

# HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 013)

## DISCLOSEABLE TRANSACTION

The Directors are pleased to announce that on 9 June 2005 the Sale and Purchase Agreement was entered into pursuant to which the Vendor, an indirect wholly owned subsidiary of the Company, agrees to sell and the Purchaser, agrees to purchase, the Sale Share and the Loan for a total cash consideration of US\$925 million (approximately HK\$7,215 million). The respective obligations of the Vendor and the Purchaser under the Sale and Purchase Agreement are guaranteed by HPH and PSAI respectively.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Purchaser, PSAI and their respective ultimate beneficial owners is a connected person of the Company.

Through the Transaction, the Purchaser will acquire approximately 20% and 10% effective equity in HIT and Cosco-HIT respectively. The approximate percentage of equity in HIT and Cosco-HIT attributable to the Group before (and after) Completion is 86.5% (66.5%) and 43.25% (33.25%) respectively. After Completion, HIT will remain a subsidiary of the Company.

On Completion, the Company will realise a profit on disposal of approximately HK\$5,500 million.

The net sale proceeds derived by the Group from the Transaction will be used for its general working capital purposes.

The Transaction constitutes a discloseable transaction for the Company under the Listing Rules. A circular providing further details on the Transaction will be despatched to the Company's shareholders as soon as reasonably practicable.

### THE SALE AND PURCHASE AGREEMENT

#### Date

9 June 2005

#### Parties

- (1) Vendor
- (2) Purchaser
- (3) HPH as vendor guarantor
- (4) PSAI as purchaser guarantor

#### Transaction

The Sale and Purchase Agreement is unconditional. The Vendor agrees to sell, and the Purchaser agrees to purchase, at Completion the Sale Share and the Loan subject to and in accordance with the terms and conditions of the Sale and Purchase Agreement. The respective obligations of the Vendor and the Purchaser under the Sale and Purchase Agreement are guaranteed by HPH and PSAI respectively.

The Sale Share represents 50% of Gobaalwide's issued share capital. Gobaalwide is a 46.25% indirect shareholder of a group of the Company's subsidiaries and associated companies (the "HIT Group") the principal assets and liabilities of which are those relating to HIT and Cosco-HIT. HIT and Cosco-HIT are both operators of container terminals in Hong Kong.

Based on audited accounts prepared in accordance with HK GAAP, the audited net asset value of HIT as at 31 December 2003 and 2004 was HK\$574 million and HK\$255 million respectively. The audited net profits before taxation of HIT for the financial years ended 31 December 2003 and 2004 were HK\$2,167 million and HK\$2,382 million respectively. The audited net profits after taxation and extraordinary items of HIT for the financial years ended 31 December 2003 and 2004 were HK\$1,685 million and HK\$1,911 million respectively.

Based on audited accounts prepared in accordance with HK GAAP, the audited net asset value of Cosco-HIT as at 31 December 2003 and 2004 was HK\$488 million and HK\$380 million respectively. The audited net profits before taxation of Cosco-HIT for the financial years ended 31 December 2003 and 2004 were HK\$610 million and HK\$599 million respectively. The audited net profits after taxation and extraordinary items of Cosco-HIT for the financial years ended 31 December 2003 and 2004 were HK\$480 million and HK\$492 million respectively.

Through the Transaction, the Purchaser will acquire approximately 20% and 10% effective equity in HIT and Cosco-HIT respectively. The percentage of equity in HIT and Cosco-HIT attributable to the Group before (and after) Completion is 86.5% (66.5%) and 43.25% (33.25%) respectively. After Completion, HIT will remain a subsidiary and Cosco-HIT will remain a jointly controlled entity of the Group.

The amount of the Loan to be acquired is pro rata to the effective equity interest which the Purchaser will acquire in HIT from the Transaction.

#### Consideration

The total cash consideration for the Sale Share and the Loan is US\$925 million (approximately HK\$7,215 million) payable as to US\$816.2 million (approximately HK\$6,366 million) on Completion and as to the balance by no later than 19 December 2005. Such consideration has been arrived at after arm's length negotiations having regard to various factors including with reference to recent market transactions.

On Completion, the Company will realise a profit on disposal of approximately HK\$5,500 million. The net proceeds derived by the Group from the Transaction will be used for its general working capital purposes.

#### Completion

Completion will occur on 22 June 2005 or such earlier date as the parties may agree.

At Completion, the Purchaser will also acquire from the Group for a nominal consideration approximately 20% effective interest in a group of companies which comprise the treasury arm of the HIT Group.

### REASONS FOR THE TRANSACTION

Through implementing the Transaction, the Company will effectively create a strategic alliance with the Purchaser and the PSAI Group. The Directors consider the terms of the Sale and Purchase Agreement, which are reached based on arm's length negotiations, to be on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

### DISCLOSEABLE TRANSACTION

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Purchaser, PSAI and their respective ultimate beneficial owners is a connected person of the Company.

