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Hutchison Whampoa Limited 

和記黃埔有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 13)

CONTINUING CONNECTED TRANSACTIONS

MASTER AGREEMENTS FOR ACQUISITION OF CONNECTED DEBT SECURITIES

The Board announces that, on 17 April 2009, the Company had entered into the conditional Master Agreements pursuant to which the Company or its wholly owned subsidiaries may acquire the respective Connected Debt Securities issued by the respective Connected Issuers.

The Connected Issuers are connected persons of the Company by virtue of being either a substantial shareholder of the Company, an associate of a substantial shareholder or an associate of a Director. The transactions underlying the CKH Master Agreement or HSE Master Agreement constitute continuing connected transactions for the Company which are subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules, if these transactions, on an aggregated basis, are in excess of the applicable percentage ratios of the Company under the Listing Rules.

By virtue of their respective interests in the Master Agreements, further particulars of which are set out below, CKH, Messrs Li and their associates will abstain from voting on the relevant resolution approving the transactions contemplated under the relevant Master Agreement at the EGM. CKH and its associates are together interested in 2,130,202,773 Shares (representing approximately 49.97% of the voting rights of the Company) as at the date of this announcement. Messrs Li and their associates are together interested in 2,191,962,543 Shares (representing approximately 51.41% of the voting rights of the Company) as at the date of this announcement. The vote of the Independent Shareholders at the EGM on such resolutions will be taken by poll.

The Circular containing, among other things, details of the Master Agreements in connection with the acquisition of Connected Debt Securities, the recommendation of the Independent Board Committee, and the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice convening the EGM to approve, among other things, the entering into of the Master Agreements and the grant of the CCT Approval, will be despatched to Shareholders as soon as practicable.

The Board announces that, on 17 April 2009, the Company entered into the CKH Master Agreement and HSE Master Agreement pursuant to which the Company or its wholly owned subsidiaries may acquire the respective Connected Debt Securities issued by the respective Connected Issuers. The Connected Issuers are connected persons of the Company by virtue of being either a substantial shareholder of the Company, an associate of a substantial shareholder or an associate of a Director. The transactions contemplated under the CKH Master Agreement and the HSE Master Agreement constitute continuing connected transactions for the Company which are subject to the reporting,

announcement and independent shareholders' approval requirements of the Listing Rules if these transactions, on an aggregated basis, are in excess of the applicable percentage ratios of the Company under the Listing Rules.

CKH Master Agreement

Set out below is a summary of the CKH Master Agreement, terms of which require Independent Shareholders' approval at the EGM:

Date: 17 April 2009

Parties: CKH
Company

The parties agree that the Company or its wholly owned subsidiaries may acquire the CKH Connected Debt Securities issued by the CKH Connected Issuers in the secondary market subject to (i) the Company obtaining all applicable approvals (including the CCT Approval, if applicable), and (ii) the entering into of separate contracts in forms and on terms to be agreed between members of the Group and third parties (such as banks, debt securities dealers and institutional investors) who are independent of the Group from time to time during the CCT Relevant Period. By entering into the CKH Master Agreement, no CKH Connected Issuer is under any obligation to issue, and none of the Company and its subsidiaries is under any obligation to acquire, any CKH Connected Debt Securities.

The consideration for the CKH Connected Debt Securities will be on normal commercial terms to be determined with reference to market prices quoted on financial data providers (such as Bloomberg), which will be updated from time to time to reflect the ask/bid prices quoted by independent third parties (such as banks, debt securities dealers and institutional investors) having regard to the prevailing credit spread, market liquidity and counterparty risk, and, where applicable, accrued coupons of the CKH Connected Debt Securities and will be settled in accordance with the terms of the CKH Connected Issuers as may be applicable from time to time. For the other terms of the CKH Connected Debt Securities, they would have been determined by the relevant CKH Connected Issuers at the time such securities were first issued.

The cap applicable to the transactions contemplated under the CKH Master Agreement and effected during the CCT Relevant Period shall be subject to limitations (i) and (ii) more particularly set out below.

