

# HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

## CONNECTED TRANSACTIONS

The Directors announce that on 14 April 2003, HTCL, an indirect non wholly owned subsidiary of the Company entered into the Service Agreements with H3GHK and H3GSHK respectively, both being indirect non wholly owned subsidiaries of the Company. The Service Agreements set out the basis upon which certain 3G network construction and related systems development project support has been, and will continue to be, provided by HTCL to H3GHK and H3GSHK for the roll out of the third generation mobile telephony network and services in Hong Kong. The Supplemental Network Support Agreement supplements the service agreement entered into between HTCL and H3GHK dated 20 June 2002, details of which were disclosed in the Company's press announcement made on the same date.

In addition to being a substantial shareholder of HTCL, H3GHK and H3GSHK, DoCoMo is a connected person of the Company also by virtue of it being a substantial shareholder of Hutchison 3G UK Holdings Limited, which is an indirect non wholly owned subsidiary of the Company.

Notwithstanding the identical attributable shareholding interests held by the Company (as to approximately 71%) and DoCoMo (as to approximately 24%) in HTCL, H3GHK and H3GSHK, which are not wholly owned subsidiaries of a non wholly owned subsidiary of the Company, the Stock Exchange, having regard to the specific facts and circumstances of this case, ruled that the entering into of the Service Agreements constitute connected transactions for the Company under the Listing Rules not falling within any exemption under the provisions of Rule 14.24 of the Listing Rules. As the aggregate amount of the charges agreed to be payable in respect of the period from 1 January 2002 to and including 31 December 2002 under the Service Agreements is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of the Service Agreements 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.

### AGREEMENT ("SUPPLEMENTAL NETWORK SUPPORT AGREEMENT") SUPPLEMENTAL TO THE AGREEMENT FOR PROVISION OF 3G NETWORK CONSTRUCTION AND RELATED SYSTEMS DEVELOPMENT PROJECT SUPPORT DATED 20 JUNE 2002 (THE "ORIGINAL AGREEMENT")

<b>Date:</b>	14 April 2003
<b>Parties:</b>	Hutchison Telephone Company Limited (" <b>HTCL</b> ") and Hutchison 3G HK Limited (" <b>H3GHK</b> "), both indirectly owned as to approximately 71% by Hutchison Whampoa Limited (the " <b>Company</b> "), as to approximately 24% by NTT DoCoMo, Inc. (" <b>DoCoMo</b> ") and as to 5% by an independent party who is not a connected person (as defined in The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the " <b>Listing Rules</b> ")) of the Company (" <b>I3P</b> ").
<b>Nature:</b>	HTCL has been providing, and will continue to provide, to H3GHK the third generation (" <b>3G</b> ") network construction and development project support particularised in the Supplemental Network Support Agreement and such other support as may be agreed between them from time to time in connection with the construction and network development, management and operation of the 3G mobile telephony network in Hong Kong (" <b>Network Development Support</b> "). The Supplemental Network Support Agreement supplements the Original Agreement, details of which were disclosed in the Company's press announcement made on 20 June 2002 (the " <b>Previous Announcement</b> ").
<b>Term:</b>	From 1 January 2002 until terminated in accordance with the Original Agreement.
<b>Consideration on an annual basis:</b>	The amount of project implementation and development charges payable under the Supplemental Network Support Agreement by H3GHK to HTCL (" <b>Network Support Charges</b> ") against invoice is determined by reference to the normal commercial rates at which services in the nature of the Network Development Support are provided and HTCL is entitled to recover from H3GHK disbursements and other out-of-pocket expenses reasonably and properly incurred by HTCL for the provision of the Network Development Support.

### AGREEMENT FOR PROVISION OF 3G RELATED SYSTEMS DEVELOPMENT PROJECT SUPPORT (THE "RELATED SYSTEM SUPPORT AGREEMENT") (COLLECTIVELY WITH THE SUPPLEMENTAL NETWORK SUPPORT AGREEMENT, THE "SERVICE AGREEMENTS")

<b>Date:</b>	14 April 2003
<b>Parties:</b>	HTCL and Hutchison 3G Services (HK) Limited (" <b>H3GSHK</b> "), both indirectly owned as to approximately 71% by the Company, as to approximately 24% by DoCoMo and as to 5% by the I3P.
<b>Nature:</b>	HTCL has been providing, and will continue to provide, to H3GSHK the 3G systems development project support particularised in the Related System Support Agreement and such other support as may be agreed between them from time to time in connection with the system development, management and operation of the 3G mobile telephony network in Hong Kong (the " <b>System Development Support</b> ").
<b>Term:</b>	From 1 January 2002 until terminated pursuant to the provisions of the Related System Support Agreement.
<b>Consideration on an annual basis:</b>	The amount of project implementation and development charges payable under the Related System Support Agreement by H3GSHK to HTCL (" <b>Related System Support Charges</b> ") against invoice is determined by reference to the normal commercial rates at which services in the nature of the System Development Support are provided and HTCL is entitled to recover from H3GSHK disbursements and other out-of-pocket expenses reasonably and properly incurred by HTCL for the provision of the System Development Support.

## REASON FOR ENTERING INTO THE CONNECTED TRANSACTIONS

The directors of the Company (the "**Directors**") consider that it would be in the interests of the Company to utilise the relevant experience, systems and staff of HTCL, which has been operating mobile telecommunications services in Hong Kong, to assist H3GHK and H3GSHK in the roll out of the third generation mobile telephony network and services in Hong Kong.

The Directors, including the independent non-executive Directors, consider that the Service Agreements are entered into upon normal commercial terms, which are arrived at after arms-length negotiations between the parties and are fair and reasonable insofar as the shareholders of the Company are concerned.

## GENERAL

HTCL is a company incorporated under the laws of Hong Kong established to carry on the business of mobile telephone services.

H3GHK and H3GSHK are both companies incorporated under the laws of Hong Kong established to carry on the business of providing 3G telecommunications services in Hong Kong.

In addition to being a substantial shareholder of HTCL, H3GHK and H3GSHK, DoCoMo is a connected person of the Company also by virtue of it being a substantial shareholder of Hutchison 3G UK Holdings Limited, which is an indirect non wholly owned subsidiary of the Company.

Notwithstanding the identical attributable shareholding interests held by the Company (as to approximately 71%) and DoCoMo (as to approximately 24%) in HTCL, H3GHK and H3GSHK which are not wholly owned subsidiaries of a non wholly owned subsidiary of the Company, The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), having regard to the specific facts and circumstances of this case, ruled that the entering into of the Service Agreements constitute connected transactions for the Company under the Listing Rules not falling within any exemption under the provisions of Rule 14.24 of the Listing Rules. As the Company has concluded that it will not make the possible application as referred to in the Previous Announcement for a waiver from strict compliance with the disclosure requirements under the Listing Rules in connection with the transactions contemplated by the Original Agreement and as the aggregate amount of the Network Support Charges and Related System Support Charges agreed to be payable in respect of the period from 1 January 2002 to and including 31 December 2002 under the Service Agreements is within the *de-minimis* exemption in respect of connected transactions under Rule 14.25(1) of the Listing Rules, details of the Service Agreements 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, 14 April 2003

Hutchison Whampoa Limited

