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HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 13

PROPOSED SEPARATE LISTING OF HUTCHISON TELECOMMUNICATIONS INTERNATIONAL LIMITED (incorporated in the Cayman Islands with limited liability) ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

ANNOUNCEMENT

The Board is pleased to announce that, subject to the requirements of Practice Note 15 of the Listing Rules, a formal application to the Hong Kong Stock Exchange for the Proposed Spin-off was submitted on 29 March, 2004.

Telecommunications is one of the five core businesses of the Group. The Proposed Spin-off will involve the Group transferring its interests in fixed line and 2G and 3G mobile telecommunications businesses in Hong Kong and its interests in mobile telecommunications-related businesses in India, Thailand, Israel, Macau, Sri Lanka, Ghana and Paraguay to the HTIL Group and the separate listing of the HTIL Shares on the Main Board of the Hong Kong Stock Exchange.

A separate listing of HTIL will enable investors to appraise and assess the potential and performance of HTIL separate and distinct from that of the Company. The Company will remain the majority shareholder of HTIL, thereby allowing existing Shareholders to continue to enjoy the benefits from the development of the telecommunications businesses of the HTIL Group.

HTIL may also seek a dual listing of the HTIL Shares on another major internationally-recognised stock exchange.

No final decision has yet been made as to whether and when the Proposed Spin-off and the Global Offering will be launched. There can be no assurance that the Stock Exchange's approval of the Proposed Spin-off or the approval of the Listing Committee for the listing of, and permission to deal in, the HTIL Shares on the Main Board of the Hong Kong Stock Exchange will be granted. Further announcements will be made in relation to the Proposed Spin-off by the Company if and when appropriate.

As the Proposed Spin-off is subject to, among others, the approval of the Stock Exchange, the listing of the HTIL Shares pursuant to the Proposed Spin-off and Global Offering being approved by the Listing Committee and the final decision of the Board and the board of directors of HTIL, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

This announcement is made pursuant to paragraph 2 of the Listing Agreement between the Company and the Hong Kong Stock Exchange.

INTRODUCTION

The Board wishes to announce that a formal application was submitted on 29 March, 2004 to the Hong Kong Stock Exchange for the Proposed Spin-off and permission to deal in the HTIL Shares in issue and to be issued under the Global Offering on the Main Board of the Hong Kong Stock Exchange. The Proposed Spin-off will be effected in compliance with Practice Note 15 of the Listing Rules.

BACKGROUND

HTIL, a newly-incorporated company, is currently a wholly-owned subsidiary of the Company. It is currently intended that the Proposed Spin-off will involve the Group transferring its entire interests in the fixed line, 2G and 3G mobile telecommunications businesses in Hong Kong and its mobile telecommunications-related business interests in India, Thailand, Israel, Macau, Sri Lanka, Ghana and Paraguay (together the "Business Interests") to the HTIL Group. A separate listing of the HTIL Shares on the Main Board of the Hong Kong Stock Exchange will follow. HTIL will be the parent company for the Business Interests.

The Group will retain its 3G mobile telecommunications interests in Western Europe and its 3G and other mobile telecommunications interests in Australia. These are established markets, with management challenges and risk profiles distinct from those that apply to the Business Interests to be transferred to the HTIL Group. The Group will also retain its mobile telecommunications-related interests in Argentina but will grant an option to HTIL to acquire the same at cost plus interest.

The businesses of the Group and the businesses of the HTIL Group will be delineated. It is proposed that a non-competition agreement be entered into between the Company and HTIL. The Group will have rights, exclusive of the HTIL Group, in the established markets of Western Europe, Australia, New Zealand and North America. The HTIL Group will have rights, exclusive of the Group, in the rest of the world. Each group will have the right of first refusal over any new opportunity which may arise in that group's exclusive territory. The other party will be permitted to exploit the opportunity if the relevant group fails to exercise its right of first refusal, unless the opportunity is in a market where the relevant group has an existing business with which the opportunity would compete. In any such case, consent will be required from the relevant group, such decisions being subject to the approval of the relevant board (excluding directors with a material interest, but including independent non-executive directors). There will be certain exceptions to these restrictions, permitting, amongst other things, certain limited business activities and portfolio investments. These restrictions will terminate upon the Company ceasing to control more than 30% of HTIL's issued share capital.