The limitations pursuant to which the CCT Approval is granted include the following:

- (i) the CKH Net Connected Debt Securities Position during the CCT Relevant Period shall not exceed 20% of the aggregate value of the subject issue and all outstanding CKH Connected Debt Securities of the same issuer with the same maturity or shorter maturities;
- (ii) the aggregate amount of the CKH Net Connected Debt Securities Position and the HSE Net Connected Debt Securities Position at any time during the CCT Relevant Period shall not exceed HK\$16,380 million being approximately 20% of the Company's "net liquid assets" as at 31 December 2008 (the "Reference Date"). For this purpose, the Company's "net liquid assets" as at the Reference Date shall mean the aggregate value of cash, deposits and marketable securities held by the Company or any entity which is accounted for and consolidated in the accounts of the Company as subsidiaries as at the Reference Date less the aggregate value of any such assets which are subject to pledges or other encumbrances as at the Reference Date; The above formulation was determined as the cap for any acquisition of the Connected Debt Securities to avoid any undue concentration in a single issue of Connected Debt Securities and to achieve a reasonable degree of diversification, which is in line with the market practice as opined by the Independent Financial Adviser;

- (iii) the CKH Connected Debt Securities shall be (a) listed for trading on a recognised exchange, (b) offered to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended, (c) offered to persons outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, or (d) offered pursuant to an issue where the aggregate value of such issue and all other outstanding CKH Connected Debt Securities of the same issuer is no less than US\$500 million or its equivalent in other currencies permitted under (vi) below, and in all cases the CKH Connected Debt Securities shall be acquired by the Company or any of its wholly-owned subsidiaries only from the secondary market and on normal commercial terms arrived at after arm's length negotiations;
- (iv) the CKH Connected Debt Securities shall be of at least investment grade or its equivalent;
- (v) the CKH Connected Debt Securities shall not include zero coupon instruments or instruments with any imbedded option, right to convert into or exchange for any form of equity interest or derivative;
- (vi) the CKH Connected Debt Securities shall be issued in any of the following currencies, Hong Kong Dollars, the United States Dollars, Canadian Dollars or such other currency as the Directors who have no material interest in the proposed acquisition of CKH Connected Debt Securities consider in their reasonable opinion as posing a risk acceptable to the Group having regard to the Group's assets and businesses from time to time; and
- (vii) the CKH Connected Debt Securities shall have maturity not in excess of 15 years.

HSE Master Agreement

Set out below is a summary of the HSE Master Agreement, terms of which require Independent Shareholders' approval at the EGM:

Date: 17 April 2009

Parties: HSE
Company

The parties agree that the Company or its wholly owned subsidiaries may acquire the HSE Connected Debt Securities issued by the HSE Connected Issuers in the secondary market subject to (i) the Company obtaining all applicable approvals (including the CCT Approval, if applicable), and (ii) the entering into of separate contracts in forms and on terms to be agreed between members of the Group and third parties (such as banks, debt securities dealers and institutional investors) who are independent of the Group from time to time during the CCT Relevant Period. By entering into the HSE Master Agreement, no HSE Connected Issuer is under any obligation to issue, and none of the Company and its subsidiaries is under any obligation to acquire, any HSE Connected Debt Securities.

The consideration for the HSE Connected Debt Securities will be on normal commercial terms to be determined with reference to market prices quoted on financial data providers (such as Bloomberg), which will be updated from time to time to reflect the ask/bid prices quoted by independent third parties (such as banks, debt securities dealers and institutional investors) having regard to the prevailing credit spread, market liquidity and counterparty risk, and, where applicable, accrued coupons of the HSE Connected Debt Securities and will be settled in accordance with the terms of the HSE Connected Issuers as may be applicable from time to time. For the other terms of the HSE Connected Debt Securities, they would have been determined by the relevant HSE Connected Issuers at the time such securities were first issued.

The cap applicable to the transactions contemplated under the HSE Master Agreement and effected during the CCT Relevant Period shall be subject to limitations (i) and (ii) more particularly set out below.

The limitations pursuant to which the CCT Approval is granted include the following:

- (i) the HSE Net Connected Debt Securities Position during the CCT Relevant Period shall not exceed 20% of the aggregate value of the subject issue and all outstanding HSE Connected Debt Securities of the same issuer with the same maturity or shorter maturities;
- (ii) the aggregate amount of the HSE Net Connected Debt Securities Position and the CKH Net Connected Debt Securities Position at any time during the CCT Relevant Period shall not exceed HK\$16,380 million being approximately 20% of the Company's "net liquid assets" as at 31 December 2008 (the "Reference Date"). For this purpose, the Company's "net liquid assets" as at the Reference Date shall mean the aggregate value of cash, deposits and marketable securities held by the Company or any entity which is accounted for and consolidated in the accounts of the Company as subsidiaries as at the Reference Date less the aggregate value of any such assets which are subject to pledges or other encumbrances as at the Reference Date; The above formulation was determined as the cap for any acquisition of the Connected Debt Securities to avoid any undue concentration in a single issue of Connected Debt Securities and to achieve a reasonable degree of diversification, which is in line with the market practice as opined by the Independent Financial Adviser;
- (iii) the HSE Connected Debt Securities shall be (a) listed for trading on a recognised exchange, (b) offered to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended, (c) offered to persons outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, or (d) offered pursuant to an issue where the aggregate value of such issue and all other outstanding HSE Connected Debt Securities of the same issuer is no less than US\$500 million or its equivalent in other currencies permitted under (vi) below, and in all cases the HSE Connected Debt Securities shall be acquired by the Company or any of its wholly-owned subsidiaries only from the secondary market and on normal commercial terms arrived at after arm's length negotiations;
- (iv) the HSE Connected Debt Securities shall be of at least investment grade or its equivalent;
- (v) the HSE Connected Debt Securities shall not include zero coupon instruments or instruments with any imbedded option, right to convert into or exchange for any form of equity interest or derivative;
- (vi) the HSE Connected Debt Securities shall be issued in any of the following currencies, Hong Kong Dollars, the United States Dollars, Canadian Dollars or such other currency as the Directors who have no material interest in the proposed acquisition of HSE Connected Debt Securities consider in their reasonable opinion as posing a risk acceptable to the Group having regard to the Group's assets and businesses from time to time; and
- (vii) the HSE Connected Debt Securities shall have maturity not in excess of 15 years.

