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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 HTCL, a wholly-owned subsidiary of the Company, was successful in its bids for acquiring the Assigned Frequency Band A and the Assigned Frequency Band B and has been announced by the Communications Authority as the respective provisional successful bidder for the Assigned Spectrum on 20 November 2024, which in turn will become the successful bidder for the Assigned Spectrum upon HTCL's compliance with various grant stage procedures.

Acquisition of the Assigned Spectrum will allow HTCL to continue to provide public mobile telecommunications services (including the 5G services) in Hong Kong during the 15-year term of the licence for the Assigned Spectrum. The aggregate SUF and the estimated aggregate annual licence fee in respect of the Assigned Spectrum payable by HTCL to the Communications Authority is approximately HK\$637 million.

As one or more of the relevant percentage ratios in connection with the Transaction is more than 5% but all are less than 25%, the Transaction constitutes a discloseable transaction for the Company and is subject to the compliance by the Company with the requirements of notification to the Stock Exchange and publication of an announcement but is not subject to the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that HTCL, a wholly-owned subsidiary of the Company, was successful in its bids for acquiring the Assigned Frequency Band A and the Assigned Frequency Band B on 20 November 2024 amongst the total of 110 MHz of radio spectrum including 20 MHz in the 850/900 MHz frequency bands and 90 MHz in the 2.3 GHz frequency band which were recently made available by the Communications Authority for auction.

Acquisition of the Assigned Spectrum will allow HTCL to continue to provide public mobile telecommunications services (including the 5G services) in Hong Kong during the 15-year term of the licence for the Assigned Spectrum.

The aggregate SUF and the estimated aggregate annual licence fee in respect of the Assigned Spectrum payable by HTCL to the Communications Authority is approximately HK\$637 million.

The Communications Authority issued a notice on 20 November 2024 announcing HTCL as the provisional successful bidder for the Assigned Frequency Band A and the Assigned Frequency Band B, which in turn will become the successful bidder for the Assigned Spectrum upon HTCL's compliance with various grant stage procedures.

CONDITIONS FOR THE GRANT OF THE ASSIGNED SPECTRUM

Consideration

The aggregate SUF for the Assigned Spectrum, which was determined through a competitive process at the Auctions, is HK\$617 million. HTCL may choose to pay the SUF in full as a lump sum upfront payment by 30 April 2026 for Assigned Frequency Band A and by 29 January 2027 for Assigned Frequency Band B or annually in 15 instalments with the first instalment equivalent to the lump sum amount divided by 15 and each subsequent instalment amount equal to the SUF payable in the immediately preceding instalment increased by 2.5%. The SUF is currently intended to be satisfied by the internal resources of the Group.

If HTCL chooses to pay the SUF by annual instalments, it is required to maintain at all times throughout the whole assignment period a rolling performance bond to guarantee payment of the SUF payable in the ensuing five years, or the SUF payable for the remaining duration of the assignment term if it is less than five years.

An annual licence fee, which is to be calculated by the Communications Authority based on, among others, the quantity of customer connections, the number of subscribers, base stations and frequencies assigned, will be payable by HTCL with respect to the Assigned Spectrum during the 15-year licence period.

The estimated aggregate licence fee for the 15-year assignment of the Assigned Spectrum in the sum of approximately HK\$20 million is to be satisfied by the internal resources of the Group.

Performance Bonds

In addition to the performance bonds to be maintained to guarantee the payment of the SUF payable if election is made for it to be paid by annual instalments as referred to above, as a condition to the grant of the Assigned Spectrum, unless the Communications Authority is satisfied that HTCL has fully complied with the network and services rollout requirement, HTCL is required to provide to the Communications Authority two performance bonds issued by a qualifying bank in the aggregate sum of HK\$75 million to ensure the compliance with the network and service rollout requirement with respect to the Assigned Spectrum to achieve, within five years from the issue of the licence, minimum network and service coverage to an area where at least 90% of the population of Hong Kong live from time to time.

The performance bonds for the Assigned Frequency Band A and the Assigned Frequency Band B shall be provided on or before 30 April 2026 and 29 January 2027 respectively.

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

As a provider of mobile telecommunications services in Hong Kong, HTCL offers an array of advanced mobile devices and a rich portfolio of data services and applications to meet the demand for innovative mobile telecommunications services and applications in the competitive digital markets. In order to continue the support of digital inclusion and realise the full capabilities of 5G 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 will form an indispensable part of the mobile telecommunications business of HTCL to deliver the 5G experience to meet customers' demand.

The Assigned Spectrum in the Assigned Frequency Band A and some of the Assigned Spectrum in the Assigned Frequency Band B are existing spectrums held by HTCL for providing 4G and 5G mobile telecommunications services. The Assigned Spectrum are a prerequisite for HTCL to continue to provide excellent services to customers with 5G technology adopted. Long-term development of 5G technology requires different spectrum bands to complement each other and harnessing the beneficial attributes of each spectrum band will assist HTCL to meet the various demands for 5G applications, all in the best interests of company development and provision of a seamless 5G experience for both consumers and corporate enterprises.

The Board considers the terms of the Transaction are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL

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

The Communications Authority is an independent statutory body established under the CAO on 1 April 2012 to act as the regulator of the broadcasting and telecommunications industries in Hong Kong in accordance with the Broadcasting Ordinance (Chapter 562 of the Laws of Hong Kong), the Telecommunications Ordinance (Chapter 106 of the Laws of Hong Kong), the CAO, and the Broadcasting (Miscellaneous Provisions) Ordinance (Chapter 391 of the Laws of Hong Kong). It also enforces the Unsolicited Electronic Messages Ordinance (Chapter 593 of the Laws of Hong Kong). To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Communications Authority and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the relevant percentage ratios in connection with the Transaction is more than 5% but all are less than 25%, the Transaction constitutes a discloseable transaction for the Company and is subject to the Company's compliance with the requirements of notification to the Stock Exchange and publication of an announcement but is not subject to the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

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| “Assigned Frequency Band A” | the radio frequency band specified in the frequency block of 885.0 – 890.0 MHz paired with 930.0 – 935.0 MHz, with a bandwidth of 10 MHz in total; |
| “Assigned Frequency Band B” | the radio frequency band specified in the frequency blocks of 2300 – 2310 MHz and 2310 – 2320 MHz, with a bandwidth of 20 MHz in total; |
| “Assigned Spectrum” | the Assigned Frequency Band A and the Assigned Frequency Band B; |
| “Auctions” | the auctions of the Assigned Spectrum in which HTCL has participated in bidding; |
| “Board” | the board of Directors; |
| “CAO” | the Communications Authority Ordinance (Chapter 616 of the Laws of Hong Kong); |
| “Communications Authority” | Communications Authority of Hong Kong; |
| “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); |
| “connected person(s)” | has the meaning ascribed to such term in the Listing Rules; |
| “Directors” | directors of the Company; |
| “GHz” | gigahertz or billion hertz; |
| “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 wholly-owned subsidiary of the Company; |
| “Listing Rules” | Rules Governing the Listing of Securities on the Stock Exchange; |
| “MHz” | megahertz or million hertz; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “subsidiary” | has the meaning ascribed to such term in the Listing Rules; |
| “SUF” | spectrum utilisation fee; |
| “Transaction” | the acquisition of the Assigned Spectrum; and |
| “%” | per cent. |

By Order of the Board

CHOW Yan Hing, Agnes
Company Secretary

Hong Kong, 20 November 2024

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 CHAN Tze Leung
Ms CHOW Ching Yee, Cynthia
Ms IM Man Ieng
Mr IP Yuk Keung