Following the Proposed Spin-off, the Business Interests will comprise mobile and/or fixed line telecommunications services in eight countries and territories.

HTIL will own the Group's Business Interests currently providing services over GSM networks in Hong Kong, India, Israel, Macau, Sri Lanka, Ghana and Paraguay, and CDMA and 3G W-CDMA networks in Hong Kong and the Group's CDMA2000 1X network-related businesses in Thailand. The Group's indirect 52.55% shareholding, together with its convertible note and loan facility in Hutchison Global Communications Holdings Limited (previously known as Vanda Systems & Communications Holdings Limited), will be transferred to the HTIL Group. The HTIL Group will therefore also carry on the Group's existing fixed line and data communications operations in and from Hong Kong.

The HTIL Group offers subscribers a range of mobile, fixed line and data telecommunications services. These services include voice services, broadband data services, multimedia services, enhanced calling features, value added services, mobile and fixed Internet services, international bandwidth services, international dialing services, international roaming services, data centre services and fixed and mobile intranet services. The services in fact offered in each particular market are tailored to that market. HTIL intends to leverage off the HTIL Group's experienced management team and established track record of successfully developing and operating mobile telecommunications businesses to grow and diversify its revenues and profits.

HTIL's main strategy will be to focus on mobile telecommunications markets with the potential for high growth, in terms of subscribers or the value of services provided. The Board believes that a combination of strong economic growth and favourable demographic profiles in these markets will result in sustained increasing demand for telecommunications services. HTIL intends to continue to acquire or invest selectively in new businesses in countries in which the HTIL Group already has a presence, as well as in new markets.

Hong Kong: The Group commenced mobile telecommunications operations in Hong Kong in 1985 and now operates mobile, fixed line and data telecommunications businesses. As of 31 December, 2003, Hutchison Telephone Company Limited, providing services under the *Orange* brand, had, on the basis of publicly-reported figures, approximately 1.8 million subscribers (almost all of whom were GSM subscribers), representing approximately 25% of the mobile telecommunications market in Hong Kong. The Group is Hong Kong's largest mobile telecommunications services operator in terms of subscribers. The Group also provides fixed line telecommunications services in Hong Kong, through Hutchison Global Communications Holdings Limited, and has the most extensive fully-fibre optic building-to-building network in

Hong Kong with coverage to over one million households as of 31 December, 2003. In January 2004, the Group became the first mobile telecommunications operator in Hong Kong to offer 3G services, under the brand **3** and the Group now has approximately 36,500 3G subscribers.

India: The Group established a presence in India in 1994 when a company set up by the Group, together with local shareholders, was awarded a licence to provide mobile telecommunications services in Mumbai. Commercial operations began in 1995. As of 31 December, 2003, the Group had acquired interests in six mobile telecommunications operators (Hutchison Max Telecom Private Limited, Hutchison Essar Telecom Limited, Hutchison Telecom East Limited, Fascal Limited, Hutchison Essar South Limited and Aircel Digilink India Limited) providing coverage to a total of 11 service areas throughout India. In 2004, the HTIL Group has obtained licences in two other service areas, bringing the total number of service areas covered to 13 of India's 23 service areas. These operations have experienced significant subscriber growth in recent years, with the number of subscribers increasing, on the basis of publicly-reported figures, from approximately 1.1 million as of 31 December, 2001 to approximately 4.1 million as of 31 December, 2003. The operations provide services under the *Hutch* and *Orange* brands.