14.58(4)
14.58(5)

The duration of each of the Master Agreements is for the CCT Relevant Period, unless terminated earlier in accordance with the relevant Master Agreement.

REASONS FOR, AND BENEFITS OF, THE CONTINUING CONNECTED TRANSACTIONS

It is one of the core businesses of the Group to be engaged in finance and investments activities and the Group has consistently applied conservative treasury policies in its cash and financial management. With a sharp slowdown in the global economy, the onset of the most challenging environment in recent times with growth slowing in most markets and many of the world's major economies in recession and the unprecedented downturn in the performance of the banking industry globally, the returns available on surplus liquidity have been low. In reviewing the Group's investment and treasury strategy, the possibility of investing in longer dated instruments, particularly

corporate bonds of good quality is considered. The Directors consider it prudent and in the interest of the Company and the Shareholders as a whole to have the flexibility of being able to invest in debt securities issued by corporations which may be classified as connected persons of the Company, as among other things, the Directors are more familiar with the business, management and credit standing of such companies than they would normally be for arms' length companies. As it would be imprudent to put all or even a majority of Group's liquidity into such debt securities, protections and limitations are proposed in the resolution for the CCT Approval to be sought from the Independent Shareholders with a view to setting a sound framework for a liquidity investment policy applicable to Connected Debt Securities which may be acquired in the CCT Relevant Period which should improve the Group's returns while keeping increased risks within prudent limits.

Having regard to the terms of the Master Agreements, the Board (other than the Independent Non-Executive Directors who will be advised by the IFA according to the requirements of the Listing Rules and the Director(s) who has or have material interest in the relevant Master Agreement(s) and has or have accordingly abstained from voting on such matter) considers the terms of the Master Agreement to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Connected Issuers are connected persons of the Company by virtue of being either a substantial shareholder of the Company, an associate of a substantial shareholder or an associate of a Director. The transactions underlying the CKH Master Agreement and HSE Master Agreement constitute continuing connected transactions for the Company which are subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules, if these respective transactions on an aggregated basis are in excess of the applicable percentage ratios of the Company under the Listing Rules. By virtue of their respective interests in the Master Agreements described above, CKH, Messrs Li Ka-shing and Li Tzar Kuoi, Victor and their respective associates will abstain from voting at the EGM on the relevant resolution proposed to be passed to approve and ratify the relevant Master Agreement and grant the CCT Approval. As at the date of this announcement, CKH and its associates are together interested in 2,130,202,773 Shares (representing approximately 49.97% of the voting rights of the Company). As at the date of this announcement, Messrs. Li and their respective associates are together interested in 2,191,962,543 Shares (representing approximately 51.41% of the voting rights of the Company). The vote of the Independent Shareholders at the EGM will be taken by poll.

Any acquisition of Connected Debt Securities will also constitute a "transaction" within the meaning ascribed to that term in Listing Rule 14.04(1)(a). The Company will comply with any applicable and outstanding requirements prescribed by the Listing Rules prevailing at the time on any acquisition of CKH Connected Debt Securities or HSE Connected Debt Securities made pursuant to or in accordance with the respective Master Agreements.

INFORMATION RELATING TO THE GROUP

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

INFORMATION RELATING TO THE CKH CONNECTED ISSUERS

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

INFORMATION RELATING TO THE HSE CONNECTED ISSUERS

HSE is an international energy and energy-related company with its energy businesses integrated through the three industry sectors: upstream, midstream and downstream.

EGM

The approval and ratification of the entering into of the respective Master Agreements and the CCT Approval will be sought from the Independent Shareholders at the EGM.

The Independent Board Committee has been established to give an opinion to the Independent Shareholders in respect of the respective terms of the Master Agreements. Somerley has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the respective terms of the Master Agreements and of the CCT Approval.

