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Hutchison Whampoa Limited



(incorporated in Hong Kong with limited liability)

(Stock Code: 13)

CONNECTED TRANSACTIONS

The Board announces that following the successful bidding for the land use right of the Land located at 中國佛山市禪城區科潤路以南、禪港路以西 (in the South of Kerun Road and West of Changang Road, Chancheng District*, Foshan, PRC), the terms of the Land Use Right Transfer Contract have been agreed with the Foshan Land Bureau today and are expected to be executed by Project Co on or about 18 November 2011. The Land has a net area of approximately 74,857.72 square metres and is being acquired for development into residential and commercial properties. The total consideration under the Land Use Right Transfer Contract is RMB896 million (approximately HK\$1,099 million) and is payable by instalments.

The initial total investment and registered capital of Project Co, both being currently set at HK\$760 million, are expected to be increased to HK\$1,516.46 million and HK\$1,128.50 million respectively. Such registered capital will be applied towards funding the payment of the land cost, construction costs and other project costs for the development of the Land, and is to be injected into JV Holdco (and thereafter its subsidiary or subsidiaries) by way of advances directly made from time to time by the respective subsidiaries of CKH and the Company on identical terms and in proportion to their respective indirect equity interests in Project Co. As and when there is a desire to strengthen the capital structure of JV Holdco, advances made from time to time by respective subsidiaries of CKH and the Company to JV Holdco will be capitalised on a pro rata basis, thereby resulting in an elimination of the subject advances and issue of new shares in JV Holdco credited as fully paid.

Project Co, which is being indirectly owned as to 50% by each of CKH and the Company, is a wholly owned foreign enterprise newly established under the laws of PRC for the Acquisition and Development. JV Holdco is also being indirectly owned as to 50% by each of CKH and the Company as the intermediate holding company for Project Co. Each of CKH and JV Holdco is a connected person of the Company by virtue of being either a substantial shareholder of the Company at the listed issuer level or an associate of such substantial shareholder. Accordingly, each of the entering into of the joint venture arrangement comprising the establishment of Project Co, and issue of new shares of JV Holdco to the Company's subsidiary pursuant to any advance capitalisation, constitutes or will constitute a connected transaction for the Company under the Listing Rules. As one or more of the relevant percentage ratios in respect of such joint venture arrangement represented by the size of the Company's financial commitment in respect of Project Co, and the maximum value of the advances made or to be made by a subsidiary of the Company in connection with the Acquisition and Development which may be subject to advance capitalisation, namely

HK\$564.25 million, is or are more than 0.1% but less than 5%, the entering into of such transactions, are or will be exempt from the independent shareholders' approval requirements and are or will be only subject to the reporting and announcement requirements set out in the Listing Rules.

Acquisition and Development

Following the successful bidding for the land use right of the Land located at 中國佛山市禪城區科潤路以南、禪港路以西 (in the South of Kerun Road and West of Changang Road, Chancheng District*, Foshan, PRC), the terms of the Land Use Right Transfer Contract have been agreed with the Foshan Land Bureau today and are expected to be executed by Project Co on or about 18 November 2011.

Land Use Right Transfer Contract

Parties:	Project Co and Foshan Land Bureau
Location:	中國佛山市禪城區科潤路以南、禪港路以西 (in the South of Kerun Road and West of Changang Road, Chancheng District*, Foshan, PRC)
Net area:	approximately 74,857.72 square metres
Consideration:	RMB896 million (approximately HK\$1,099 million) payable by instalments
Purpose of Acquisition and Development:	residential and commercial
Terms of Land Use Right:	70 years for residential properties and 40 years for commercial properties
Proposed signing date:	on or about 18 November 2011

The initial total investment and registered capital of Project Co, both being currently set at HK\$760 million, are expected to be increased to HK\$1,516.46 million and HK\$1,128.50 million respectively. Such registered capital, which is 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, and is to be injected into JV Holdco (and thereafter its subsidiary or subsidiaries) by way of advances directly made or to be made from time to time by the respective subsidiaries of CKH and the Company on identical terms and in proportion to their respective indirect equity interests in Project Co. As and when there is a desire to strengthen the capital structure of JV Holdco, advances made from time to time by the respective subsidiaries of CKH and the Company to JV Holdco will be capitalised on a pro rata basis, thereby resulting in an elimination of the subject advances and issue of new shares in JV Holdco credited as fully paid. On any advance capitalisation, new shares in JV Holdco will be issued to each of JV Holdco's then existing shareholders whose advance is being capitalised at par value together with a share premium (or its equivalent) of an aggregate amount which is equal to the face value of the advance which is being capitalised. The maximum value of the advances made or to be made to JV Holdco by each of CKH and the Company (or their respective subsidiaries) in connection with the Acquisition and Development which may be subject to advance capitalisation is HK\$564.25 million.

