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## HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

### CONNECTED TRANSACTION

The directors of the Company announce that on 26 August 2003, PLII entered into the Agreement pursuant to which PLII agreed to acquire and Reading agreed to sell the Sale Shares at an aggregate cash consideration of HK\$174 million.

Upon completion of the Agreement, the Company's indirect shareholding in HHR will be increased from approximately 57.5% to approximately 62%.

Reading is a connected person for the Company by virtue of it being a substantial shareholder of HHR, an indirect non wholly owned subsidiary of the Company listed on the Stock Exchange.

The Acquisition constitutes a connected transaction for the Company. As the aggregate consideration payable for the Sale Shares is within the *de-minimis* exemption in respect of connected transactions for the Company under Rule 14.25(1) of the Listing Rules, details of the Acquisition 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 SALE AND PURCHASE AGREEMENT (the "Agreement")

**Date:** 26 August 2003

**Parties:**

**Purchaser:** Promising Land International Inc. ("PLII"), an indirect wholly owned subsidiary of Hutchison Whampoa Limited (the "**Company**")

**Vendor:** Reading Investments Limited ("**Reading**"), a company holding, prior to completion of the acquisition of the Sale Shares pursuant to the Agreement (the "**Acquisition**"), 12.8% interest in Hutchison Harbour Ring Limited ("**HHR**") which is an indirect non wholly owned subsidiary of the Company with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")

**Sale Shares:** 300 million ordinary shares of par value HK\$0.10 each in HHR (the "**Sale Shares**") representing approximately 4.5% of the issued share capital of HHR as at the date of this announcement

**Consideration:** The aggregate price payable by PLII for the Sale Shares is HK\$174 million in cash, i.e. HK\$0.58 per Sale Share, representing a discount of approximately 19.4% to the closing price of the Shares of HK\$0.72 as stated in the Stock Exchange's daily quotations sheet on 26 August 2003, being the date of this announcement

**Completion:** Completion of the Acquisition is to occur on 2 September 2003 or such other date as the parties to the Agreement may otherwise agree in writing

### REASONS FOR ENTERING INTO THE CONNECTED TRANSACTION

The Acquisition gives the Company a good opportunity to increase its interests in HHR from approximately 57.5% to 62%. The board of directors of the Company considers the making of such investment on the terms of the Agreement to be a good and sound investment and in the commercial interests of the Company and its shareholders.

The terms of the Agreement were arrived at after arm's length negotiations between the parties thereto and are on normal commercial terms. The directors of the Company, including the independent non-executive directors, consider the Acquisition to be in the interests of the Company and its shareholders and the terms of the Agreement to be fair and reasonable so far as the Company and its shareholders are concerned.

### GENERAL

PLII is an investment holding company and an indirect 57.5% shareholder of HHR prior to completion of the Acquisition. The Company and its subsidiaries operate and invest in five core businesses: ports and related services; telecommunications; property and hotels; retail and manufacturing; and energy and infrastructure.

Reading is an investment holding company and a connected person of the Company by virtue of it being a substantial shareholder of HHR which is an indirect non wholly owned subsidiary of the Company. Upon completion of the Acquisition, Reading's shareholding in HHR will be reduced from approximately 12.8% to 8.3%.

HHR is the holding company of a group the principal business of which is the manufacturing and trading of hard, soft and electronic toys and property operations.

The Acquisition constitutes a connected transaction for the Company. As the aggregate consideration payable for the Sale Shares is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), details of the Acquisition 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, 26 August 2003

Hutchison Whampoa Limited

