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**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)**

## **ANNOUNCEMENT**

### **DISCLOSEABLE TRANSACTION**

The Board is pleased to announce that on 18 March, 2008, a 60%-owned subsidiary of the Company, HCPT, entered into a conditional Tower Transfer Agreement for the sale to Protelindo of the Assets for cash consideration of up to US\$500 million (approximately HK\$3,882 million). Completion of the Sale is expected to occur in tranches over a two-year period. On the bases disclosed below, the Company expects to realise a disposal gain, subject to audit, of approximately US\$236 million (approximately HK\$1,832 million) from the Sale. The net sale proceeds to be derived by the Group from the Tower Transactions will be used for its ongoing network coverage expansion and general capital investment/working capital purposes.

Concurrent with Tranche 1 Completion, HCPT and Protelindo will enter into a Master Lease Agreement pursuant to which HCPT will have a right to access, occupy and use such of the Facilities and at such Sites as HCPT may elect for an Initial Term, at the end of which HCPT may, among other things, elect to further extend the licence to use for a period of 6 years.

Concurrent with the signing of the Tower Transfer Agreement, the same parties agreed the terms upon which HCPT shall grant to Protelindo the right, during a period of up to two years after the Tranche 1 Completion, to build new Towers on any new sites in Indonesia as HCPT may elect and upon completion of each such Tower, sell to and lease from Protelindo the Tower on terms substantially similar to those set out in the Tower Transfer Agreement and Master Lease Agreement.

To the best knowledge, information and belief of the Directors, after all reasonable enquiries, Protelindo and its ultimate beneficial owners are independent of the Company and of the connected persons of the Company.

The Sale constitutes a discloseable transaction for the Company under the Listing Rules. A circular providing details of the Tower Transactions will be despatched to the Shareholders in accordance with the relevant requirements of the Listing Rules.

The Board is pleased to announce that on 18 March, 2008 (i) HCPT, a 60%-owned subsidiary of the Company, entered into a conditional Tower Transfer Agreement for the sale to Protelindo of the Assets; (ii) HCPT and Protelindo agreed the terms of the Master Lease Agreement; and (iii) HCPT and Protelindo entered into the Build to Suit Term Sheet.



## **TOWER TRANSFER AGREEMENT**

### **Date**

18 March 2008

### **Parties**

- (1) HCPT, as the vendor
- (2) Protelindo, as the purchaser

Protelindo is independent of the Company and, to the best knowledge, information and belief of the Directors, after all reasonable enquiries, of the connected persons of the Company.

### **Conditions precedent**

Tranche 1 Completion is conditional upon the satisfaction, or in some cases, waiver by Protelindo, of a number of conditions including:

- (1) HCPT having obtained all requisite consents for its entry into the Tower Transfer Agreement and the completion of the transactions contemplated thereunder;
- (2) HCPT being able to complete the transfer of at least 1,000 Tower Sites in accordance with the Tower Transfer Agreement; and
- (3) Protelindo having provided evidence to HCPT's reasonable satisfaction that it has received all Indonesian approvals or authorisations necessary for it to acquire the Assets and perform its obligations under, inter alia, the Tower Transfer Agreement.

### **Completion**

Subject to satisfaction (or waiver) of the Initial Conditions Precedent, Tranche 1 Completion shall take place whereupon:

- (i) the Deposit and the Master Lease Agreement signed by Protelindo will both be released to HCPT from escrow,
- (ii) the balance of the portion of the Purchase Price as is attributable to the Tranche 1 Assets, the subject matter of Tranche 1 Completion, will be paid to HCPT,
- (iii) HCPT will transfer to Protelindo the constructive possession and control of the relevant Tower Sites and other related rights free from and clear of all encumbrances, and
- (iv) HCPT will pay the relevant portion of the lease fee in respect of the Tranche 1 Assets in accordance with the Master Lease Agreement.

If the Initial Conditions Precedent are not fulfilled (or waived by Protelindo) by the date falling 4 months after 18 March 2008, Protelindo may under certain circumstances terminate the Tower Transfer Agreement by giving notice to that effect to HCPT without liability to either party from the termination notice date.

From time to time after Tranche 1 Completion and prior to the Final Date, HCPT shall provide notice to Protelindo identifying further Assets (not less than 100 Tower Sites for each completion other than the final one) for transfer on subsequent completion dates. If on the Final Date, there are Assets not transferred, they will be excluded as Assets for the purpose of the Tower Transfer Agreement.



## **Assets to be sold**

As at 31 December 2007, the value of the Assets included in the Company's audited consolidated accounts was US\$101 million (or approximately HK\$784 million). The Company estimates that the Group would further spend approximately US\$163 million (or approximately HK\$1,266 million) to complete the construction of the Assets.

## **Consideration**

The consideration for the Assets, assuming completion of sale of all Assets, is US\$500 million (approximately HK\$3,882 million) payable in cash at each completion of each tranche of the Assets. The Deposit is required to be paid on signing of the Tower Transfer Agreement into an independent third party bank in escrow pending release on Tranche 1 Completion. The amount was arrived at following the completion of a tender process and at arm's length negotiations between the parties.

