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Hutchison Whampoa Limited



(Incorporated in Hong Kong with limited liability)
(Stock Code: 13)

CONNECTED TRANSACTION

ACQUISITION OF ASSETS FROM A CONNECTED PERSON

The Board announces that after trading hours on 31 December 2010, an agreement was entered into for the sale by CRH (or its subsidiaries) and the purchase by the Company (or its subsidiaries) of the Sale Assets comprising equity and (in certain cases) loan interests in HITIL, HIT, Splendid, Eckstein, HPYIL and Omaha and the Property Interest for a total cash consideration of HK\$5,700 million subject to the terms and conditions set out therein. Completion of the Acquisition is expected to occur on or before 7 January 2011.

CRH is a connected person of the Company by virtue of being a substantial shareholder of HITIL, Splendid, Eckstein, HPYIL and Omaha, all being subsidiaries of the Company. As one or more of the relevant percentage ratios represented by the Sale Assets, in aggregate, is or are more than 1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements of the Listing Rules.

INTRODUCTION

After the trading hours on 31 December 2010, an agreement was entered into for the sale by CRH (or its subsidiaries) and the purchase by the Company (or its subsidiaries) of the Sale Assets comprising equity and (in certain cases) loan interests in HITIL, HIT, Splendid, Eckstein, HPYIL and Omaha and the Property Interest on the terms and conditions set out therein and as summarized below:

SALE AND PURCHASE AGREEMENT

Date

31 December 2010

Parties

- (1) The Company (or its subsidiaries), as purchaser
- (2) CRH (or its subsidiaries), as seller

Sale Assets

The Sale Assets comprise the HITIL Sale Shares, the Splendid Sale Shares, the Eckstein Sale Shares, the HPYIL Sale Shares, the Omaha Sale Shares, the HIT Shareholder's Loan, the HPYIL Shareholder's Loan, the Omaha Shareholder's Loan and the Property Interests.

Consideration for the Sale Assets

HK\$5,700 million payable in cash in full at Completion.

Such consideration has been arrived at after arm's length negotiations having regard to various relevant factors including with reference to recent market transactions and the prevailing commercial and business conditions in which the HITIL Group and HPYIL Group operate.

Completion

Completion of the Acquisition is expected to occur on or before 7 January 2011.

The HITIL Sale Shares and the Splendid Sale Shares may be subject to certain pre-emption rights of other shareholder(s) of HITIL and Splendid. The Company (or its subsidiaries) will acquire all such shares subject to any such reduction as may be resulted from the valid exercise of any pre-emptive right of up to 1/90th by such other shareholder(s) of HITIL and Splendid.

Other terms

Each of CRH and the Company agrees to provide to the other representations, warranties and covenants usual and customary for a transaction of this nature.

REASONS FOR, AND BENEFITS OF, THE ACQUISITION

The Acquisition will allow the Group to increase its percentage interest in the Sale Assets from the existing level of (i) 89% (for the Sale Shares and the Shareholders' Loans other than the Omaha Sale Shares and the Omaha Shareholder's Loan), (ii) 88% (for the Omaha Sale Shares and the Omaha Shareholder's Loan), and (iii) 54.55% (for the Property Interest) all on terms which the Board (including the Independent Non-executive Directors) considers to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

CRH is a connected person of the Company by virtue of it being a substantial shareholder of HITIL, Splendid, Eckstein, HPYIL and Omaha, which are all subsidiaries of the Company. As the relevant percentage ratios represented by the Sale Assets, on an aggregated basis, is or are more than 1% but less than 5%, the Acquisition constitutes a connected transaction for the Company which is subject to the reporting and announcement requirements set out in the Listing Rules 14A.45 to 14A.47 and is exempt from the independent shareholders' approval requirements of the Listing Rules. None of the Directors has any material interest in the Acquisition and none of them was required to abstain from voting on such relevant Board resolution.

INFORMATION RELATING TO THE GROUP

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.

INFORMATION RELATING TO CRH

CRH has advised that it is an investment holding company.

INFORMATION RELATING TO SUBJECT MATTER

Based on the audited financial statements of HITIL prepared on Hong Kong generally accepted auditing standards, the audited net liabilities value of HITIL as at 31 December 2009 was HK\$10,267 million; the audited profit before taxation and extraordinary items of HITIL for the two financial years ended 31 December 2008 and 31 December 2009 was HK\$1,766 million and HK\$1,709 million respectively and the audited profit after tax and extraordinary items of HITIL for the two financial years ended 31 December 2008 and 31 December 2009 was HK\$1,493 million and HK\$1,390 million respectively.

Based on the audited financial statements of Splendid prepared on Hong Kong generally accepted auditing standards, the audited net asset value of Splendid as at 31 December 2009 was HK\$1 million; the audited profit before taxation and extraordinary items of Splendid for the two financial years ended 31 December 2008 and 31 December 2009 was HK\$0.2 million and HK\$0.4 million respectively and the audited profit after tax and extraordinary items of Splendid for the two financial years ended 31 December 2008 and 31 December 2009 was HK\$0.2 million and HK\$0.4 million respectively.

Based on the audited financial statements of Eckstein prepared on Hong Kong generally accepted auditing standards, the audited net asset value of Eckstein as at 31 December 2009 was HK\$28 million; the audited profit before taxation and extraordinary items of Eckstein for the two financial years ended 31 December 2008 and 31 December 2009 was HK\$3 million and HK\$2 million respectively and the audited profit after tax and extraordinary items of Eckstein for the two financial years ended 31 December 2008 and 31 December 2009 was HK\$3 million and HK\$2 million respectively.

