

HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

CONNECTED TRANSACTION

The Directors announce that on 20 June 2002, HTCL, an indirect non wholly owned subsidiary of the Company entered into the Service Agreement with H3GHK, another indirect non wholly owned subsidiary of the Company. The Service Agreement sets out the basis upon which certain 3G network construction and related systems development project support is, and will continue to be, provided by HTCL to H3GHK for the roll out of its third generation mobile telephony network in Hong Kong.

In addition to being a substantial shareholder of HTCL and H3GHK, DoCoMo is a connected person of the Company also by virtue of it being a substantial shareholder of Hutchison 3G UK Holdings Limited, which is an indirect non wholly owned subsidiary of the Company.

Notwithstanding the identical attributable shareholding interests held by the Company (as to approximately 74.63%) and DoCoMo (as to approximately 25.37%) in both HTCL and H3GHK, which are not wholly owned subsidiaries of a non wholly owned subsidiary of the Company, the Stock Exchange, having regard to the specific facts and circumstances of this case, ruled that the entering into of the Service Agreement constitutes a connected transaction for the Company under the Listing Rules not falling within any exemption under the provisions of Rule 14.24 of the Listing Rules. As the amount of Charges agreed to be payable in respect of the period ended 31 December 2001 under the Service Agreement is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of the Service Agreement 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. An application will be made to the Stock Exchange for a waiver to disclose the transactions contemplated by the Service Agreement by way of press notice so long as the amount of Charges payable by H3GHK on an annual basis falls within the *de-minimis* exemption under Rule 14.25(1) of the Listing Rules.

AGREEMENT FOR PROVISION OF 3G NETWORK CONSTRUCTION AND RELATED SYSTEMS DEVELOPMENT PROJECT SUPPORT (THE "SERVICE AGREEMENT")

Date: 20 June 2002

Parties: Hutchison Telephone Company Limited ("**HTCL**") and Hutchison 3G HK Limited ("**H3GHK**"), both indirectly owned as to approximately 74.63% by Hutchison Whampoa Limited (the "**Company**") and as to approximately 25.37% by NTT DoCoMo, Inc. ("**DoCoMo**").

Nature: HTCL to provide to H3GHK the third generation ("**3G**") network construction and related systems development project support particularised in the Agreement and such other support as may be agreed between them from time to time in connection with the construction and network development, management and operation of the 3G mobile telephony network to be operated by H3GHK in Hong Kong (the "**Network Development Support**").

Term: From 14 June 2001 until terminated pursuant to the provisions of the Service Agreement.

Consideration on an annual basis: The amount of project implementation and development charges (the "**Charges**") payable to HTCL by H3GHK against invoice is determined by reference to the normal commercial rates at which services in the nature of the Network Development Support are provided and HTCL is entitled to recover from H3GHK disbursements and other out-of-pocket expenses reasonably and properly incurred by HTCL for the provision of the Network Development Support.

REASONS FOR ENTERING INTO THE CONNECTED TRANSACTION

The directors of the Company (the "**Directors**") consider that it would be in the interests of the Company to utilise the relevant experience, systems and staff of HTCL, which has been operating mobile telecommunications services in Hong Kong, to assist H3GHK in the roll out of its third generation mobile telephony network in Hong Kong.

The Directors, including the non-executive Directors, consider that the Service Agreement is entered into upon normal commercial terms, which are arrived at after arms-length negotiations between the parties and are fair and reasonable insofar as the shareholders of the Company are concerned.

GENERAL

HTCL is a company incorporated under the laws of Hong Kong established to carry on the business of mobile telephone services.

H3GHK 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 both HTCL and H3GHK, DoCoMo is a connected person of the Company also by virtue of it being a substantial shareholder of Hutchison 3G UK Holdings Limited, which is an indirect non wholly owned subsidiary of the Company.

Notwithstanding the identical attributable shareholding interests held by the Company (as to approximately 74.63%) and DoCoMo (as to approximately 25.37%) in both HTCL and H3GHK, which are not wholly owned subsidiaries of a non wholly owned subsidiary of the Company, The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), having regard to the specific facts and circumstances of this case, ruled that the entering into of the Service Agreement 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**") not falling within any exemption under the provisions of Rule 14.24 of the Listing Rules. As the amount of the Charges agreed to be payable in respect of the period ended 31 December 2001 under the Service Agreement is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of the Service Agreement 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. As it is expected that the Network Development Support will continue to be provided to H3GHK and the amount of Charges to be payable by H3GHK under the Service Agreement on an annual basis, at least in respect of the period ending 31 December 2002, will also exceed 0.03% of the net tangible assets of the Company as disclosed in the latest published audited consolidated accounts adjusted to take account of subsequent transactions in the manner described in Rule 14.04(6) of the Listing Rules, an application will be made to the Stock Exchange for a waiver, subject to standard terms and conditions (including annual report disclosure), to disclose the transactions contemplated by the Service Agreement by way of a press notice on each occasion the transaction arises for so long as such transaction falls within the *de-minimis* exemption under Rule 14.25(1) of the Listing Rules.

By Order of the Board

Edith Shih
Company Secretary

Hong Kong, 20 June 2002

Hutchison Whampoa Limited



Please also refer to the published version of this announcement in The Standard and Sing Pao Newspaper.