On the bases that the Sale is treated as a sale of all the Assets and the Lease is treated as an operating lease, the Company expects to realise a disposal gain, subject to audit, of US\$236 million (approximately HK\$1,832 million) from the Sale.

## **MASTER LEASE AGREEMENT**

### **Date**

Date of Tranche 1 Completion

### **Parties**

- (1) Protelindo as the lessor
- (2) HCPT as the lessee

### **Principal terms**

Concurrent with Tranche 1 Completion, HCPT and Protelindo will enter into a Master Lease Agreement pursuant to which HCPT will have a right to access, occupy and use the capacity reserved for HCPT on such of the Facilities and at such Sites as HCPT may elect for an Initial Term, at the end of which HCPT may elect to further extend the licence to use for the Second Term.

At the end of the Initial Term and the Second Term, HCPT may (but is not obliged to) exercise its Term End Purchase Option to acquire all right, title and interest of Protelindo in all of the Facilities at such Sites as HCPT may elect at a pre-agreed price.

## **BUILD TO SUIT TERM SHEET**

### **Date**

18 March 2008

### **Parties**

- (1) Protelindo
- (2) HCPT



## **Principal terms**

Concurrent with the signing of the Tower Transfer Agreement, the same parties agreed the terms set out in the Build to Suit Term Sheet pursuant to which HCPT shall grant to Protelindo the right, during a period of up to two years after the Tranche 1 Completion, to build new Towers on any new sites in Indonesia as HCPT may elect and upon completion of each such Tower, sell to and lease from Protelindo the Tower on terms substantially similar to those set out in the Tower Transfer Agreement and Master Lease Agreement.

HCPT and Protelindo will have put and call option(s) for the further sale of Towers, and, upon the purchase of Towers following the exercise of such option(s) at prices to be specified by HCPT, HCPT will be licensed to use the Towers at a pre-agreed monthly fee.

## **INFORMATION ON PROTELINDO**

Protelindo is an independent provider of wireless communications infrastructure that began its operations in Indonesia in 2003 and over the years it has become the owner and operator of more than 900 tower sites throughout Indonesia and established a track record internationally and domestically in tower operations and maintenance. It has entered into master lease agreements with eight (out of eleven) Indonesia telecom carriers governing each carrier's co-locations on its sites and agreed to a build-to-suit transaction for 1,000 towers with an Indonesian telecom carrier to expand its network in Indonesia.

To the best of the knowledge, information and belief of the Directors, after all reasonable enquiries, Protelindo and its ultimate beneficial owner are independent of the Company and of the connected persons of the Company.

## **REASONS FOR, AND THE BENEFITS OF, THE TOWER TRANSACTIONS**

The Sale and Lease represent a good opportunity for the Group to raise funds and release part of the Group's capital for reinvestment purposes whilst retaining the Group's ability to access, use, occupy, on a long-term basis and/or re-own some or all of the Assets sold with an independent third party who possesses sound and reliable track record in towers operation and maintenance in Indonesia.

The Board considers the respective terms of the Tower Transfer Agreement, the Master Lease Agreement and the Build to Suit Term Sheet to be on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. The net sale proceeds to be derived by the Group from the Tower Transactions will be used for its ongoing network coverage expansion and general capital investment/working capital purposes in such amounts as to be determined by the Group.

## **GENERAL**

The Group is a global provider of telecommunications services.

The Sale constitutes a discloseable transaction for the Company, which is subject to the reporting, announcement and circular requirements of the Listing Rules. A circular providing further details of the Tower Transactions will be despatched to the Shareholders in accordance with the relevant requirements of the Listing Rules. In the event that any transaction(s) consummated pursuant to and as contemplated under the Build to Suit Term Sheet will constitute a notifiable transaction for the Company under the Listing Rules then applicable, the Company will comply with such of the requirements as may arise.



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

**Executive Directors:**

Mr. Dennis Pok Man LUI  
Mr. Tim PENNINGTON  
Mr. CHAN Ting Yu  
(also Alternate to Mr. Dennis Pok Man Lui)  
Mr. WONG King Fai, Peter

**Independent Non-executive Directors:**

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

**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

**Alternate Directors:**

Mr. WOO Chiu Man, Cliff  
(Alternate to Mr. Tim Pennington)  
Mr. MA Lai Chee, Gerald  
(Alternate to Mr. Wong King Fai, Peter)

