

## HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

### CONNECTED TRANSACTIONS

The Directors announce that on 15 August 2002, the Cost Sharing Agreements were entered into, the principal purpose of which is to regulate the sharing of costs associated with various joint procurement and development activities relating to the roll out and ongoing operation of 3G Business.

These activities relate primarily to the joint acquisition and development of information technology platforms and software solutions, hardware, content and other services, or joint marketing, promotion and communications activities on a worldwide basis for the purpose of 3G Business of the various Hutchison Operating Companies in their respective licensed territories.

Each Cost Sharing Agreement has identical principal terms and sets out the bases upon which external and internal costs, expenses and liabilities paid or discharged by the Hutchison Group Companies in connection with each Underlying Contract or joint procurement or development activities will be allocated among the Hutchison Operating Companies electing to participate in such Underlying Contract or activities. The bases for cost allocation among the Hutchison Operating Companies are arrived at after arm's-length negotiations.

In connection with the performance of obligations of the Hutchison Operating Companies under some of the Underlying Contracts, HTL has provided guarantees in favour of the counter-parties thereunder who are all independent of the chief executive, directors and substantial shareholders of the Company, its subsidiaries and their respective associates. HTL has also undertaken in each Cost Sharing Agreement to procure the performance of each of the Hutchison Operating Companies under each Underlying Contract in which such Hutchison Operating Company elects to participate.

Each of the Hutchison 3G Subsidiaries is a connected person of the Company by virtue of it being a non wholly owned subsidiary of the Company. In addition, DoCoMo is a connected person of the Company by virtue of its approximately 25.37% indirect shareholding interest in each of HTCL, H3G HK, H3G HK Services and its 20% indirect shareholding interest in H3G UK, all of which are indirect non wholly owned subsidiaries of the Company. Leanrose is another connected person of the Company by virtue of it being holder of approximately 12.5% shareholding interest in HTAL, a non wholly owned subsidiary of the Company and whose shares are listed on the Australian Stock Exchange, and an associate of Mr Barry Roberts-Thomson, a director of HTAL and H3G Australia.

As the amount of the HWL Guarantees in respect of the performance of the Hutchison Connected 3G Subsidiaries electing to participate in the relevant Underlying Contracts on an annual basis for each such Hutchison Connected 3G Subsidiary is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of such HWL Guarantees 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. The disclosure requirement of Rule 14.25(2)(a) applies to the remaining HWL Guarantees which are provided for those Hutchison 3G Subsidiaries excluding the Hutchison Connected 3G Subsidiaries.

#### HWL GUARANTEES

**Beneficiaries:** Various counter-parties to Underlying Contracts, each of whom is independent of the chief executive, directors and substantial shareholders of the Company, its subsidiaries and their respective associates.

**Parties whose obligations are being guaranteed:** The Hutchison Operating Companies (including the Hutchison 3G Subsidiaries and the Hutchison Connected 3G Subsidiaries)

**Guarantor:** HTL, an indirect wholly owned subsidiary of the Company

**Purpose of the Underlying Contracts:** For the acquisition and development of information technology platforms and software solutions and applications, hardware, content and services in connection with 3G Business.

**Amount guaranteed:** Varies with each Underlying Contract and in respect of which a Hutchison Connected 3G Subsidiary has elected to participate. The amounts guaranteed on an annual basis are within the *de-minimis* exemption under Rule 14.25(1) of the Listing Rules.

HTL has also undertaken in each Cost Sharing Agreement to procure the performance of each of the Hutchison Operating Companies under each Underlying Contract in which such Hutchison Operating Company elects to participate.

#### REASONS FOR ENTERING INTO THE CONNECTED TRANSACTIONS

The Directors consider that it would be in the interests of the Company to maximise economies of scale and operational efficiencies for the worldwide development and procurement activities associated with the roll out and ongoing operation of their 3G Business in the nine countries in which the Hutchison Operating Companies are licensed to operate 3G Business to be undertaken, to the extent possible, jointly and for such costs to be shared amongst the relevant Hutchison Operating Companies participating in any Underlying Contract or benefiting from such activities on a basis which is fair and reasonable for all such participating entities.

Each Cost Sharing Agreement has identical principal terms and sets out the bases upon which external and internal costs, expenses and liabilities paid or discharged by the Hutchison Group Companies in connection with each Underlying Contract or joint procurement or development activities will be allocated among the Hutchison Operating Companies electing to participate in such Underlying Contract or activities. Such internal costs include a guarantee fee of an amount determined on normal commercial basis charged by HTL for provision of the HWL Guarantees. The bases for cost allocation among the Hutchison Operating Companies are arrived at after arm's-length negotiations.

The Directors, including the non-executive Directors, consider that the Cost Sharing Agreements and the HWL Guarantees are entered into upon commercial terms which are arrived at after arm's-length negotiations between the parties and are fair and reasonable insofar as the shareholders of the Company are concerned.

#### GENERAL

Each of the Hutchison 3G Subsidiaries is a non wholly owned subsidiary of the Company, some of which are licensed operators of UMTS or other third generation mobile services and/or networks in their country of incorporation and carry on (or will do so in the future) 3G Business in their licensed territories.

DoCoMo is a connected person of the Company by virtue of it being holder of approximately 25.37% indirect interest in each of HTCL, H3G HK, H3G HK Services and 20% indirect interest in H3G UK, all of which are indirect non wholly owned subsidiaries of the Company. Leanrose is another connected person of the Company by virtue of it being holder of approximately 12.5% shareholding interest in HTAL, a non wholly owned subsidiary of the Company and whose shares are listed on the Australian Stock Exchange, and an associate of Mr Barry Roberts-Thomson, a director of HTAL and H3G Australia.

