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**HUTCHISON WHAMPOA LIMITED**  
和記黃埔有限公司  
(incorporated in Hong Kong with limited liability)



**CHEUNG KONG (HOLDINGS) LIMITED**  
長江實業(集團)有限公司  
(incorporated in Hong Kong with limited liability)



**VANDA SYSTEMS & COMMUNICATIONS HOLDINGS LIMITED**  
中聯系統控股有限公司  
(incorporated in Bermuda with limited liability)

**PLACING OF SHARES IN VANDA SYSTEMS & COMMUNICATIONS HOLDINGS LIMITED  
AND  
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Vanda was informed by HGCH, CKE and CLPT that on 29 January 2004 they had entered into conditional agreements for the placement of 1,818,000,000 Vanda Shares, 147,000,000 Vanda Shares and 35,000,000 Vanda Shares respectively at the placing price of HK\$0.90 per Vanda Share.

Immediately after completion of the HGC Transaction, the PowerCom Transaction and the Placing, and assuming no other changes in shareholding in Vanda since the date of this announcement, HWL Group, CKH Group and CLP Group will hold approximately 52.55%, 3.60% and 0.84% respectively in Vanda, and on the basis that no new substantial shareholder is introduced to Vanda as a result of the Placing the public float of the Vanda Shares is expected to be raised to approximately 41.29%.

HWL and CKH are issuing this announcement voluntarily to provide to their respective shareholders and to the public information regarding, among other things, the HGCH Placing and the placing of Vanda Shares by CKE.

Trading in Vanda Shares was suspended at Vanda's request with effect from 9:30 a.m. on 30 January 2004 pending release of this announcement. An application will be made for trading in Vanda Shares to resume with effect from 9:30 a.m. on 2 February 2004.

The directors of Vanda also wish to announce that Somerley Limited has been appointed as the independent financial adviser to the independent board committee of Vanda in respect of the HGC Transaction, the Whitewash Waivers and the ongoing connected transactions between the Vanda Group and the HWL Group after completion of the HGC Transaction.

Reference is made to the Announcement dated 28 January 2004 issued jointly by HWL, CKH and Vanda in relation to, among other things, the HGC Transaction and the PowerCom Transaction.

**PLACING OF VANDA SHARES**

Vanda was informed by HGCH, CKE and CLPT that they had on 29 January 2004 entered into conditional agreements for the placement of 1,818,000,000 Vanda Shares, 147,000,000 Vanda Shares and 35,000,000 Vanda Shares respectively (2,000,000,000 Vanda Shares in aggregate, representing approximately 28.98% of the Enlarged Vanda Capital) at the placing price of HK\$0.90 per Vanda Share, to more than 6 places who are professional, institutional and/or other investors. As confirmed by the Placing Agent, the Placing Agent, together with its beneficial owners, are independent third parties not connected with the directors, chief executives or substantial shareholders of Vanda or its subsidiaries or any of their respective associates (as defined under the Listing Rules). Pursuant to the terms of the Placing, these Vanda Shares will be placed to persons who will be independent third parties not connected with the directors, chief executives or substantial shareholders of Vanda or its subsidiaries or any of their respective associates (as defined under the Listing Rules).

The placing price of HK\$0.90 per Vanda Share represents:-

- a premium of approximately 1675.1% to the latest audited consolidated net tangible assets of Vanda of HK\$0.0507 per share as at 30 September 2003;
- a discount of approximately 40.8% from HK\$1.52, the closing price of the Vanda Shares on the Stock Exchange on 29 January 2004, the trading day before suspension of trading of the Vanda Shares prior to the issue of this announcement;
- a discount of approximately 11.4% from HK\$1.016, the average closing price of the Vanda Shares on the Stock Exchange during the period of the last 10 full trading days before suspension of trading of the Vanda Shares prior to the issue of this announcement; and
- a discount of approximately 3.5% from HK\$0.9323, the average closing price of the Vanda Shares on the Stock Exchange during the period of the last 30 full trading days before suspension of trading of the Vanda Shares prior to the issue of this announcement.

The HGCH Placing is conditional upon:

- the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Vanda Shares to be placed under the HGCH Placing; and
- completion of the HGC Transaction having occurred in accordance with the terms described in the Announcement.

