

HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

CONNECTED TRANSACTION

The directors of the Company announce that on 8 April 2003, HCAPL entered into the Facility Agreement with Leanrose pursuant to which HCAPL agreed to make available to Leanrose, upon the satisfaction of certain conditions, the Loan Facility of a maximum aggregate amount of A\$33 million (approximately HK\$153 million) to refinance an existing loan borrowed by Leanrose from an independent financial institution to fund Leanrose's acquisition of shares in the rights issue of HTAL in 2000.

HTAL, a non wholly owned subsidiary of the Company listed on the Australian Stock Exchange, is indirectly owned by the Company, through HCAPL, as to approximately 57.8%, directly owned by Leanrose as to approximately 12.5% and owned by the public as to approximately 29.7%.

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 Loan Facility constitutes a connected transaction for the Company under the Listing Rules. As the Loan Facility amount is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of the Loan Facility 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 LOAN FACILITY AND FACILITY AGREEMENT

Parties

Lender: Hutchison Communications (Australia) Pty. Limited ("**HCAPL**"), an indirect wholly owned subsidiary of the Company.

Borrower: Leanrose Pty Limited ("**Leanrose**"), a shareholder of 84,958,747 ordinary shares with no par value (the "**Shares**") in, representing approximately 12.5% of the issued share capital of, Hutchison Telecommunications (Australia) Limited ("**HTAL**") and which is controlled as to 60% by Mr. Barry Roberts-Thomson ("**Mr. Roberts-Thomson**"), a director of HTAL. HCAPL is a shareholder of approximately 57.8% of the issued share capital of HTAL.

Facility: Loan facility of a maximum aggregate amount of A\$33 million (approximately HK\$153 million, at an exchange rate of A\$1 to HK\$4.635) (the "**Loan Facility**") subject to and in accordance with the terms and conditions of an agreement dated 8 April 2003 made between HCAPL and Leanrose (the "**Facility Agreement**").

Purpose and terms of the Loan Facility: To refinance an existing loan to Leanrose due on 30 May 2003 extended by an independent financial institution (the "**Independent Lender**") to fund Leanrose's acquisition of shares in the rights issue of HTAL in 2000, to pay for the costs and expenses in connection with this transaction and any accrued interest on loans made under the Loan Facility. The Loan Facility is a short term facility, extendable at the option of HCAPL, bears interest at the same rate as the existing loan which is being refinanced and is subject to bullet repayment at final maturity.

Conditions: The Loan Facility is made available to Leanrose conditional upon, inter alia, the satisfaction of the following:

- the execution by Leanrose of an equitable mortgage of shares (the "**Share Mortgage**") pursuant to which Leanrose mortgages all its present and future interest in, under or derived from, the Shares with any present or future right in connection with the Shares upon release of the existing mortgage over the Shares executed in favour of the Independent Lender;
- the approval by shareholders of HTAL independent of HCAPL, Leanrose and their respective associates at a general meeting of HTAL of the execution of the Share Mortgage and any enforcement thereof; and
- the execution by Mr. Roberts-Thomson of a guarantee and indemnity to guarantee the due and punctual payment of amounts owing by Leanrose to HCAPL including, pursuant to the Facility Agreement, and performance of the obligations, by Leanrose under the Facility Agreement and the Share Mortgage.

REASON FOR ENTERING INTO THE CONNECTED TRANSACTION

The directors of the Company, including the independent non-executive directors, consider that the Loan Facility is granted 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. Accordingly, and having regard to the potential increase in interest in HTAL upon enforcement of the Share Mortgage in accordance with the terms thereof and the potential disposal of part or all of the shares in HTAL held by Leanrose in the absence of the Loan Facility, each of the Directors considers that the Loan Facility is in the commercial interests of the Company.

GENERAL

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

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 Loan Facility constitutes 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 Loan Facility amount is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of the Loan Facility 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, 8 April 2003

Hutchison Whampoa Limited

