

HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

CONNECTED TRANSACTION

The Directors announce that on 16 April 2002, an Underwriting Agreement was entered into between the Company and HTAL to underwrite the subscription of certain Notes to be offered in the Rights Issue proposed to be made by HTAL, a non wholly owned subsidiary of the Company whose shares are listed on the Australian Stock Exchange, which is owned as to approximately 57.8% by HCAPL, a wholly owned subsidiary of the Company, approximately 12.5% by Leanrose and the balance by the public. HCAPL is entitled to follow its right in the subscription of the Notes and exercise its right to convert any Notes it holds into ordinary shares of HTAL.

The Rights Issue will not proceed unless the shareholders of HTAL approve the allotment of additional shares in HTAL to the Company and/or HCAPL pursuant to the conversion of the Notes acquired by them respectively as underwriter or sub-underwriter of the Rights Issue or as shareholder.

Leanrose is a connected person of the Company by virtue of it being (i) a substantial shareholder of HTAL; and (ii) an associate of Mr. Barry Roberts-Thomson, who is a director of HTAL. The Underwriting constitutes, and the HCAPL Note Subscription and Conversion, if relevant, will constitute a connected transaction for the Company under the Listing Rules. As the Underwritten Amount and the HCAPL Note Subscription Amount, if applicable, is within the *de-minimis* exemption in respect of connected transaction under Rule 14.25(1) of the Listing Rules, details of the Underwriting and, if relevant, the HCAPL Note Subscription and/or Conversion 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 UNDERWRITING AND THE HCAPL NOTE SUBSCRIPTION AND CONVERSION

Date of Underwriting

Agreement: 16 April 2002

Parties

Issuer: Hutchison Telecommunications (Australia) Limited ("**HTAL**")

Underwriter: Hutchison Whampoa Limited (the "**Company**")

Rights Issue:

The offer by HTAL to its shareholders of the renounceable right to subscribe for convertible notes (the "**Notes**") (the "**Rights Issue**"), at a ratio to be determined upon the fixing of the issue price of the Notes on or around 18 May 2002, at an issue price which is calculated at a 60% premium to a ten day volume weighted average price of the ordinary shares of HTAL traded in the ordinary course of business on the Australian Stock Exchange, to raise approximately \$600 million in Australian dollars (before costs), equivalent to approximately HK\$2,486 million (at an exchange rate of HK\$4.1431 to A\$1.00). HTAL will apply for quotation of the Notes on the Australian Stock Exchange.

Conditions of the Rights Issue

The Rights Issue will not proceed unless the shareholders of HTAL approve the allotment of additional shares in HTAL to the Company and/or its wholly owned subsidiary, Hutchison Communications (Australia) Pty Limited ("**HCAPL**") pursuant to the conversion of the Notes acquired by them respectively as underwriter or sub-underwriter of the Rights Issue or as shareholder.

The Notes:

Each Note will entitle the Noteholder to one ordinary share of HTAL. The Notes will bear interest at the rate of 5.5% per annum, with a term of five years ending on the maturity date which is the fifth anniversary of the issue date of the Notes. The Notes will be unsecured debt obligations of HTAL and will rank *pari passu* with other ordinary unsecured creditors of HTAL.

HCAPL:

As a 57.82% shareholder of HTAL, HCAPL is entitled as of right to subscribe for up to approximately A\$347 million (equivalent to approximately HK\$1,438 million at the abovementioned exchange rate) in Notes (the "**HCAPL Note Subscription Amount**") which upon full conversion will result in allotment of up to approximately 693.8 million ordinary shares of HTAL to HCAPL (the "**HCAPL Note Subscription and Conversion**").

Terms:

Pursuant to an agreement (the "**Underwriting Agreement**") entered into between the Company and HTAL, the Company agreed to underwrite the subscription of all the Notes which are the subject of the Rights Issue (the "**Underwriting**") other than those to which HCAPL is entitled as of right as a shareholder of HTAL (the "**Underwritten Notes**"). The Underwritten Notes have an estimated value of approximately A\$253 million (equivalent to approximately HK\$1,048 million at the abovementioned exchange rate) (the "**Underwritten Amount**"). Pursuant to the Underwriting Agreement, the Company has the right to sub-underwrite some or all of the Underwritten Notes. The Company intends to sub-underwrite to sub-underwriters and/or HCAPL.

REASONS FOR ENTERING INTO THE CONNECTED TRANSACTION

The proceeds of the Rights Issue will be used to finance the third generation mobile telecommunications business (the "**3G Business**") of HTAL. The board of directors of the Company (the "**Directors**") consider that the Underwriting is in the interests of the Company in that it provides support to HTAL in its Rights Issue which will ultimately allow HTAL to fund its 3G Business operations.

The Directors, including the independent non executive directors, consider that the Underwriting Agreement is on normal 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

HTAL, whose shares are listed on the Australian Stock Exchange, carries on the business of providing telecommunications services in Australia.

Leanrose Pty Limited ("**Leanrose**") is a connected person of the Company by virtue of it being (i) a substantial shareholder of HTAL; and (ii) an associate of Mr. Barry Roberts-Thomson, who is a director of HTAL. The Underwriting constitutes, and the HCAPL Note Subscription and Conversion, if relevant, will constitute 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 Underwritten Amount and the HCAPL Note Subscription Amount, if applicable, is within the *de-minimis* exemption in respect of connected transaction under Rule 14.25(1) of the Listing Rules, details of the Underwriting and, if relevant, the HCAPL Note Subscription and/or Conversion 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.

By Order of the Board

Edith Shih

Company Secretary

Hong Kong, 16 April 2002

Hutchison Whampoa Limited