Applying the relevant percentage ratios resulting from the calculations set out in Listing Rule 14.07, the Transaction constitutes a discloseable transaction for the Company under the Listing Rules. A circular providing further details on the Transaction will be despatched to the Company's shareholders as soon as reasonably practicable.

### GENERAL

The Group operates and invests in five core businesses: ports and related services; property and hotels; retail and manufacturing; energy and infrastructure, finance and investments; and telecommunications.

The Purchaser is an investment holding company.

PSAI is a global leader in the ports and terminals business with investments in 18 port projects in 11 countries around the world. In 2004, PSAI handled more than 33 million TEUs of containers worldwide.

As at the date of this announcement, the Directors are:

#### Executive Directors:

Mr. Li Ka-shing (Chairman)  
Mr. Li Tzar Kuoi, Victor (Deputy Chairman)  
Mr. FOK Kin-ning, Canning  
Mrs. CHOW WOO Mo Fong, Susan  
Mr. Frank John SIXT  
Mr. LAI Kai Ming, Dominic  
Mr. George Colin MAGNUS  
Mr. KAM Hing Lam

#### Non-executive Director:

Mr. William SHURNIAK

#### Independent Non-executive Directors:

Mr. Michael David KADDOORIE  
Mr. Holger KLUGE  
Mr. William Elkin MOCATTA  
(Alternate to Mr. Michael David Kadoorie)  
Mr. Simon MURRAY  
Mr. OR Ching Fai, Raymond  
Mr. WONG Chung Hin  
(Also Alternate to Mr. Simon Murray)

### DEFINITIONS

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

"Company"	Hutchison Whampoa Limited, a limited liability company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code:13)
"Completion"	completion of the sale and purchase of the Sale Share and the Loan to occur on the Completion Date
"Completion Date"	22 June 2005 or earlier date as may be agreed between the Vendor and the Purchaser
"connected person"	has the meaning ascribed to such expression in the Listing Rules
"Cosco-HIT"	COSCO-HIT Terminals (H.K.) Limited, the operator of Container Terminal No. 8 East at Kwai Chung, Hong Kong
"Directors"	the directors of the Company
"Gobaalwide"	Gobaalwide Resources Limited, a limited liability company incorporated in the British Virgin Islands on 12 May 2005, whose share is the subject matter of the Transaction and wholly owned by the Company immediately prior to entering into of the Sale and Purchase Agreement
"Group"	the Company and its subsidiaries
"HIT"	Hongkong International Terminals Limited, the operator of Container Terminal Nos. 4, 6, 7 and 9 at Kwai Tsing, Hong Kong
"HIT Group"	has the meaning ascribed to such expression in the section entitled "Sale and Purchase Agreement – Transaction" above
"HK GAAP"	generally accepted accounting principles in Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HPH"	Hutchison Port Holdings Limited, an indirect wholly owned subsidiary of the Company, the guarantor for the Vendor's obligations under the Sale and Purchase Agreement
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Loan"	loans in the aggregate principal amount of HK\$3,094,360,000 owing by HIT to the Group (excluding any interest payments accrued thereon due as at the close of business on the Completion Date)
"Purchaser"	PortCapital Limited, the purchaser under the Sale and Purchase Agreement
"PSAI"	PSA International Pte Ltd, a limited liability company incorporated in Singapore, the guarantor for the Purchaser's obligations under the Sale and Purchase Agreement
"PSAI Group"	PSAI, its subsidiaries and affiliates
"Sale and Purchase Agreement"	an unconditional agreement dated 9 June 2005 and made among the Vendor, the Purchaser, HPH and PSAI for the sale and purchase of the Sale Share and the Loan
"Sale Share"	one (1) share in Gobaalwide, representing 50% of its issued and paid up share capital
"Singapore"	Republic of Singapore
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TEUs"	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of 8 feet and 6 inches and width of 8 feet
"Transaction"	the proposed sale and purchase of the Sale Share and the Loan for an aggregate consideration of US\$925 million on terms and conditions set out in the Sale and Purchase Agreement
"Vendor"	Glorypro Resources Limited, an indirect wholly owned subsidiary of the Company and the vendor under the Sale and Purchase Agreement
"HK\$" / "US\$"	Hong Kong dollars, the lawful currency of Hong Kong / United States dollars, the lawful currency of the United States of America

For the purpose of this announcement and for reference purpose only, an exchange rate of HK\$7.8 to US\$1.00 is adopted.

By Order of the Board

#### Edith Shih

Company Secretary

Hong Kong, 10 June 2005

Hutchison Whampoa Limited



*Please also refer to the published version of this announcement in  
The Standard and Sing Tao Daily.*