Based on the audited financial statements of HPYIL prepared on Hong Kong generally accepted auditing standards, the audited net asset value of HPYIL as at 31 December 2009 was HK\$16,674 million; the audited profit before taxation and extraordinary items of HPYIL for the two financial years ended 31 December 2008 and 31 December 2009 was HK\$3,937 million and HK\$3,280 million respectively and the audited profit after tax and extraordinary items of HPYIL for the two financial years ended 31 December 2008 and 31 December 2009 was HK\$3,697 million and HK\$3,062 million respectively.

Based on the audited financial statements of Omaha prepared on Hong Kong generally accepted auditing standards, the audited net asset value of Omaha as at 31 December 2009 was HK\$1,784 million; the audited profit before taxation and extraordinary items of Omaha for the two financial years ended 31 December 2008 and 31 December 2009 was HK\$352 million and HK\$379 million respectively and the audited profit after tax and extraordinary items of Omaha for the two financial years ended 31 December 2008 and

31 December 2009 was HK\$323 million and HK\$317 million respectively.

The book value of the entire interest of the subject matter of the Property Interest to the Group as at 31 December 2010 was HK\$390 million.

The information on the original purchase cost of the Sale Assets to the CRH Group is unavailable to the Group.

DEFINITIONS

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

“Acquisition”	the purchase by the Company (or its subsidiaries) and the sale and assignment by the CRH Group of the Sale Assets subject to and in accordance with the terms and conditions of the Sale and Purchase Agreement
“Board”	board of Directors
“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)
“Completion”	the completion of the Acquisition in accordance with the terms of the Sale and Purchase Agreement
“connected person”	has the meaning ascribed to such term in the Listing Rules
“CRH”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability, and a connected person of the Company by virtue of its relationship with the Company’s subsidiaries
“CRH Group”	CRH and its subsidiaries
“Director(s)”	director(s) of the Company
“Eckstein”	Eckstein Resources Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect subsidiary of the Company
“Eckstein Sale Shares”	10 ordinary shares of par value US\$1.00 each, representing 10% of the issued ordinary shares in the capital of Eckstein, being all the issued shares in the capital of Eckstein held by the CRH Group
“Group”	the Company and its subsidiaries
“HIT”	Hongkong International Terminals Limited, a limited liability company incorporated in Hong Kong with

	limited liability and an indirect wholly-owned subsidiary of HITIL
“HITIL”	HIT Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect subsidiary of the Company
“HITIL Group”	HITIL and its subsidiaries
“HITIL Sale Shares”	20 class A shares of par value US\$1.00 each, representing 10% of the issued class A shares in the capital of HITIL, being all the issued shares in the capital of HITIL held by the CRH Group
“HIT Shareholder’s Loan”	the aggregate principal amount of the indebtedness owed by HIT to the CRH Group as at Completion including all interest outstanding and accrued thereon (if any) up to (and including) the Completion Date
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HPYIL”	Hutchison Ports Yantian Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect subsidiary of the Company
“HPYIL Group”	HPYIL and its subsidiaries
“HPYIL Sale Shares”	20 ordinary shares of par value US\$1.00 each, representing 10% of the issued ordinary shares in the capital of HPYIL, being all the issued shares in the capital of HPYIL held by the CRH Group
“HPYIL Shareholder’s Loan”	the aggregate principal amount of the indebtedness owed by HPYIL to the CRH Group as at Completion including all interest outstanding and accrued thereon (if any) up to (and including) the Completion Date
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Omaha”	Omaha Investments Limited, a company incorporated in Hong Kong and an indirect subsidiary of the Company
“Omaha Sale Shares”	2,400 “A” ordinary shares of par value HK\$0.10 each, representing 12% of the issued “A” ordinary shares in the capital of Omaha, being all the issued shares in the capital of Omaha held by the CRH Group
“Omaha Shareholder’s Loan”	the aggregate principal amount of the indebtedness owed by Omaha to the CRH Group as at Completion including all interest outstanding and accrued thereon (if any) up to (and including) the Completion Date

“percentage ratios”	shall have the meaning ascribed to such term in the Listing Rules
“Property Interest”	the 110 equal undivided 242 nd shares of, and in, the land registered in the Land Registry as Kwun Tong Inland Lot No. 444 and in the buildings erected thereon known as 9 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong
“Sale and Purchase Agreement”	the agreement entered into between the Company and CRH on 31 December 2010 in respect of the sale and purchase of the Sale Assets subject to and on the terms thereof
“Sale Assets”	collectively, the Sale Shares, the Shareholders’ Loans and the Property Interest
“Sale Shares”	collectively, the HITIL Sale Shares, the Splendid Sale Shares, the Eckstein Sale Shares, the HPYIL Sale Shares and the Omaha Sale Shares
“Share(s)”	ordinary share(s) of par value HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Loans”	collectively, the HIT Shareholder’s Loan, the HPYIL Shareholder’s Loan and the Omaha Shareholder’s Loan
“Splendid”	Splendid Century Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect subsidiary of the Company
“Splendid Sale Shares”	20 class A shares of par value US\$1.00 each, representing 10% of the issued class A shares in the capital of Splendid, being all the issued shares in the capital of Splendid held by the CRH Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

By Order of the Board

Edith Shih

Company Secretary

Hong Kong, 3 January 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

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

Non-executive Directors:

Mr George Colin MAGNUS
Mr William SHURNIAK