

# Hutchison Whampoa Limited



(Incorporated in Hong Kong with limited liability)

(Stock Code: 013)

## DISCLOSEABLE TRANSACTION

The Directors are pleased to announce that on 21 April 2006 the Sale and Purchase Agreement was entered into pursuant to which the Vendors, two indirect wholly owned subsidiaries of the Company, agree to sell or procure the sale of, and the Purchaser agrees to purchase, the Sale Shares and the Sale Loans for a total cash consideration of US\$4,388 million (approximately HK\$34,000 million).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and of connected persons of the Company.

Through the Transaction, the Purchaser will acquire 20% effective equity interest in HPH and HPI respectively. After Completion, equity percentage in HPH and HPI attributable to the Group will be reduced from 100% to 80% respectively. After Completion, both HPH and HPI will remain subsidiaries of the Company.

On Completion, the Company will realise a profit on disposal of approximately HK\$24,380 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 shareholders of the Company as required under the Listing Rules.

### THE SALE AND PURCHASE AGREEMENT

#### Date

21 April 2006

#### Parties

- (1) Vendors
- (2) Purchaser

#### Transaction

The Sale and Purchase Agreement is unconditional. The Vendors agree to sell or procure the sale of, and the Purchaser agrees to purchase, at Completion, the Sale Shares and the Sale Loans subject to and in accordance with the terms and conditions of the Sale and Purchase Agreement.

The Sale Shares will represent 50% of the issued share capital of Investco 1 and Investco 2 immediately prior to Completion. After Completion, Investco 1 will become a 40% shareholder of HPH, Investco 2 will become a 40% shareholder of HPI and the Company will hold 80% effective equity interest in HPH and HPI through its indirect holding of (i) the remaining 50% of the issued share capital of Investco 1 and Investco 2, and (ii) the remaining 60% of the issued share capital of HPH and HPI. HPH and HPI are both investment holding companies of the Group's global investments in container terminals operators and service providers of container, non-containerised, general and bulk cargo and other related services and business activities.

The audited net assets value attributable to shareholders of HPH as at 31 December 2005 was HK\$12,091 million. The audited net profits before taxation of HPH for the financial years ended 31 December 2004 and 31 December 2005 were HK\$7,250 million and HK\$13,247 million respectively. The audited net profits after taxation and extraordinary items attributable to shareholders of HPH for the financial years ended 31 December 2004 and 2005 were HK\$3,245 million and HK\$9,162 million respectively.

The audited net assets value attributable to shareholders of HPI as at 31 December 2005 was HK\$1,194 million. The audited net profits before taxation of HPI for the financial years ended 31 December 2004 and 2005 were HK\$239 million and HK\$311 million respectively. The audited net profits after taxation and extraordinary items attributable to shareholders of HPI for the financial years ended 31 December 2004 and 2005 were HK\$248 million and HK\$234 million respectively.

Through the Transaction, the Purchaser will acquire 20% effective equity interest in HPH and HPI respectively. After Completion, equity percentage in HPH and HPI attributable to the Group will be reduced from 100% to 80% respectively. After Completion, both HPH and HPI will remain subsidiaries of the Company. The Sale Loans will represent 20% of the loans owing to the Group by the HPH Group and the HPI Group.

#### Consideration

The total cash consideration for the Sale Shares and the Sale Loans is US\$4,388 million (approximately HK\$34,000 million) all payable on Completion. Such consideration has been arrived at after arm's length negotiations having regard to various relevant factors including with reference to recent market transactions and the prevailing commercial and business conditions in which the HPH Group and HPI Group operate.

#### Completion

Completion is expected to occur on or before 15 May 2006 and the parties shall use all reasonable endeavours to proceed to Completion on 28 April 2006.

#### REASONS FOR, BENEFITS OF, THE TRANSACTION

Investments in, and provision of services relating to, ports activities worldwide is one of five core businesses of the Group. The Transaction will allow the Group to partially unlock the value of its port businesses and set an important valuation benchmark for the Group's remaining interests in such businesses which have been privately held to date. The Group will continue to manage the port businesses as the controlling shareholder. The Directors consider the terms of the Sale and Purchase Agreement, which were 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.

On Completion, the Company will realise a profit on disposal of approximately HK\$24,380 million. The net proceeds derived by the Group from the Transaction will be used for its general working capital purposes.

#### DISCLOSEABLE TRANSACTION

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and of the connected persons 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 shareholders of the Company as required under the Listing Rules.

#### GENERAL

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

PSAI is a global leader in the ports and terminals business with investments in 19 port projects in 11 countries around the world. In 2005, PSAI handled more than 41.2 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. KAM Hing Lam

#### Non-executive Directors:

Mr. George Colin MAGNUS  
Mr. William SHURNIAK

#### Independent Non-executive Directors:

The Hon. Sir Michael David KADOORIE  
Mr. Holge KLUGE  
Mr. William Elkin MOCATTA  
(*Alternate to The Hon. Sir 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: 013)
"Completion"	completion of the sale and purchase of the Sale Shares and the Sale Loans to occur on the Completion Date
"Completion Date"	on or before 15 May 2006 or such other date as may be agreed between the Vendors and the Purchaser
"connected person"	shall have the meaning ascribed to it in the Listing Rules
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HPH"	Hutchison Port Holdings Limited, a limited liability company incorporated in the British Virgin Islands, an indirect wholly owned subsidiary of the Company immediately prior to Completion
"HPH Group"	HPH and its subsidiaries
"HPI"	Hutchison Ports Investments S.à r.l., a limited liability company incorporated in Luxembourg, an indirect wholly owned subsidiary of the Company immediately prior to Completion
"HPI Group"	HPI and its subsidiaries
"Investco 1"	a limited liability company incorporated in the British Virgin Islands, whose shares are one of the subject matters of the Transaction and wholly owned by the Company immediately prior to Completion
"Investco 2"	a limited liability company incorporated in Luxembourg, whose shares are one of the subject matters of the Transaction and wholly owned by the Company immediately prior to Completion
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"PSAI" or "Purchaser"	PSA International Pte Ltd, a limited liability company incorporated in Singapore, the purchaser under the Sale and Purchase Agreement
"Sale and Purchase Agreement"	an unconditional agreement dated 21 April 2006 and made among the Vendors and the Purchaser for the sale and purchase of the Sale Shares and the Sale Loans
"Sale Loans"	loans owing by the HPH Group or the HPI Group to the Company or its subsidiaries (excluding any interest payments accrued thereon due as at the close of business on the Completion Date)
"Sale Shares"	50% of the issued and paid up share capital of Investco 1 and of Investco 2 immediately prior to Completion
"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 Shares and the Sale Loans for an aggregate consideration of US\$4,388 million (approximately HK\$34,000 million) on terms and conditions set out in the Sale and Purchase Agreement
"Vendors"	Hongkong and Whampoa Dock Company, Limited and Hutchison Whampoa Europe Investments S.à r.l., both being indirect wholly owned subsidiaries of the Company and the vendors under the Sale and Purchase Agreement
"HK\$" or "US\$"	Hong Kong dollars, the lawful currency of Hong Kong United States dollars, the lawful currency of the United States of America

By Order of the Board

Edith Shih  
*Company Secretary*

Hong Kong, 21 April 2006