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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 中國上海市青浦區趙巷鎮特色居住16號 (Specially Designed Residential Zone No. 16, Zhao Xiang Town, Qing Pu District*, Shanghai, PRC), the terms of the Land Use Right Transfer Contract have been agreed between Project Co and the Shanghai Qing Pu Land Bureau today and signing is expected to take place on or about 15 May 2012. The Land has a net area of approximately 144,482.40 square metres and is being acquired for development into residential properties. The total consideration under the Land Use Right Transfer Contract is RMB1,408.70 million (approximately HK\$1,730.45 million) and is payable by instalments.

The total investment and registered capital of Project Co are set at HK\$2,275.50 million and HK\$1,862.20 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 foreign owned enterprise newly established under the laws of PRC for the Acquisition and Development. JV Holdco is being indirectly owned as to 50% by each of CKH and the Company as the intermediate holding company of 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 any 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, 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, namely HK\$931.10 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 中國上海市青浦區趙巷鎮特色居住16號 (Specially Designed Residential Zone No. 16, Zhao Xiang Town, Qing Pu District*, Shanghai, PRC), the terms of the Land Use Right Transfer Contract have been agreed between Project Co and the Shanghai Qing Pu Land Bureau today and signing is expected to take place on or about 15 May 2012.

Land Use Right Transfer Contract

Parties:	Project Co and Shanghai Qing Pu Land Bureau
Location:	中國上海市青浦區趙巷鎮特色居住16號 (Specially Designed Residential Zone No. 16, Zhao Xiang Town, Qing Pu District*, Shanghai, PRC)
Net area:	approximately 144,482.40 square metres
Consideration:	RMB1,408.70 million (approximately HK\$1,730.45 million), payable by instalments
Purpose of Acquisition and Development:	residential
Terms of land use right:	70 years
Proposed signing date:	on or about 15 May 2012

The total investment and registered capital of Project Co are set at HK\$2,275.50 million and HK\$1,862.20 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\$931.10 million.

Reasons for, and the benefits of, the transactions

The Acquisition and Development are consistent with 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 foreign owned enterprise newly established for the Acquisition and Development. JV Holdco is being indirectly owned as to 50% by each of CKH and the Company as the intermediate holding company of 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 the Listing Rules. 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 six core businesses: ports and related services, property and hotels, retail, infrastructure, energy, and telecommunications. The principal activities of the CKH Group encompass property development and investment, hotel and serviced suite operation, and property and project management. 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 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;
“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 and indirectly owned as to 50% by each of CKH and the Company and an indirect holding company of Project Co;
“Land”	the land known as 地塊公告號201116601 (Lot No. 201116601*) with a net area of approximately 144,482.40 square metres and located at 中國上海市青浦區趙巷鎮特色居住16號 (Specially Designed Residential Zone No. 16, Zhao Xiang Town, Qing Pu District*, Shanghai, PRC), the subject matter of the Land Use Right Transfer Contract;
“Land Use Right Transfer Contract”	the contract to be entered into between Project Co and the Shanghai Qing Pu Land Bureau on or about 15 May 2012 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”	上海和新房產開發有限公司 (Shanghai He Xin Property Development Co., Ltd.), a wholly foreign owned enterprise newly established under the laws of PRC for the Acquisition and Development and an indirect wholly-owned subsidiary of JV Holdco;
“RMB”	Renminbi, the lawful currency of PRC;
“Shanghai Qing Pu Land Bureau”	上海市青浦區規劃和土地管理局 (Shanghai Qing Pu Planning and Land Administration Bureau*), a government department in Qing Pu District, Shanghai, 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;
“%”	percent.

The exchange rate used for reference purpose only in this announcement is RMB1.00 to HK\$1.2284.

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

By Order of the Board

Edith Shih

Company Secretary

Hong Kong, 15 May 2012

As at the date of this announcement, the Directors of the Company 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