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Hutchison Whampoa Limited



(incorporated in Hong Kong with limited liability)

(Stock Code: 13)

CONNECTED TRANSACTION

The Board announces that following the successful bidding for the Land located at 中國重慶市北部新區大竹林組團G標準分區 (G Zone of Dazhulin Section, New Northern District*, Chongqing, the PRC), the terms of the Land Use Right Transfer Contract have been agreed with the Chongqing Land Bureau today and are expected to be entered into by Project Co on 30 December 2010. The Land has a gross area of approximately 132,471 square metres and is being acquired for development into residential and commercial properties. The total consideration under the Land Use Right Transfer Contract is RMB1,310 million (approximately HK\$1,537 million) and is payable by instalments.

The proposed total investment and registered capital of Project Co are set at RMB1,900 million (approximately HK\$2,229 million) and RMB1,370 million (approximately HK\$1,607 million) respectively. Such registered capital and any shareholders' loans to be advanced to Project Co, which are expected to be borne by CKH and the Company (or their respective subsidiaries) equally and in proportion to their respective indirect equity interests in Project Co, will be applied towards funding the payment of the land cost, construction costs and other project costs for the development of the Land.

Project Co is a new enterprise established for the Acquisition and Development and is indirectly owned as to 50% by each of CKH and the Company. CKH is a connected person of the Company by virtue of being its substantial shareholder. Accordingly, the entering into of the joint venture arrangement comprising the establishment of Project Co constitutes a connected transaction for the Company under the Listing Rules. As one or more of the relevant percentage ratios represented by the size of the Company's financial commitment in respect of Project Co is or are more than 0.1% but less than 5%, the entering into of such joint venture arrangement is exempt from the independent shareholders' approval requirements and is only subject to the reporting and announcement requirements set out in the Listing Rules for the Company.

Acquisition and Development

Following the successful bidding for the Land located at 中國重慶市北部新區大竹林組團G標準分區 (G Zone of Dazhulin Section, New Northern District*, Chongqing, the PRC), the terms of the Land Use Right Transfer Contract have been agreed with the Chongqing Land Bureau today and are expected to be entered into by Project Co on 30 December 2010.

Land Use Right Transfer Contract

Parties:	Project Co and Chongqing Land Bureau
Location:	中國重慶市北部新區大竹林組團G標準分區 (G Zone of Dazhulin Section, New Northern District*, Chongqing, the PRC)
Gross area:	approximately 132,471 square metres
Consideration:	RMB1,310 million (approximately HK\$1,537 million) payable by instalments
Purpose of Acquisition and Development:	residential and commercial
Term:	50 years for the residential portion, and 40 years for the commercial portion
Proposed signing date:	30 December 2010

The proposed total investment and registered capital of Project Co are set at RMB1,900 million (approximately HK\$2,229 million) and RMB1,370 million (approximately HK\$1,607 million) respectively. Such registered capital and any shareholders' loans to be advanced to Project Co, which are expected to be borne by CKH and the Company (or their respective subsidiaries) equally and in proportion to their respective indirect equity interests in Project Co, will be applied towards funding the payment of the land cost, construction costs and other project costs for the development of the Land.

Reasons for, and the benefits of, the transaction

The establishment of Project Co to engage in the Acquisition and Development is consistent with one of the Company's core business strategies.

The Board (including its Independent Non-executive Directors) considers the terms of the joint venture arrangement comprising the establishment of Project Co for the purpose of the Acquisition and Development to be on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders taken as a whole.

Listing Rules Implications

Project Co is a new enterprise established for the Acquisition and Development and is indirectly owned as to 50% by each of CKH and the Company. CKH is a substantial shareholder, and hence a connected person, of the Company. Accordingly, the entering into of the joint venture arrangement comprising the establishment of Project Co constitutes a connected transaction for the Company under Listing Rule 14A.13(6). As one or more of the relevant percentage ratios represented by the size of the financial commitment for the Company by way of registered capital contribution, and any shareholders' loan and guarantee in proportion to its equity interest in Project Co is or are more than 0.1% but less than 5%, the entering into of such joint venture arrangement by the Company is exempt from the independent shareholders' approval requirements and is only subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

As none of the Directors has any material interest in the connected transaction herein announced, no Director was required to abstain from voting on the Board resolution passed in connection with this announcement.

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. The principal activities of the CKH Group are investment holding, property development and investment, hotel and serviced suite operation, property and project management and investment in securities.

Definitions

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

“Acquisition and Development”	acquisition of the land use right of the Land pursuant to the Land Use Right Transfer Contract for development into residential and commercial properties;
“Board”	board of Directors;
“Chongqing Land Bureau”	重慶市國土資源和房屋管理局 (Chongqing Land Resources and Housing Administration Bureau*), a government department in Chongqing, the PRC;
“CKH”	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 001) and a controlling shareholder of the Company;
“CKH Group”	CKH and its subsidiaries;
“Company”	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 13);
“connected person”	has the meaning ascribed to such term in the Listing Rules;
“controlling shareholder”	has the meaning ascribed to such term in the Listing Rules;
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Land”	the land known as Lot Nos. G18-1/02 and G19-1-1/02 with a gross area of approximately 132,471 square metres and located at 中國重慶市北部新區大竹林組團G標準分區(G Zone of Dazhulin Section, New Northern District*, Chongqing, the PRC), the subject matter of the Land Use Right Transfer Contract;
“Land Use Right Transfer Contract”	the contract expected to be entered into between Project Co and the Chongqing Land Bureau on 30 December 2010 for the Acquisition and Development;
“Listing Rules”	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
“PRC”	the People’s Republic of China;
“Project Co”	和記黃埔地產(重慶兩江新區)有限公司 Hutchison Whampoa Properties (Chongqing Liangjiangxinqu) Limited, an enterprise established under the laws of the PRC for the Acquisition and Development and indirectly owned as to 50% by each of CKH and the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC; and
“%”	per cent.

The exchange rate used for reference purpose only in this announcement is RMB0.8523 to HK\$1.00.

** Name translated for reference purpose only in this announcement.*

By Order of the Board

Edith Shih
Company Secretary

Hong Kong, 28 December 2010

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 Holger KLUGE
Mrs Margaret LEUNG KO May Yee
Mr William Elkin MOCATTA
(Alternate to The Hon Sir Michael David Kadoorie)
Mr WONG Chung Hin