Israel: The Group established its presence in Israel in September 1997 when the Group, together with local investors, formed Partner Communications Company Limited ("**Partner**"), which was awarded a nationwide licence to provide mobile telecommunications services. Partner launched full commercial operations in January 1999 and is now a public company, with shares listed on Nasdaq, the Tel Aviv Stock Exchange and the London Stock Exchange. The Company is the largest shareholder with a 43% stake. As of 31 December, 2003, Partner had, on the basis of publicly-reported figures, approximately 2.1 million subscribers, representing approximately 31% of the Israel market, making it the second largest mobile telecommunications operator in Israel. Partner provides services under the *Orange* brand.

Thailand: The Group commenced operations in Thailand in February 2003 when Hutchison CAT Wireless MultiMedia Limited began marketing the Communications Authority of Thailand's CDMA2000 1X network services under the *Hutch* brand. As of 31 December, 2003, the Group estimates that these services had approximately 339,000 subscribers.

Other countries: In August 2001, the Group launched GSM dual-band mobile telecommunications services under the brand of *Hutchison Telecom* in Macau. As of 31 December, 2003, the Group estimates that it had approximately 131,000 subscribers in Macau. The Group also has majority interests and management control over mobile telecommunications services providers in Sri Lanka, Paraguay and Ghana.

INFORMATION ON THE PROPOSED SPIN-OFF

It is currently proposed that the Offer Shares will be offered to the public in Hong Kong for subscription or purchase and for placing with certain professional, institutional and other investors. The Company will remain the majority shareholder of HTIL following the Global Offering.

It is intended that an assured entitlement to HTIL Shares will be provided to Shareholders by way of a preferential right of application to the Offer Shares under the Global Offering.

The Global Offering and Proposed Spin-off will be conditional on, amongst others, the following:

- (1) the Listing Committee granting approval for the listing of, and permission to deal in, all the HTIL Shares in issue and to be issued pursuant to the Global Offering; and
- (2) all relevant notifications, consents and regulatory approvals (including the Stock Exchange's approval) required for the implementation of the Proposed Spin-off and the Global Offering having been obtained, made and/or waived.

If such conditions are not satisfied or if either the Board or the board of directors of HTIL decides not to proceed, the Global Offering will not proceed and the Hong Kong Stock Exchange will be notified accordingly and a further announcement will be published by the Company.

HTIL may also seek a dual listing of the HTIL Shares on another major internationally-recognised stock exchange.

Goldman Sachs (Asia) L.L.C. has been engaged by the Company as its exclusive financial adviser in connection with the Proposed Spin-off.

BENEFITS OF THE PROPOSED SPIN-OFF

The Board considers that the Proposed Spin-off, if effected on acceptable terms, will be commercially beneficial for the Company and create value for the Shareholders. The Proposed Spin-off will facilitate an increased and dedicated management focus to capitalise on attractive growth opportunities in developing mobile telecommunications markets.

A separate listing of HTIL will enable investors to appraise and assess the potential and performance of HTIL separate and distinct from that of the Company. At the same time, the Company will remain the majority shareholder of HTIL and therefore Shareholders will be able to continue to enjoy the benefits from the development of the telecommunications businesses of HTIL.

The Board believes that the following factors will enable the HTIL Group to compete successfully against other mobile and telecommunications service providers in existing and future markets.