If the above conditions are not fulfilled on or before 13 March 2004 (or such later time as may be agreed between HGCH and the Placing Agent), the obligations and liabilities of the parties to the placing agreement in respect of the HGCH Placing will be null and void.

Completion of the HGCH Placing is to occur on the same day as completion of the HGC Transaction, which is expected to take place before 13 March 2004.

The PowerCom Placing is conditional upon:

- the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Vanda Shares to be placed under the PowerCom Placing; and
- the completion of the PowerCom Transaction having occurred in accordance with the terms described in the agreement in respect of the PowerCom Transaction.

If the above conditions are not fulfilled on or before 13 March 2004 (or such later time as may be agreed between CKE, CLPT and the Placing Agent), the obligations and liabilities of the parties to the placing agreement in respect of the PowerCom Placing will be null and void.

Completion of the PowerCom Placing is to occur on the same day as completion of the PowerCom Transaction, which is expected to take place before 13 March 2004.

As stated in the Announcement, HGCH and Vanda each undertook to the Stock Exchange to maintain the public float of the Vanda Shares following completion of the HGC Transaction. Immediately after completion of the HGC Transaction, the PowerCom Transaction and the Placing, and assuming no other changes in shareholding in Vanda since the date of this announcement, HWL Group, CKH Group and CLP Group will hold 3,626,888,793 Vanda Shares, 248,743,835 Vanda Shares and 57,828,801 Vanda Shares which represent approximately 52.55%, 3.60% and 0.84% respectively of the Enlarged Vanda Capital. Assuming no other changes in shareholding in Vanda since the date of this announcement, upon completion of the Placing, Vanda will be a subsidiary of HWL, and based on the information available as at the date of this announcement no new substantial shareholder (as such term is defined in the Listing Rules) is expected to be introduced to Vanda. If it becomes aware that there are new substantial shareholders or new

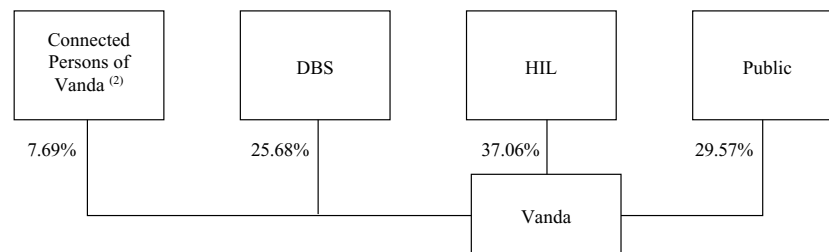
shareholder holding 5% or more in the Enlarged Vanda Capital as a result of completion of the Placing, further announcement will be made. On the basis that no new substantial shareholders are introduced to Vanda as a result of the Placing, the public float of the Vanda Shares is expected to be raised to approximately 41.29% and the prescribed minimum percentage of 25% of Vanda Shares which must be in the hands of the public as required under Rule 8.08(1) of the Listing Rules will therefore be restored upon completion of the Placing.

HGCH has undertaken to the Placing Agent that, for a period of three months from the date of completion of the Placing (save and except pursuant to the HGCH Placing or any Vanda Shares acquired by it after the completion of the Placing or compliance with the requirements of the Listing Rules or with the undertaking to the Stock Exchange to maintain sufficient public float), HGCH will not sell, transfer or otherwise dispose of any Vanda Shares or any interest therein beneficially owned by HGCH or any securities convertible into any such Vanda Shares or interest therein without first having obtained the written consent of the Placing Agent. HGCH has also undertaken to the Placing Agent to use its best endeavours to procure that, for a period of three months from the date of completion of the Placing (save and except pursuant to any employee share option scheme of Vanda, any outstanding subscription warrants, bonus or scrip dividend or similar arrangements, conversion of outstanding convertible bonds or loan notes, issue of Vanda Shares and of convertible notes pursuant to the HGC Transaction or the PowerCom Transaction, or any requirements under the Listing Rules to ensure sufficient public float following the date of completion of the Placing), Vanda will not allot or issue any Vanda Shares or any securities convertible into any Vanda Shares or interest therein without first having obtained the written consent of the Placing Agent.

