

Hutchison Whampoa Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 013)

OVERSEAS REGULATORY ANNOUNCEMENT

Attached is the text of an announcement released by Hutchison Telecommunications (Australia) Limited ("HTAL"), an Australian Stock Exchange listed and a 57.82% owned subsidiary of Hutchison Whampoa Limited, in relation to the tax treatment of renounceable rights to be issued under HTAL's proposed issue of convertible preference shares to raise up to approximately A\$2.85 billion.

As at the date of this announcement, the Directors of Hutchison Whampoa Limited are:

Executive Directors:

Mr. LI Ka-shing (*Chairman*)
Mr. LI Tzar Kuoi, Victor (*Deputy Chairman*)
Mr. FOK Kin-ning, Canning
Mrs. CHOW WOO Mo Fong, Susan
Mr. Frank John SIXT
Mr. LAI Kai Ming, Dominic
Mr. KAM Hing Lam

Non-executive Directors:

Mr. George Colin MAGNUS
Mr. William SHURNIAK

Independent Non-executive Directors:

The Hon. Sir Michael David KADOORIE
Mr. Holger KLUGE
Mr. William Elkin MOCATTA
*(Alternate to The Hon. Sir Michael
David Kadoorie)*
Mr. Simon MURRAY
Mr. OR Ching Fai, Raymond
Mr. WONG Chung Hin
(also Alternate to Mr. Simon Murray)

Hong Kong, 3 May 2007

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The Independent Directors
Hutchison Telecommunications (Australia) Limited
Building A
207 Pacific Highway
St. Leonards NSW 2065

1 May 2007

Subject: Independent Expert's Report

Dear Sirs

- 1 You have requested our opinion on whether the conclusion set out in our Independent Expert's Report dated 19 March 2007 would change if the Australian Taxation Office (ATO) treated the value of shareholder entitlements to Convertible Preference Shares (CPS) as taxable income.
- 2 In our opinion, each entitlement or right to acquire a CPS has virtually no value. This is principally because:
 - (a) each CPS is unlikely to receive any dividend for several years
 - (b) the non-cumulative preferential dividend on each CPS is low (being 5% per annum)
 - (c) the CPS have no voting rights except in limited circumstances
 - (d) all CPS ultimately convert to ordinary shares in Hutchison Telecommunications (Australia) Limited (HTAL) at an effective price of 24.7 cents, which represents a 45% premium to the HTAL share price on 30 April 2007
 - (e) the period over which shareholders have to exercise or sell their entitlements is very short (expected to be no more than two to three weeks)
 - (f) due to the above, in our opinion, it is likely that there will be few buyers (if any) for the entitlements or rights to acquire CPS.

- 3 We have also considered the value of an entitlement to acquire a CPS using an option pricing model technique. This analysis confirmed our view that each entitlement to acquire a CPS had virtually no value¹.
- 4 Accordingly, in our opinion, any resulting tax liability should the ATO treat the market value of each entitlement as taxable income is likely to be negligible relative to the listed market price of HTAL shares.
- 5 Consequently, in our opinion, the issue of CPS to Hutchison Communications (Australia) Pty Limited (HCAPL) remains fair and reasonable to the shareholders in HTAL not associated with HWL. The key reasons for this opinion (set out in paragraph 12 of our report dated 19 March 2007) remain appropriate.

Yours faithfully



Craig Edwards
Director



Martin Holt
Director

¹ It should be noted that price and value often differ, and thus it is possible that the entitlements / rights will trade at a premium to our valuation range. However, in our opinion, the number of rights traded is likely to be very low (if any) which would suggest that the traded price is not indicative of the market value of all the rights.