As the amount of the HWL Guarantees in respect of the performance of the Hutchison Connected 3G Subsidiaries electing to participate in the relevant Underlying Contracts on an annual basis for each such Hutchison Connected 3G Subsidiary is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of such HWL Guarantees 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. The disclosure requirement of Rule 14.25(2)(a) applies to the remaining HWL Guarantees which are provided for those Hutchison 3G Subsidiaries excluding the Hutchison Connected 3G Subsidiaries.

#### DEFINITIONS

In this Announcement, the following expressions have the meanings set out below unless the context requires otherwise.

"3G Business"	means exploitation of radio spectrum by supplying third generation mobile services and/or utilising other technologies capable of delivering data and voice services to wireless devices;
"associates"	shall have the meaning ascribed to it in the Listing Rules;
"Company"	means Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange;
"Cost Sharing Agreements"	means the agreements entered into on 15 August 2002 by the Hutchison Group Companies, HTL and the relevant Hutchison Operating Companies;
"Director(s)"	means director(s) of the Company from time to time;
"DoCoMo"	means NTT DoCoMo, Inc., a company incorporated in Japan and whose shares are listed on the Tokyo Stock Exchange;
"Group"	means the Company and its subsidiaries;
"H3G Austria"	means Hutchison 3G Austria GmbH, a company incorporated in Austria with limited liability and an indirect wholly owned subsidiary of the Company;
"H3G Australia"	means Hutchison 3G Australia Pty Limited, a company incorporated in Australia with limited liability and an indirect non wholly owned subsidiary of HTAL;
"H3G Denmark"	means H3G Denmark ApS, a company incorporated in Denmark with limited liability and an indirect non wholly owned subsidiary of the Company;
"H3G HK"	means Hutchison 3G HK Limited, a company incorporated in Hong Kong with limited liability and an approximately 74.63% owned indirect subsidiary of the Company;
"H3G HK Services"	means Hutchison 3G Services (HK) Limited, a company incorporated in Hong Kong with limited liability and an approximately 74.63% owned indirect subsidiary of the Company;
"H3G Ireland"	means Hutchison 3G Ireland Limited, a company incorporated in Ireland with limited liability and an indirect wholly owned subsidiary of the Company;
"H3G Italy"	means H3G S.p.A., a company incorporated in Italy with limited liability and an indirect non wholly owned subsidiary of the Company;
"H3G Sweden"	means H3G Access AB, a company incorporated in Sweden with limited liability and an indirect non wholly owned subsidiary of the Company;
"H3G UK"	means Hutchison 3G UK Limited, a company incorporated under English law with limited liability and a 65% owned indirect subsidiary of the Company;
"Hong Kong"	means the Hong Kong Special Administrative Region of the People's Republic of China;
"HTAL"	means Hutchison Telecommunications (Australia) Limited, a company incorporated in Australia, whose shares are listed on the Australian Stock Exchange, and an approximately 57.82% owned indirect subsidiary of the Company;
"HTCL"	means Hutchison Telephone Company Limited, a company incorporated in Hong Kong with limited liability and an approximately 74.63% owned indirect subsidiary of the Company;
"HTL"	means Hutchison Telecommunications Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company;
"Hutchison 3G Subsidiaries"	means H3G Italy, H3G Sweden, H3G Denmark and the Hutchison Connected 3G Subsidiaries, which are all indirect non wholly owned subsidiaries of the Company;
"Hutchison Connected 3G Subsidiaries"	means H3G UK, HTAL, H3G Australia, HTCL, H3G HK and H3G HK Services, each of which company has a substantial shareholder which is a connected person by virtue not only of its shareholding in such company;
"Hutchison Group Companies"	means the various wholly owned subsidiaries of the Company established from time to time for the principal purpose of undertaking joint procurement and development activities in connection with the launch of the 3G Business;
"Hutchison Operating Companies"	means Hutchison 3G Subsidiaries, H3G Austria, H3G Ireland, Hutchison Thailand and Partner;
"Hutchison Thailand"	means Hutchison CAT Wireless MultiMedia Limited, a company incorporated in Thailand and an associated company of the Company;
"HWL Guarantees"	means the guarantees executed by HTL and described in this announcement;
"Leanrose"	means Leanrose Pty Limited, a company incorporated in Australia and an associate of a director of HTAL and H3G Australia;
"Listing Rules"	means the Rules Governing the Listing of Securities on the Stock Exchange;
"Partner"	means Partner Communications Company Ltd., a company incorporated under the laws of Israel and whose shares are listed on the NASDAQ, the London Stock Exchange and the Tel Aviv Stock Exchange, an associated company of the Company;
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited;
"UMTS"	means Universal Mobile Telecommunications Services; and
"Underlying Contracts"	means the various contracts entered into by a Hutchison Group Company as agent for and on behalf of the Hutchison Operating Companies electing to participate in the relevant contracts with parties independent of the chief executive, directors and substantial shareholders of the Company, its subsidiaries and their respective associates for the acquisition and development of information technology platforms and software solutions and applications, hardware, content and other services in connection with 3G Business.

By Order of the Board

Edith Shih  
Company Secretary  
Hong Kong, 15 August 2002

Hutchison Whampoa Limited



*Please also refer to the published version of this announcement in  
The Standard and Sing Tao Daily.*