Further, Vanda was informed by CKE and CLPT that each of CKE and CLPT has undertaken to the Placing Agent that, for a period of three months from the date of completion of the Placing (save and except pursuant to the PowerCom Placing or compliance with requirements of the Listing Rules), neither CKE nor CLPT will sell, transfer or otherwise dispose of any Vanda Shares acquired by it pursuant to the PowerCom Transaction or any interest therein beneficially owned by it or any securities convertible into any such Vanda Shares or interest therein without first having obtained the written consent of the Placing Agent.

**VANDA SHAREHOLDING STRUCTURE BEFORE AND AFTER PLACING**

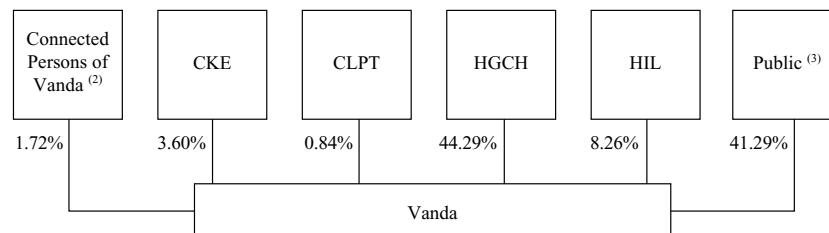
The following chart shows the shareholding structure of Vanda immediately before the issue of the Consideration Shares and completion of the Placing <sup>(1)</sup>:



Notes:

- The above figures assume no other changes in shareholding in Vanda after the date of this announcement.
- Includes Mr Lam Hon Nam (an executive director of Vanda) and Lam Ma & Wai Limited. Mr Lam Hon Nam is the controlling shareholder of Lam Ma & Wai Limited.

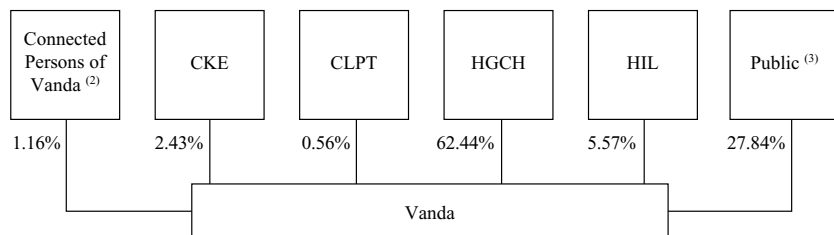
The following chart shows the shareholding structure of Vanda immediately after the issue of the Consideration Shares and completion of the Placing <sup>(1)</sup>:



Notes:

- The above figures assume no other changes in shareholding in Vanda after the date of this announcement.
- Includes Mr Lam Hon Nam (an executive director of Vanda) and Lam Ma & Wai Limited. Mr Lam Hon Nam is the controlling shareholder of Lam Ma & Wai Limited.
- Includes DBS, which will hold approximately 5.72% of the Enlarged Vanda Capital.

The following chart shows the shareholding structure of Vanda immediately after the issue of the Consideration Shares and completion of the Placing, as if the HGC Consideration Convertible Note is fully converted at the initial conversion price of HK\$0.96 per Vanda Share <sup>(1)</sup>:



Notes:

- (1) The above figures assume no other changes in shareholding in Vanda after the date of this announcement.
- (2) Includes Mr Lam Hon Nam (an executive director of Vanda) and Lam Ma & Wai Limited. Mr Lam Hon Nam is the controlling shareholder of Lam Ma & Wai Limited.
- (3) Includes DBS, which will hold approximately 3.86% of the Enlarged Vanda Capital as further enlarged by the issue of Vanda Shares pursuant to exercise of conversion rights in full under the HGC Consideration Convertible Note.

#### CONDITIONS PRECEDENT APPLICABLE TO THE HGC TRANSACTION AND THE POWERCOM TRANSACTION

In the Announcement, it was mentioned that a placing of Vanda Shares may possibly result in the aggregate shareholding of the HWL Group and its Concert Parties in Vanda decreased to 50% or below but above 30% of the Enlarged Vanda Capital. On the basis of the terms of the Placing as described above, immediately after completion of the HGC Transaction, the PowerCom Transaction and the Placing, and assuming no other changes in shareholding in Vanda since the date of this announcement, the collective percentage shareholding of HGCH and its Concert Parties in Vanda will be above 50%. Unless there are further transactions relating to Vanda Shares committed before the date of the SGM which would result in the collective percentage shareholding of the HWL Group and its Concert Parties in Vanda becoming 50% or below, the respective parties to the HGC Transaction and the PowerCom Transaction will respectively seek to dispense with the Convertible Note Whitewash Waiver as a condition precedent of the HGC Transaction and of the PowerCom Transaction. In such event, a further announcement will be made.

