



HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)



HUTCHISON HARBOUR RING LIMITED

和記港陸有限公司*

(Incorporated in Bermuda with limited liability)

JOINT ANNOUNCEMENT CONNECTED TRANSACTIONS

In pursuit of the common business objective and strategy of maximising and capturing opportunities to the mutual benefit of both HWL and HHR groups, the HHR group has commenced the supply of its OEM products to the HWL group.

The first batch of transactions between the two groups of companies took the form of supplies to AS Watson of cap covers and injection moulds for parts of "Watsons Water" bottles manufactured by Coronet. These products are or are being supplied on normal commercial terms reached after arm's length negotiations.

It is contemplated that further OEM products including other plastic, fabric, electronics and paper products, moulds, premium products and mobile phone accessories manufactured by the HHR group will be supplied on a similar basis to the HWL group.

AS Watson is a connected person for HHR by virtue of it being an associate of HWL, a substantial shareholder of HHR.

Coronet is a connected person for HWL by virtue of it being an indirect wholly owned subsidiary of HHR and one of HWL's non wholly owned subsidiaries.

As the aggregate sales amount for the Supplies up to the date of this announcement is within the *de minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules for HHR, details of the Supplies are required to be disclosed in this announcement and will be included in the next annual report and accounts of HHR in accordance with Rule 14.25(1)(A) to (D) of the Listing Rules. The aggregate sales amount for the Supplies up to the date of this announcement is within the *de minimis* exemption in respect of connected transactions under Rule 14.24(5) of the Listing Rules for HWL.

An application will be made by HHR and HWL to the Stock Exchange for a waiver, subject to standard terms and conditions (including annual report disclosure), to disclose further supplies of products manufactured from time to time by the HHR group to the HWL group by way of press notice so long as the aggregate sales amount of these supplies on an annual basis falls within the *de minimis* exemption as it applies to HHR and HWL respectively under Rule 14.25(1) of the Listing Rules and they are effected on normal commercial terms reached after arm's length negotiations.

THE SUPPLIES

- Date:** Purchase orders of various dates, since June 2002.
- Parties:** (1) Coronet Toys Company Limited ("**Coronet**"), an indirect wholly owned subsidiary of Hutchison Harbour Ring Limited ("**HHR**").
(2) A. S. Watson Group (HK) Limited ("**AS Watson**"), an indirect wholly owned subsidiary of Hutchison Whampoa Limited ("**HWL**").
- Purpose:** Supply for distribution by the AS Watson group water cap covers and injection moulds for parts of the "Watsons Water" bottles manufactured by Coronet.
- Aggregate Consideration:** The aggregate sales amount of the Supplies up to the date of this announcement is approximately HK\$1,600,000 which was determined after arm's length negotiations.

REASONS FOR THE CONNECTED TRANSACTIONS

In pursuit of the common business objective and strategy of maximising and capturing opportunities to the mutual benefit of both HWL and HHR groups, the HHR group has commenced the supply of its OEM products to the HWL group.

The directors of HWL and HHR consider it to be in the interests of both groups to capitalise on one of HHR's strengths and leading position in the manufacture of plastic, fabrics, electronics, mechanical and paper products to help meeting the vast manufacturing and production demand of the HWL retail group. Further opportunities in other sectors of the HWL group are also being explored and it is contemplated that further OEM products including other plastic, fabric, electronics and paper products, moulds, premium products and mobile phone accessories (the "**product range**") manufactured by the HHR group will be supplied on a similar basis to the HWL group.

The directors of HWL and HHR, including their respective independent non executive directors, consider that the Supplies are effected 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 HWL and of HHR are concerned.

GENERAL

AS Watson is a member of the AS Watson group which business includes the manufacturing and distribution of various water and other beverage products in Hong Kong and the Mainland as well as mineral and spring water products in Europe to the office and home markets. AS Watson is a connected person for HHR by virtue of it being an associate (as such term is defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**")) of HWL, an indirect 50.5% shareholder of HHR.

Coronet is a member of the Harbour Ring toy group which business includes the manufacture, marketing and trading of moulds, materials, paper products, electronic-related products and toys. Coronet is a connected person for HWL by virtue of it being an indirect wholly owned subsidiary of HHR and an indirect non wholly owned subsidiary of HWL.

The Supplies constitute connected transactions for each of HWL and HHR under the Listing Rules. As the aggregate sales amount for the Supplies up to the date of this announcement is within the *de minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules for HHR, details of the Supplies are required to be disclosed in this announcement and will be included in the next annual report and accounts of HHR in accordance with Rule 14.25(1)(A) to (D) of the Listing Rules. The aggregate sales amount for the Supplies up to the date of this announcement is within the *de minimis* exemption in respect of connected transactions under Rule 14.24(5) of the Listing Rules for HWL.

An application will be made by HHR and HWL to The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") for a waiver, subject to standard terms and conditions (including annual report disclosure), to disclose further supplies of the product range manufactured from time to time by the HHR group to the HWL group by way of press notice so long as the aggregate sales amount of these supplies on an annual basis falls within the *de minimis* exemption as it applies to HHR and HWL respectively under Rule 14.25(1) of the Listing Rules and they are effected on normal commercial terms reached after arm's length negotiations.

By Order of the Board
Hutchison Whampoa Limited

Edith Shih
Company Secretary

Hong Kong, 5 August 2002

By Order of the Board
Hutchison Harbour Ring Limited

Edith Shih
Director and Company Secretary