

HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

CONNECTED TRANSACTIONS

The Directors announce that on 7 November 2003, the Company executed documents pursuant to which, among other things i) the Company agreed to acquire, or procure the acquisition of, and KPN agreed to sell to the Company (or its nominee(s)) the Sale Shares on the Completion Date at an aggregate cash consideration of £90 million; and ii) the Company and KPN agreed to settle any claim or liability which each party may have against or to another arising out of or in connection with the Settled Matters.

Upon, and subject to, completion of the Sale and Purchase Agreement, the Company's shareholding in UK HoldCo will increase from 65% to 80%.

KPN is a connected person of the Company by virtue of it being a substantial shareholder of UK HoldCo, an indirect non wholly owned subsidiary of the Company. The transactions under the Documents constitute connected transactions for the Company under Rule 14.25(1) of the Listing Rules. As the aggregate cash consideration paid or payable to KPN under the Documents is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of the Documents 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.

SALE AND PURCHASE AGREEMENT

Date: 7 November 2003

Parties:

Purchaser: the Company (or its nominee(s))

Vendor: KPN

Sale Shares: the entire issued share capital of KPN Holdco whose principal assets are 666,823,013 ordinary shares of £1 each in UK HoldCo, representing 15% of the issued share capital of UK HoldCo.

Consideration: the aggregate purchase price for the Sale Shares was £90 million, of which £60 million was paid in cash to KPN on 7 November 2003 upon the signing of the Documents and the remaining balance to be paid in cash either in three equal instalments of £10 million each payable on 31 December 2005, 31 December 2006 and 31 December 2007 or, if earlier, on the Completion Date.

If the Company fails to pay, or procure the payment, of an instalment of the purchase price on, or within 21 Business Days, of any of 31 December 2005, 31 December 2006 and 31 December 2007 (each a "Due Date"), then KPN shall have the right at its option to put the Sale Shares to the Company (or its nominee(s)) for the then outstanding balance of the purchase price plus accrued interest thereon up to the date of payment. The put option is exercisable during the period from 1 July to 31 December in the year after the relevant Due Date.

The Company will pay interest to accrue on the outstanding amount of the purchase price payable under the Sale and Purchase Agreement.

The consideration payable under the Sale and Purchase Agreement will be funded by the Company's internal resources.

Signing and Completion of Sale and Purchase Agreement :

Upon execution of the Sale and Purchase Agreement, (i) the Shareholders Agreement and all rights, liabilities, all claims in respect of any breach (actual alleged) and all obligations of the Company and KPN respectively thereunder were terminated; and (ii) all the KPN Directors resigned from the board of directors of UK HoldCo and UK OpCo respectively. Completion on the transfer of the Sale Shares will take place on the Completion Date, whereupon the Company's indirect shareholding in UK HoldCo will increase from 65% to 80%.

SETTLEMENT DEED

Date: 7 November 2003

Parties: the Company
KPN

Purpose: The deed sets out the full and final terms upon which the parties agreed to settle any claim or liability by or to the other party arising, capable of arising out of, or in any way connected with, or relating to the Settled Matters. The parties will forthwith take appropriate steps to dismiss the Actions to which they are a party with no order as to costs.

Settlement Completion: The deed takes effect upon execution of the other Documents.

OTHER DOCUMENTS

The Company and KPN also enter into other documents concurrently whereby (i) the subject matter of the Sale and Purchase Agreement and related documents are placed under an escrow arrangement with an independent escrow agent who will hold the same to the order of the Company pending release in accordance with the terms of the Escrow and Safekeeping Agreement; and (ii) the Company will take security, in accordance with the terms of the Share Mortgage, over (but not the voting rights attached to, or right to dividends arising from holding of) the Sale Shares pending completion of the Sale and Purchase Agreement.

REASONS FOR ENTERING INTO THE CONNECTED TRANSACTIONS

The transactions contemplated by the Sale and Purchase Agreement and the other Documents gives the Company a good opportunity to increase its interests in UK HoldCo from 65% to 80% and the Directors, including its independent non executive Directors, consider the making of such investment on the terms of the Sale and Purchase Agreement and the other Documents to be a good and sound investment and is accordingly in the interests of the Company and its shareholders. The Directors also consider settlement of the Settled Matters on the terms of the Settlement Deed to be the most appropriate course for resolving the dispute between the Company and KPN in connection with UK HoldCo.