During the period up to the date of the SGM, any disposal of Vanda Shares by HGCH or its Concert Parties will have to comply with the requirements of the Takeovers Code. In the event that there is any such disposal, a further announcement will be made.

#### HWL INFORMATION

HWL is issuing this announcement voluntarily to provide to its shareholders and to the public information regarding, among other things, the HGCH Placing.

HWL will realise a gain of approximately HK\$1,300 million on completion of the HGCH Placing.

#### CKH INFORMATION

CKH is issuing this announcement voluntarily to provide to its shareholders and to the public information regarding, among other things, the placing of Vanda Shares by CKE.

#### APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The directors of Vanda wish to announce that Somerley Limited has been appointed as the independent financial adviser to the independent board committee of Vanda in respect of the HGC Transaction, the Whitewash Waivers and the ongoing connected transactions between the Vanda Group and the HWL Group after completion of the HGC Transaction.

#### VANDA SHARES TRADING

Trading in Vanda Shares was suspended at Vanda's request with effect from 9:30 a.m. on 30 January 2004 pending release of this announcement. An application will be made by Vanda for trading in Vanda Shares to resume with effect from 9:30 a.m. on 2 February 2004.

#### DEFINITIONS

“Announcement”	the joint announcement issued by HWL, CKH and Vanda dated 28 January 2004 in relation to, among other things, the HGC Transaction and the PowerCom Transaction
“CKE”	Cheung Kong Enterprises Limited, a wholly-owned subsidiary of CKH
“CKH”	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong and the ultimate holding company of CKE, whose shares are listed on the Main Board of the Stock Exchange
“CKH Group”	CKH and its subsidiaries
“CLP”	CLP Holdings Limited, a company incorporated in Hong Kong and the ultimate holding company of CLPT, whose shares are listed on the Main Board of the Stock Exchange
“CLP Group”	CLP and its subsidiaries
“CLPT”	CLP Telecommunications Limited, a wholly-owned subsidiary of CLP
“Concert Parties”	in respect of a person, means parties acting in concert (within the meaning as ascribed to that term under the Takeovers Code) with such person in relation to holding of Vanda Shares
“Consideration Shares”	the HGCH Consideration Shares and the PowerCom Consideration Shares
“Convertible Note Whitewash Waiver”	a waiver by the independent Shareholders of the obligation of HGCH and its Concert Parties (if any) to make a mandatory offer for all the Vanda Shares under Rule 26 of the Takeovers Code as a result of the issue of Vanda Shares to the HWL Group (or as it may direct) pursuant to a partial or full exercise of the HGC Convertible Notes (as defined in the Announcement) or any of them
“DBS”	DBS Nominees (Private) Limited
“Enlarged Vanda Capital”	the issued share capital of Vanda as to be enlarged by the issue of the Consideration Shares (and assuming that there is no other changes in Vanda's capital structure after the date of this announcement), which will consist of 6,901,443,961 Vanda Shares
“HGC Consideration Convertible Note”	a convertible note, with a face value of HK\$3,200,000,000, to be issued by Vanda entitling the holder thereof to convert the principal amount thereof into new Vanda Shares, which is to be issued by Vanda to HGCH (or another subsidiary of HWL as it may direct) to satisfy part of the consideration for the purchase of the entire issued share capital of HGCI
“HGC Transaction”	the proposed sale of the entire issued share capital of HGCI by HGCH to Vanda pursuant to an agreement dated 28 January 2004 made among HGCH, Vanda and HIL
“HGCH”	Hutchison Global Communications Holdings Limited, a wholly-owned subsidiary of HWL

