (through itself and its various intermediate holding vehicles) its entire 24.1% interest in each of HTCL and H3GHK, which hold the Group's mobile telecommunications business, to Pilot Gateway (a wholly owned subsidiary of the Company).

2. SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

(a) Consideration

The Consideration of US\$60 million (approximately HK\$471 million) was determined after negotiation on an arm's length basis with DOCOMO, with reference to the business prospects and financial performance of HTCL and H3GHK, as well as the prevailing trading multiples of the Company and other mobile operators in Asia.

The Consideration will be paid at Closing in cash. The Company will satisfy the Consideration by using the cash proceeds derived from the disposal of its fixed-line business in October 2017.

(b) Closing

It is agreed that Closing will take place on 31 May 2019. Following the Closing, HTCL and H3GHK will become wholly owned subsidiaries of the Company.

3. CONSULTATION AND COOPERATION AGREEMENT

The Company and DOCOMO have agreed to enter into the Consultation and Cooperation Agreement on Closing for the period of two years commencing on the date of Closing pursuant to which a process will be established by the Company and DOCOMO to discuss and explore the feasibilities and possibilities of joint and mutual collaboration between and among the Group and the DOCOMO Group within the field of mobile telecommunications products and services. Both parties agree to submit to each other from time to time a project proposal identifying specific items of the joint collaboration and discuss and negotiate a definitive agreement for each of the identified projects.

4. REASONS FOR, AND BENEFITS OF, THE TRANSACTION

HTCL, an indirect 75.9% owned subsidiary of the Company, is the main mobile telecommunications operating arm of the Group which contributes a substantial part of the revenue of the Group. The Transaction will allow the Company to gain full control of its mobile telecommunications operating arm and to enhance efficiency of operations through elimination of resources expended on shareholders' communications. By utilising the cash proceeds derived from the disposal of its fixed-line business in October 2017, the Transaction is considered accretive as it adds to the value of the Shares.

The Directors believe that the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. INFORMATION ON HTCL AND H3GHK

HTCL, currently an indirect 75.9% owned subsidiary of the Company, is the main mobile telecommunications operating arm of the Group which contributes a substantial part of the revenue of the Group. H3GHK, also currently an indirect 75.9% owned subsidiary of the Company, has become dormant since 2016.

The net asset value of HTCL Group and H3GHK as at 31 December 2018 was approximately HK\$825 million and HK\$4,518 million respectively. The profit before tax and after tax attributable to 24.1% interest of HTCL Group and H3GHK for each of the years ended 31 December 2017 and 2018 are as follows:

HK\$ millions	Year ended 31 December	
	2017	2018
(Loss)/profit before tax	(482)	43
(Loss)/profit after tax	(412)	29

The original acquisition cost of the assets to DOCOMO was US\$440 million.

6. INFORMATION ON THE GROUP

The Group is a provider of mobile telecommunications services in Hong Kong and Macau.

7. INFORMATION ON DOCOMO

DOCOMO is a provider of mobile telecommunications services in Japan. Its shares are listed on the Tokyo Stock Exchange (stock code: 9437).

8. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as set out and calculated under Rule 14.07 of the Listing Rules) in respect of the Transaction is more than 5% but all of them are less than 25%, the Transaction constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As DOCOMO is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of HTCL and H3GHK (two of the Company's subsidiaries), the Transaction also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Board has approved the Transaction and the Directors (including Independent Non-executive Directors) have also confirmed that the terms of the Transaction are fair and reasonable, the Transaction is on normal commercial terms, is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. Therefore, by virtue of Rule 14A.101 of the Listing Rules, the Transaction is subject to the reporting and announcement requirements applicable to connected transactions, but is exempt from the circular, independent financial advice and Shareholders' approval requirements.

None of the Directors has any material interest in the connected transaction herein announced. No Director was required to abstain from voting on the Board resolutions of the Company approving the Transaction.

9. DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings:

"Board"	the board of directors of the Company
"Closing"	completion of the Transaction in accordance with the provisions of the Sale and Purchase Agreement
"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)
"Consideration"	the consideration for the Transaction
"Consultation and Cooperation Agreement"	the agreement to be entered into by the Company and DOCOMO on Closing to continue, and build upon, the parties' existing and future mobile businesses co-operation
"Directors"	the directors of the Company
"DOCOMO"	NTT DOCOMO, Inc., a company incorporated in Japan, whose shares are listed on the Tokyo Stock Exchange (Stock Code: 9437)
"DOCOMO Group"	DOCOMO and its subsidiaries
"Group"	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“H3GHK”	Hutchison 3G HK Holdings Limited, a company incorporated in the British Virgin Islands and currently an indirect 75.9% owned subsidiary of the Company
“HTCL”	Hutchison Telephone Company Limited, a company incorporated in Hong Kong and currently an indirect 75.9% owned subsidiary of the Company
“HTCL Group”	HTCL and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pilot Gateway”	Pilot Gateway Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company
“Sale and Purchase Agreement”	the agreement dated 29 March 2019 entered into between the Company and DOCOMO relating to the sale and purchase of DOCOMO’s entire 24.1% interest in each of HTCL and H3GHK
“Shareholders”	the holders of Shares
“Shares”	ordinary shares in the capital of the Company with a nominal value of HK\$0.25 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the proposed acquisition of DOCOMO’s entire 24.1% interest in each of HTCL and H3GHK by Pilot Gateway in accordance with the provisions of the Sale and Purchase Agreement
“US\$”	United States dollars, the lawful currency of the United States of America

In this announcement, US\$ has been converted to HK\$ at the rate of US\$1 = HK\$7.85 for illustration purpose only.

By Order of the Board

Edith SHIH
Non-executive Director and Company Secretary

Hong Kong, 29 March 2019

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

Chairman and Non-executive Director:

Mr FOK Kin Ning, Canning

Co-Deputy Chairmen and Non-executive Directors:

Mr LUI Dennis Pok Man

Mr WOO Chiu Man, Cliff

Executive Director:

Mr KOO Sing Fai

Non-executive Directors:

Mr LAI Kai Ming, Dominic

(also Alternate to Mr FOK Kin Ning, Canning and Ms Edith SHIH)

Ms Edith SHIH

Mr MA Lai Chee, Gerald

(Alternate to Mr LAI Kai Ming, Dominic)

Independent Non-executive Directors:

Mr CHEONG Ying Chew, Henry

(also Alternate to

Dr WONG Yick Ming, Rosanna)

Dr LAN Hong Tsung, David

Dr WONG Yick Ming, Rosanna