- **Demonstrated ability to attain strong competitive positions in existing markets.** The HTIL Group's Hong Kong, India and Israel businesses have established competitive positions in their respective markets. These competitive positions provide a platform to capture future business opportunities.
- **Extensive operational experience.** The HTIL Group's managers have significant operational experience in established markets and in rolling out telecommunications networks and services in new markets. Its management team will combine managers who have local experience in their respective markets with managers from the HTIL Group who have operating, technical and financial experience in other countries where HTIL will operate. The collective experience and expertise of its management team and operational support enable the HTIL Group to roll out networks and services efficiently and to respond effectively to changes and competition. This will also allow experience and expertise from one part of its operations to be leveraged in other parts and will facilitate operating the HTIL Group's businesses in a synergistic manner.
- **Strong branding expertise and brands.** The HTIL Group has a proven track record in developing strong brands as a means of differentiating its services from those of its competitors. These brands, such as **3**, **Hutch**, **Hutchison Telecom** and **Orange**, have gained high customer awareness. HTIL's branding strategy will enable its businesses to increase customer awareness and loyalty as well as reduce advertising and marketing expenses, thereby enhancing its competitive position and profitability. Where appropriate, the HTIL Group also has established local brands for distinct services that it offers in particular local markets.
- **Technologically advanced networks.** The HTIL Group has made significant investments in telecommunications network infrastructure in the markets where it has operations. These networks will underpin the HTIL Group's ability to provide differentiated, high quality, value-added services in a cost efficient manner to its customers. The HTIL Group is the first operator to introduce 3G services in Hong Kong, and the HTIL Group's Israel operations intend to roll out 3G services in the near future. The Board believes that the HTIL Group's leadership in mobile telecommunications technology and the quality of the HTIL Group's network infrastructure will serve to drive growth in its revenues, profits and subscribers. The HTIL Group's Hong Kong fixed line business deploys a fully-fibre optic network, providing high-speed broadband telecommunication services to both its business and residential customers. The technologically-advanced fibre optic network will continue to enable the HTIL Group to roll out new and value-added products and services, including those that enable convergence of the fixed and mobile telecommunications platform for future growth.
- **Ability to capture operating synergies.** HTIL will continue to identify and encourage the transfer of "best practices" within the HTIL Group, the coordination of purchasing and other functions and the development of shared technical, operational and other support programs. These operational synergies should assist HTIL to enhance the competitive position, efficiency and profitability of the HTIL Group's businesses.
- **Relationship with the Company.** The HTIL Group will continue to benefit from its ongoing relationship with other Group companies. It will have access to personnel of the Group and other shared resources, including technical and operational services. In addition, it will also be able to draw upon the experience and resources of Group companies that are engaged in complementary businesses. The HTIL Group will be able to participate in the Group's procurement projects with third party suppliers and, together with other Group companies, the HTIL Group will be a substantial purchaser of network and IT equipment and services, handsets and services on a global basis. The Group's existing global businesses, relationships and partnerships will also facilitate HTIL's access to new markets and opportunities.

There will also be on-going transactions between the HTIL Group and the Group. The HTIL Group will continue to provide an array of services including fixed line telecommunications services (including data centre services) and mobile telecommunications services to, and roaming arrangements with, the Group. The HTIL Group will continue to lease and license building space and other premises from the Group for use as offices or for other business purposes. For its part, the Group will provide services such as bill collection services, dealership services and global procurement services to the HTIL Group, and HTIL will continue to have access to the Group's administrative non-management support services in the form of legal and regulatory and company secretarial services, shared use of accounting software system and related services, staff benefit scheme and other operational support services and have a licence to utilise the Group's brands and other intellectual property rights.

The objective behind the creation and proposed spin-off of HTIL is to add further focus to the Group's telecommunications activities in growth markets by aggregating its extensive assets and operational and management resources in a single vehicle that can derive maximum benefits from continued growth in the telecommunications sector in the HTIL Group's existing as well as new markets. In keeping with this objective, the key elements of HTIL's strategy will be as follows:

- **Strengthen competitive positions, efficiency and profitability of the existing businesses.** The HTIL Group will seek to maintain and develop strong market positions in its existing markets through the development and marketing of new value-added services, continuing technological innovation, the provision of enhanced customer services, superior branding and superior marketing and distribution channels.
The HTIL Group will also seek to expand its activities and increase its participation in, and its exposure to, markets where it currently operates. Such expansion could be effected through the HTIL Group's businesses pursuing domestic acquisition opportunities that enhance their scale and strategic positioning and enable them to compete more effectively vis-à-vis other players in their respective markets.
The HTIL Group will seek to continue leveraging its brands and managerial and operational expertise to create and offer differentiated services, retain high-usage customers, capture a significant portion of new customers, reduce subscriber acquisition costs and enhance operational efficiency. In addition, HTIL intends to promote value-added services for premium subscribers to further drive average revenues per user and profits of these businesses.
- **Expand and diversify its businesses by pursuing selected acquisitions in growth markets.** The Board believes the HTIL Group's track record of developing new businesses and integrating acquired businesses in multiple markets demonstrates its ability to

successfully acquire existing businesses and to compete effectively as a new entrant. HTIL intends to pursue selected acquisitions of companies or telecommunications licences in order to expand the geographic scope of its business into other high-growth markets, particularly Asia (including China), Eastern Europe and the Middle East.