“HGCH Consideration Shares”	4,875,000,000 new Vanda Shares to be allotted and issued by Vanda credited as fully paid at HK\$0.80 per Share to HGCH (or as it may direct) to satisfy part of the consideration for the purchase of the entire issued share capital of HGCI
“HGCH Placing”	the placing and sale by the Placing Agent on behalf of HGCH of 1,818,000,000 Vanda Shares to be issued by Vanda, which HGCH will be entitled to receive as part of the HGCH Consideration Shares pursuant to an agreement dated 29 January 2004 made among HGCH, HIL and the Placing Agent
“HGCI”	Hutchison Global Communications Investments Limited, currently a wholly-owned subsidiary of HWL
“HIL”	Hutchison International Limited, a wholly-owned subsidiary of HWL
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“HWL”	Hutchison Whampoa Limited, a company incorporated in Hong Kong and the ultimate holding company of HIL, HGCI and HGCH, whose shares are listed on the Main Board of the Stock Exchange
“HWL Group”	HWL and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the HGCH Placing and the PowerCom Placing
“Placing Agent”	Citigroup Global Markets Hong Kong Futures Limited
“PowerCom”	PowerCom Network Hong Kong Limited
“PowerCom Consideration Shares”	488,572,636 new Vanda Shares to be allotted and issued by Vanda at HK\$0.80 per Vanda Share credited as fully paid as to 395,743,835 Vanda Shares to CKE and as to 92,828,801 Vanda Shares to CLPT (or as they may respectively direct) to satisfy the consideration for the purchase of the entire issued share capital of PowerCom
“PowerCom Placing”	the placing and sale by the Placing Agent on behalf of CKE and CLPT of 147,000,000 and 35,000,000 Vanda Shares to be issued by Vanda, which CKE and CLPT will be entitled to receive respectively as part of the PowerCom Consideration Shares pursuant to an agreement dated 29 January 2004 made among CKH, CKE, CLPT and the Placing Agent
“PowerCom Transaction”	the proposed sale of the entire issued share capital of PowerCom by CKE and CLPT to Vanda pursuant to an agreement dated 28 January 2004 made among CKE, CKH, Vanda and CLPT
“SGM”	the special general meeting (including any adjourned meeting) of Vanda to be held to seek, among other things, the independent Shareholders' approval of the HGC Transaction, Shareholders' approval of the PowerCom Transaction and independent Shareholders' approval of the Whitewash Waivers
“Shareholders”	holders of Vanda Shares
“Share Whitewash Waiver”	a waiver by the independent Shareholders of the obligation of HGCH and its Concert Parties (if any) to make a mandatory offer for all the Vanda Shares under Rule 26 of the Takeovers Code as a result of the issue of HGCH Consideration Shares to HGCH (or as it may direct) and/or the issue of the PowerCom Consideration Shares to CKE and CLPT (or as they may respectively direct)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vanda”	Vanda Systems & Communications Holdings Limited, a company incorporated in Bermuda, whose shares are listed on the Main Board of the Stock Exchange
“Vanda Group”	Vanda and its subsidiaries
“Vanda Shares”	ordinary shares of HK\$0.10 each in the capital of Vanda
“Whitewash Waivers”	the Share Whitewash Waiver and (if applicable) the Convertible Note Whitewash Waiver

By Order of the Board <b>Hutchison Whampoa Limited</b>	By Order of the Board <b>Cheung Kong (Holdings) Limited</b>	By Order of the Board <b>Vanda Systems &amp; Communications Holdings Limited</b>
<b>Edith Shih</b> <i>Company Secretary</i>	<b>Eirene Yeung</b> <i>Company Secretary</i>	<b>Loh Tiak Koon</b> <i>Chief Executive Officer</i>

Hong Kong, 31 January 2004

*The directors of HWL (save and except Mr. Simon Murray who is overseas and is not contactable) jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Vanda Group and the CKH Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Vanda Group and the CKH Group) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the Vanda Group and the CKH Group) not contained in this announcement the omission of which would make any statement (other than those relating to the Vanda Group and the CKH Group) in this announcement misleading.*

*The directors of CKH (save and except Mr. Simon Murray who is overseas and is not contactable) jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the HWL Group and the Vanda Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the HWL Group and the Vanda Group) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the HWL Group and the Vanda Group) not contained in this announcement the omission of which would make any statement (other than those relating to the HWL Group and the Vanda Group) in this announcement misleading.*

*The directors of Vanda jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the HWL Group and the CKH Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the HWL Group and the CKH Group) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the HWL Group and the CKH Group) not contained in this announcement the omission of which would make any statement (other than those relating to the HWL Group and the CKH Group) in this announcement misleading.*