Reasons for, and the benefits of, the transactions

The Acquisition and Development are consistent with one of the Company's core business strategies and the establishment of Project Co and any strengthening of JV Holdco's capital structure are transactions essential, necessary and/or incidental to pursuing such strategies.

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

Listing Rules Implications

Project Co, which is being indirectly owned as to 50% by each of CKH and the Company, is a wholly owned foreign enterprise newly established for the Acquisition and Development. JV Holdco is also being indirectly owned as to 50% by each of CKH and the Company as the intermediate holding company for Project Co. Each of CKH and JV Holdco is a connected person of the Company by virtue of being either a substantial shareholder of the Company at the listed issuer level or being an associate of such substantial shareholder. Accordingly, each of the entering into of the joint venture arrangement comprising the establishment of Project Co and implementation of any advance capitalisation on the part of the Company constitutes or will constitute a connected transaction for the Company under Listing Rule 14A.13. As one or more of the relevant percentage ratios in respect of such joint venture arrangement or advance capitalisation represented by the size of the Company's financial commitment in respect of Project Co or the maximum value of the advances made or to be made by a subsidiary of the Company in connection with the Acquisition and Development which may be subject to advance capitalisation is or are more than 0.1% but less than 5%, the entering into of such transactions, are or will be exempt from the independent shareholders' approval requirements and are or will be only subject to the reporting and announcement requirements set out in the Listing Rules.

As none of the Directors has any material interest in the connected transactions herein announced, no Director was required to abstain from voting on the Board resolutions 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 and infrastructure, finance and 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. The principal activities of JV Holdco are investment holding.

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;
“advance capitalisation”	a capitalisation of advance(s) made or to be made to JV Holdco by a subsidiary of either CKH or the Company resulting in an elimination of such advance(s) and issue of new share(s) in JV Holdco pro rata to each such subsidiary’s equity interest in JV Holdco, credited as fully paid and on such other identical terms as to be agreed with the board of directors of JV Holdco;
“associate”	has the meaning ascribed to such term in the Listing Rules;
“Board”	board of Directors;
“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 substantial 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;
“Directors”	directors of the Company;
“Foshan Land Bureau”	佛山市國土資源和城鄉規劃局 (Foshan Land Resources and Urban and Rural Planning Bureau*), a government department in Foshan, PRC;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“JV Holdco”	Bayswater Developments Limited, a company incorporated in the British Virgin Islands with limited liability, the issued share capital of which (comprising of shares of par value US\$1 each) is held and owned as to 50% by indirect subsidiaries of each of CKH and the Company;

“Land”	the land known as 佛禪 (掛) 2011-022 (Lot No. Fochan 2011-022*) with a net area of approximately 74,857.72 square metres and located at 中國佛山市禪城區科潤路以南、禪港路以西 (in the South of Kerun Road and West of Changang Road, Chancheng District*, Foshan, 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 Foshan Land Bureau on or about 18 November 2011 for the Acquisition and Development;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Project Co”	佛山市和記黃埔地產有限公司 (Foshan Hutchison Whampoa Properties Limited), a wholly owned foreign enterprise newly established under the laws of PRC for the Acquisition and Development and indirectly owned as to 50% by each of CKH and the Company;
“RMB”	Renminbi, the lawful currency of PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to such term in the Listing Rules;
“substantial shareholder”	has the meaning ascribed to such term in the Listing Rules;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	percent.

The exchange rate used for reference purpose only in this announcement is RMB1.00 to HK\$1.226.

** Names translated for reference purposes only in this announcement.*

By Order of the Board

Edith Shih
Company Secretary

Hong Kong, 16 November 2011

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 Director:

Mr George Colin MAGNUS

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 William SHURNIAK
Mr WONG Chung Hin