In the course of acquiring new telecommunications licences and making new investments in mobile telecommunications assets, when and where regulatory conditions permit, HTIL will seek to obtain significant management participation or influence in order to maximise operational synergies between the HTIL Group's businesses.

- **Capture synergies through integration.** HTIL will seek to realise further synergies through integration of the HTIL Group's existing businesses and to leverage its experience for future investments and acquisitions. The management teams of the HTIL Group's various operating companies are familiar with the range of technology in the market and the HTIL Group will share technology expertise and a global procurement strategy for network expansion and upgrades among the HTIL Group's businesses to reduce costs and capital expenditure. HTIL will seek to continue pursuing these activities as a means of further enhancing the efficiency and profits of its businesses.

GENERAL

Shareholders should note that the decisions of the Board and the board of directors of HTIL to proceed with the Proposed Spin-off and the Global Offering are dependent, inter alia, on market conditions during the period leading up to the Global Offering. Further, there can be no assurance that the Stock Exchange's approval of the Proposed Spin-off or the approval of the Listing Committee for the listing of, and permission to deal in, all the HTIL Shares in issue and to be issued under the Global Offering on the Main Board of the Hong Kong Stock Exchange will be granted. The Company will make further announcements in relation to the Proposed Spin-off and Global Offering if and when appropriate.

In connection with the Global Offering, the price of the Offer Shares may be stabilised in accordance with the Securities and Futures (Price Stabilising) Rules (Cap. 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) will be contained in the prospectus.

As the Proposed Spin-off is subject to, among others, the approval of the Stock Exchange, the listing of the HTIL Shares pursuant to the Proposed Spin-off and Global Offering being approved by the Listing Committee and the final decision of the Board and the board of directors of HTIL, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"3G"	third generation;
"Board"	the board of directors of the Company;
"CDMA"	Code Division Multiple Access, a digital wireless standard;
"CDMA2000 1X"	an advanced CDMA network;
"Company"	Hutchison Whampoa Limited, a company incorporated in Hong Kong and the shares of which are listed on the Main Board of the Hong Kong Stock Exchange;
"Global Offering"	the offer of new HTIL Shares to the public in Hong Kong and placing of new HTIL Shares with professional, institutional and other investors for subscription;
"Group"	the Company and its subsidiaries;
"GSM"	Global System for Mobile Communications, a digital wireless standard;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"HTIL"	Hutchison Telecommunications International Limited, a wholly-owned subsidiary of the Company incorporated in the Cayman Islands on 17 March, 2004;
"HTIL Group"	HTIL and entities that, following the Proposed Spin-off, will be HTIL's subsidiaries or otherwise accounted for, and consolidated in HTIL's audited accounts, as subsidiaries;
"HTIL Share(s)"	ordinary share(s) in the share capital of HTIL; and
"Listing Committee"	the listing committee of the Hong Kong Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
"Macau"	the Macau Special Administrative Region of the People's Republic of China;
"Offer Shares"	the new HTIL Shares to be subscribed or purchased under the Global Offering, if made;
"Proposed Spin-off"	the separate listing of the HTIL Shares on the Main Board of the Hong Kong Stock Exchange;
"Shareholder(s)"	the holders of ordinary shares in the issued share capital of the Company; and
"W-CDMA"	Wideband Code Division Multiple Access, a 3G wireless standard adopted by the International Telecommunication Union under the name IMT-2000 Direct Speed.

By Order of the Board

Edith Shih
Company Secretary

Hong Kong, 29 March, 2004

Hutchison Whampoa Limited