The Directors, including the independent non executive Directors, consider that the Documents are on normal commercial terms, which are arrived at after arm's length negotiations between the parties against the backdrop of the Actions and are fair and reasonable insofar as the shareholders of the Company are concerned.

GENERAL

The Group operates and invests in five core businesses: ports and related services; telecommunications; property and hotels; retail and manufacturing; and energy and infrastructure.

UK HoldCo is an indirect non wholly owned subsidiary of the Company and is the immediate holding company of UK OpCo which holds a third generation telecommunications licence in the UK and carries on the business of 3G mobile multimedia services in the UK.

KPN is a connected person of the Company by virtue of it being a substantial shareholder of UK HoldCo. The transactions under the Documents constitute connected transactions for the Company under Rule 14.25(1) of the Listing Rules. As the aggregate cash consideration paid or payable to KPN under the Documents is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of the Documents 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.

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

"Actions"	the proceedings brought by the Company against KPN in the Commercial Court of UK on 2 June 2003 for breach of contract and the petition presented by KPN in the Companies Court of UK on 11 July 2003 for unfair prejudice
"Business Day"	a day, other than Saturday or Sunday, on which commercial banks are open for business in London, Hong Kong and Amsterdam
"Company"	Hutchison Whampoa Limited, a limited liability company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange
"Completion Date"	31 December 2007, or an earlier date, at the option of the Company
"Directors"	the directors of the Company
"DoCoMo"	NTT DoCoMo, Inc., a company incorporated in Japan
"Documents"	the Sale and Purchase Agreement, the Settlement Deed, the Escrow and Safekeeping Agreement and the Share Mortgage, all dated 7 November 2003
"Escrow and Safekeeping Agreement"	the escrow and safekeeping agreement dated 7 November 2003 entered into between the Company, KPN and an independent financial institution acting as the escrow and custodian agent
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"KPN"	KPN Mobile N.V., a company incorporated in the Netherlands
"KPN Directors"	the two directors nominated to the boards of UK HoldCo and UK OpCo respectively by KPN and their respective alternate directors
"KPN Holdco"	Waerdah Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of KPN, whose principal assets are the 666,823,013 ordinary shares of £1 each in the issued share capital of UK HoldCo previously held by KPN
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Sale and Purchase Agreement"	the sale and purchase agreement dated 7 November 2003 entered into between the Company and KPN
"Sale Shares"	the entire issued share capital of KPN Holdco whose principal assets are 666,823,013 ordinary shares of £1 each in the issued share capital of UK HoldCo
"Settlement Deed"	the settlement deed dated 7 November 2003 entered into between the Company and KPN
"Settled Matters"	claims by the Company, KPN, UK HoldCo or UK OpCo or any of their affiliates arising out of or connected with i) the Actions; ii) the Shareholders Agreement or KPN's shareholding in UK HoldCo; and iii) their conduct in connection with the affairs of UK HoldCo and UK OpCo (excluding in relation to operational agreements entered into between KPN (and its affiliates) and either UK HoldCo or UK OpCo)
"Share Mortgage"	the agreement dated 7 November 2003 executed by KPN in favour of the Company pursuant to which the Sale Shares are mortgaged to the Company as security for performance of KPN's obligations under the Sale and Purchase Agreement
"Shareholders Agreement"	the shareholders agreement relating to UK HoldCo entered into on 12 July 2000 between the Company and KPN
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	shall have the meaning ascribed to it under the Listing Rules
"UK"	United Kingdom
"UK HoldCo"	Hutchison 3G UK Holdings Limited, a company registered in England and Wales and as at the date hereof indirectly owned as to 65% by the Company, indirectly owned as to 15% by KPN and indirectly owned as to 20% by DoCoMo
"UK OpCo"	Hutchison 3G UK Limited, a company registered in England and Wales and a wholly owned subsidiary of UK HoldCo

By Order of the Board

Edith Shih
Company Secretary

Hong Kong, 7 November 2003

Hutchison Whampoa Limited



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