The Circular containing, among other things, details of the Master Agreements in connection with the acquisition of Connected Debt Securities, the recommendation of the Independent Board Committee, and the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice convening the EGM to approve, among other things, the entering into of the Master Agreements and the grant of the CCT Approval will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“CCT Approval”	the approval to be sought from the Independent Shareholders at the EGM for acquisition of the Connected Debt Securities pursuant to the Master Agreements and subject to the limitations set out in the Master Agreements and the proposed resolution seeking the same
“CCT Relevant Period”	the period from the obtaining of the CCT Approval until the earlier of: (i) the conclusion of the next annual general meeting of the Company; and (ii) the date on which the authority set out in the CCT Approval is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company
“CKH”	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1), the controlling shareholder and a connected person of the Company
“CKH Connected Debt Securities”	such bonds, notes, commercial paper or other similar debt instruments as are or to be issued by any of the CKH Connected Issuers pursuant to the CKH Master Agreement

“CKH Connected Issuers”	the issuers of the CKH Connected Debt Securities, being CKH or any of its subsidiaries
“CKH Master Agreement”	the master agreement dated 17 April 2009 and made between the Company and CKH setting out the basis upon which the CKH Connected Debt Securities may be issued by the CKH Connected Issuers and acquired by the Company or its wholly owned subsidiaries
“CKH Net Connected Debt Securities Position”	the aggregate gross purchase price of CKH Connected Debt Securities of a particular issue to be acquired, after deducting any net sale proceeds of CKH Connected Debt Securities sold, by the Connected Debt Securities Purchasers
“Circular”	the circular to be despatched to Shareholders as soon as practicable containing, among other things, details of the Master Agreements in connection with the acquisitions of Connected Debt Securities, the recommendation of the Independent Board Committee, and the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice convening the EGM to approve, among other things, the entering into of the Master Agreements and the grant of the CCT Approval
“Company”	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 13)
“Connected Debt Securities”	either CKH Connected Debt Securities or HSE Connected Debt Securities, as the context may require
“Connected Debt Securities Purchaser”	the Company or any of its wholly-owned subsidiaries which is designated as the purchaser of Connected Debt Securities as contemplated under either the CKH Master Agreement or HSE Master Agreement, and “Connected Debt Securities Purchasers” shall be construed accordingly
“Connected Issuer”	either a CKH Connected Issuer or an HSE Connected Issuer, as the case may be, and “Connected Issuers” shall be construed accordingly
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened to be held on Thursday, 21 May 2009 at 12:20 p.m. (or as soon as the annual general meeting of the Company convened to be held on the same day at 12:00 noon shall have been concluded or adjourned)
“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 the PRC

“HSE”	Husky Energy Inc, a corporation incorporated under the laws of the Province of Alberta, Canada whose securities are listed on the Toronto Stock Exchange under the symbol HSE, and a connected person of the Company
“HSE Connected Debt Securities”	such bonds, notes, commercial paper or other similar debt instruments as are or to be issued by any of the HSE Connected Issuers pursuant to the HSE Master Agreement
“HSE Connected Issuers”	the issuers of the HSE Connected Debt Securities, being HSE or any of its subsidiaries
“HSE Master Agreement”	the master agreement dated 17 April 2009 and made between the Company and HSE setting out the basis upon which the HSE Connected Debt Securities may be issued by the HSE Connected Issuers and acquired by the Company or its wholly owned subsidiaries
“HSE Net Connected Debt Securities Position”	the aggregate gross purchase price of HSE Connected Debt Securities of a particular issue to be acquired, after deducting any net sale proceeds of HSE Connected Debt Securities sold, by the Connected Debt Securities Purchasers
“Independent Board Committee”	an independent committee of the Board, comprising of the Independent Non-executive Directors of the Company, namely, The Hon. Sir Michael David KADOORIE, Messrs. Holger KLUGE, OR Ching Fai, Raymond and WONG Chung Hin, established to provide a recommendation in relation to the respective terms of the Master Agreements and of the CCT Approval
“Independent Financial Adviser” or “Somerley”	Somerley Limited, a corporation licensed to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the respective terms of the Master Agreements and of the CCT Approval
“Independent Shareholders”	Shareholders who do not have any material interests in the relevant Master Agreements other than by virtue of their respective shareholdings in the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Agreements”	collectively the CKH Master Agreement and the HSE Master Agreement
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

“Share(s)”	share(s) of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board

Edith Shih
Company Secretary

Hong Kong, 17 April 2009

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
 Mr. OR Ching Fai, Raymond
 Mr. WONG Chung Hin

Alternate Director:

Mr. William Elkin MOCATTA
(Alternate to The Hon. Sir Michael David Kadoorie)