**DEFINITIONS**

"ADS(s)"	American depository share(s) issued by Citibank N.A., each representing ownership of 15 Shares
"Assets"	the certain assets in Indonesia agreed to be sold and purchased pursuant to and in accordance with the Tower Transfer Agreement including without limitation the 3,692 Towers, the Tower Site Leases and the Revenue Contracts but excluding the Excluded Equipment
"Board"	the board of Directors
"Build to Suit Arrangements"	the arrangements contemplated in the Build to Suit Term Sheet
"Build to Suit Term Sheet"	the legally binding term sheet dated 18 March 2008 and made between HCPT and Protelindo setting out the principal terms for a build to suit agreement for the construction of Towers in Indonesia and put and call option agreement for further sale of Towers
"Company" or "HTIL"	Hutchison Telecommunications International Limited, a company incorporated in the Cayman Islands, whose Shares are listed on the Main Board of the Stock Exchange and ADSs are listed on the New York Stock Exchange
"connected person"	has the meaning ascribed to that expression in the Listing Rules
"Deposit"	cash payment of US\$125 million (approximately HK\$971 million) representing 25% of the Purchase Price is required to be made to HCPT by Protelindo in an escrow account upon the signing of the Tower Transfer Agreement
"Directors"	directors of the Company
"Excluded Equipment"	include such equipment, structure, fixture, fittings and other items installed on, in or under a Tower or Tower Site by or on behalf of HCPT which is not an Asset or third party equipment specified as such in the Tower Transfer Agreement
"Facilities"	include the communication towers and related infrastructure acquired by or subsequently constructed by Protelindo under the Tower Transfer Agreement, and any subsequent replacement of such infrastructure



"Final Date"	the date which is 24 months after the date of the Tower Transfer Agreement
"Group"	the Company and its subsidiaries
"HCPT"	PT. Hutchison CP Telecommunications (formerly PT. Cyber Access Communications), a limited liability company incorporated in Indonesia, a 60%-owned subsidiary of the Company, which is the vendor of the Assets under the Tower Transfer Agreement, the lessee of the Sites and Facilities under the Master Lease Agreement and the counterparty to the Built to Suit Term Sheet
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Indonesia"	the Republic of Indonesia
"Initial Conditions Precedent"	the conditions precedent set out in the Tower Transfer Agreement upon the satisfaction (or waiver) of which the parties' obligation to Tranche 1 Completion is conditional
"Initial Term"	twelve (12) years from the date of execution of the relevant site licence entered pursuant to and in accordance with the Master Lease Agreement
"Lease"	the leasing of certain Sites and Facilities by Protelindo to HCPT in accordance with and subject to the terms of the Master Lease Agreement
"Listing Rules"	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"Master Lease Agreement"	the agreement to be entered into between HCPT and Protelindo on the date of Tranche 1 Completion in relation to the access, occupation and use by HCPT of certain Sites and Facilities and provision of certain services from Protelindo to HCPT on pre-agreed terms
"Protelindo"	PT. Profesional Telekomunikasi Indonesia, a company incorporated under the laws of Indonesia, the purchaser of Assets under the Tower Transfer Agreement, the lessor of the Sites and Facilities under the Master Lease Agreement and the counterparty under the Built to Suit Term Sheet
"Purchase Price"	cash payment of US\$500 million (approximately HK\$3,882 million) being the consideration payable to HCPT for the sale of all the Assets
"Revenue Contracts"	those sub-lease, licence or other right granted by HCPT to allow a third party to access, use or co-locate on, inter alia, a Tower or Tower Site and specified as such in the Tower Transfer Agreement
"Sale"	the sale of the Assets by HCPT to Protelindo subject to and in accordance with the terms of the Tower Transfer Agreement
"Second Term"	six (6) years from the expiry of the Initial Term
"Share(s)"	ordinary share(s) in the capital of the Company with a nominal value of HK\$0.25 each
"Shareholder(s)"	holder(s) of the Shares



"Site(s)"	a site or sites acquired by Protelindo under the Tower Transfer Agreement which is or will be owned, leased, controlled or managed by Protelindo and on which the Facilities are, or will be, located
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed to that expression in Listing Rule 1.01
"Term End Purchase Option"	the option to be granted to HCPT pursuant to the Master Lease Agreement, exercisable at the end of either the Initial Term or the Second Term, whereupon Protelindo will be obliged to sell all its right, title and interest in the Facilities at the Sites, the subject matter of the option at pre-agreed discounts to the purchase price of such Facilities as are applicable by reference to the timing the option is exercised
"Tower"	facilities comprising a tower, a monopole, a mast or any similar or other antenna support structure located on a Tower Site belonging to or installed by or on behalf of HCPT and used to supply communications services
"Tower Site"	a site that is, or is intended to be, the subject of a Tower Site Lease and is listed as such in the Tower Transfer Agreement
"Tower Site Leases"	the leases or other rights of use or occupation between HCPT and the relevant landlord, owner or person to grant a right of occupation of the Tower Site to HCPT
"Tower Transactions"	collectively, the Sale, the Lease and the Build to Suit Arrangements
"Tower Transfer Agreement"	the conditional agreement dated 18 March 2008 and made between HCPT as vendor and Protelindo as purchaser in respect of the Assets
"Tranche 1 Assets"	such of the Assets to be transferred to Protelindo at Tranche 1 Completion as specified in a HCPT notice to be issued to Protelindo under the Tower Transfer Agreement
"Tranche 1 Completion"	completion of the Tranche 1 Assets after satisfaction (or waiver by Protelindo) of the Initial Conditions Precedent in accordance with the Tower Transfer Agreement
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"US\$"	United States dollars, the lawful currency of the United States of America

For the purpose of this announcement and for reference only, exchange rate of HK\$7.764 to US\$1.00 is adopted.

By Order of the Board

**Edith Shih**  
*Company Secretary*

Hong Kong, 18 March, 2008

