

HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

AWARD OF 3G LICENCE IN HONG KONG and CONNECTED TRANSACTION

The Directors are pleased to announce that on 22 October 2001, OFTA formally awarded to H3G HK a Hong Kong 3G Licence. H3G HK is an indirect non wholly owned subsidiary of the Company, indirectly owned as to approximately 74.63% by the Company and approximately 25.37% by DoCoMo.

In addition to being a substantial shareholder of H3G HK, DoCoMo is a connected person of the Company also by virtue of being a substantial shareholder of H3G UK and HTCL, both of which are indirect non wholly owned subsidiaries of the Company.

In connection with the obtaining of the Hong Kong 3G Licence, a wholly owned subsidiary of the Company has provided the Loan to H3G HK. Until and unless DoCoMo provides a loan in proportion to its shareholding in H3G HK, the Loan constitutes a connected transaction for the Company under the Listing Rules. As the Loan amount is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of the Loan will be included in the Company's next published annual report and accounts in accordance with Rule 14.25(1)(A) to (D) of the Listing Rules.

The Directors are pleased to announce that on 22 October 2001, the Office of the Telecommunications Authority ("**OFTA**") formally awarded to H3G HK a Hong Kong 3G Licence. H3G HK is an indirect non wholly owned subsidiary of the Company, indirectly owned as to approximately 74.63% by the Company and approximately 25.37% by DoCoMo.

THE LOAN

Date: 28 August 2001

Parties

Borrower: Hutchison 3G HK Limited ("**H3G HK**"), an indirect non wholly owned subsidiary of Hutchison Whampoa Limited (the "**Company**").

Lender: Hutchison Telecommunications Limited ("**HTL**"), an indirect wholly owned subsidiary of the Company.

Loan Amount: HK\$447,797,458 (the "**Loan**").

Purpose: To provide working capital to H3G HK in connection with obtaining the award of the licence to operate a third generation mobile telecommunication system in Hong Kong for 15 years ("**Hong Kong 3G Licence**") in the frequency bands designated and selected by OFTA.

Nature: The Loan is unsecured and bears interest at commercial rates computed by reference to the Hong Kong Interbank Offer Rate prevailing from time to time.

REASONS FOR ENTERING INTO THE CONNECTED TRANSACTION

The directors of the Company (the "**Directors**"), including the non-executive Directors, consider that the Loan is upon normal commercial terms and that the terms of the Loan are arrived at after arms-length negotiations between the parties and are fair and reasonable insofar as the shareholders of the Company are concerned.

NTT DoCoMo, Inc. ("**DoCoMo**"), the other shareholder of H3G HK holding the remaining 25.37% interest, will have to comply with and go through its internal approval requirements and procedures before a decision can be made whether to provide its proportion of funding to H3G HK. In order to put H3G HK in a position to participate in the application for the Hong Kong 3G Licence, HTL has provided its proportion of the required funding in the form of the Loan ahead of DoCoMo completing its internal procedures.

GENERAL

H3G HK is a company incorporated under the laws of Hong Kong established to carry on the business of providing 3G telecommunications services in Hong Kong.

In addition to being a substantial shareholder of H3G HK, DoCoMo is a connected person of the Company also by virtue of being a substantial shareholder of Hutchison 3G UK Holdings Limited ("**H3G UK**") and Hutchison Telephone Company Limited ("**HTCL**"), both of which are indirect non wholly owned subsidiaries of the Company. Until and unless DoCoMo provides a loan in proportion to its shareholding in H3G HK, the Loan constitutes a connected transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). As the Loan amount is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of the Loan are required to be disclosed in this announcement and will be included in the Company's next published annual report and accounts in accordance with Rule 14.25(1)(A) to (D) of the Listing Rules. Upon the Company's application, The Stock Exchange of Hong Kong Limited agreed that the Company could make this announcement as soon as possible after the Company had successfully bid for the Hong Kong 3G Licence recognising the confidentiality surrounding the application for the Hong Kong 3G Licence in connection with which the Loan was extended.

By Order of the Board

Edith Shih

Company Secretary

Hong Kong, 22 October 2001

Hutchison Whampoa Limited



Please also refer to the published version of this announcement in Hong Kong iMail and Sing Tao Daily.