

HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 013)

CONNECTED TRANSACTIONS

The Directors wish to announce that HPYL, an indirect wholly owned subsidiary of the Company, entered into the Equity Joint Venture Contract and the Acquisition Principles Agreement with the JV Partners for the establishment of the PRC JV Co to acquire, develop, operate and manage Yangshan Phase II Terminal.

To fund the payment of development costs and other project costs for the development and operation of Yangshan Phase II Terminal, the total investment and registered capital of the PRC JV Co are proposed to be RMB4,000 million (approximately HK\$3,840 million) respectively.

Pursuant to the Equity Joint Venture Contract, SSICTC, HPYL, APM, COSCO and CS will respectively hold 16%, 32%, 32%, 10% and 10% equity interests in the PRC JV Co. Any contribution to the registered capital of the PRC JV Co is expected to be made by HPYL and the JV Partners in proportion to their respective equity interests in the PRC JV Co.

COSCO Pacific is a substantial shareholder of a subsidiary of the Company and is the holding company of COSCO. Accordingly, COSCO is a connected person of the Company within the meaning of the Listing Rules, and the joint venture arrangements between HPYL and COSCO in relation to the PRC JV Co for the purpose of effecting the Acquisition and Development constitute connected transactions for the Company under Listing Rule 14A.13(6). As one or more of the relevant percentage ratios represented by the commitment amount for the Company are more than 0.1% but less than 2.5%, the joint venture arrangements in relation to the PRC JV Co are according to Listing Rule 14A.32 exempt from the independent shareholders' approval requirements and are only subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

JOINT VENTURE ARRANGEMENTS IN RELATION TO YANGSHAN PHASE II TERMINAL

Equity Joint Venture Contract

Parties: (1) SSICTC
(2) HPYL
(3) APM
(4) COSCO
(5) CS

Date: 19 December 2005

Subject matter: The establishment of the PRC JV Co for the Acquisition and Development subject to and on the terms and conditions set out therein

Acquisition Principles Agreement

Parties: (1) SSICTC
(2) HPYL
(3) APM
(4) COSCO
(5) CS

Date: 19 December 2005

Subject matter: The Acquisition and Development of Yangshan Phase II Terminal subject to and on the terms and conditions set out therein

The Directors wish to announce that HPYL, an indirect wholly owned subsidiary of the Company, entered into the Equity Joint Venture Contract and the Acquisition Principles Agreement with the JV Partners in relation to the establishment of the PRC JV Co to acquire, develop, operate and manage Yangshan Phase II Terminal.

To fund the payment of acquisition, development and other project costs for the acquisition, development and operation of Yangshan Phase II Terminal, the total investment and registered capital of the PRC JV Co are proposed to be RMB4,000 million (approximately HK\$3,840 million) respectively.

Pursuant to the Equity Joint Venture Contract, SSICTC, HPYL, APM, COSCO and CS will respectively hold 16%, 32%, 32%, 10% and 10% interests in the PRC JV Co. Any contribution to the registered capital of the PRC JV Co is expected to be made by HPYL and the JV Partners in proportion to their respective equity interests in the PRC JV Co and subject to certain conditions precedent within 6 months of issuance of the business licence of the PRC JV Co. Any profits arising from and distributed by the PRC JV Co is expected to be shared by HPYL and the JV Partners pro rata in accordance with their respective equity interests in the PRC JV Co. The contribution payable under the Equity Joint Venture Contract was arrived at after commercial negotiations amongst the parties on an arm's length basis. Further funding beyond the total investment amount will need to be agreed amongst HPYL and the JV Partners. The principal activities of the PRC JV Co will be in relation to the ownership and development of Yangshan Phase II Terminal.

The board of the PRC JV Co shall be composed of 10 (ten) directors, of which 4 (four) will be appointed by SSICTC, 2 (two) will be appointed by each of HPYL and APM, and 1 (one) will be appointed by each of COSCO and CS. The General Manager of the PRC JV Co will be nominated by SSICTC.

Under the Acquisition Principles Agreement, HPYL and the JV Partners agree to use best endeavours to procure the acquisition of Yangshan Phase II Terminal by the PRC JV Co from the owner of Yangshan Phase II Terminal, which is independent of the Company, no later than 6 months after the issuance of the business licence of the PRC JV Co.

After the approval of the establishment of the PRC JV Co has been obtained, as the Company's interest in the PRC JV Co will be 32%, the results and assets and liabilities of the PRC JV Co will be incorporated in the Company's financial statements using the equity method of accounting.

REASONS FOR THE TRANSACTION

The addition of interests in the PRC JV Co and Yangshan Phase II Terminal is consistent with one of the core business strategies for the Company. The Directors, including the Independent Non-executive Directors of the Company, consider the terms for the establishment of the PRC JV Co for the purpose of the Acquisition and Development to be in the interests of the Company and its shareholders, on normal commercial terms and fair and reasonable so far as the Company and its shareholders are concerned.

CONNECTED TRANSACTION

COSCO Pacific is a substantial shareholder of a subsidiary of the Company and the holding company of COSCO. Accordingly, COSCO is a connected person of the Company within the meaning of the Listing Rules, and the joint venture arrangements between HPYL and COSCO in relation to the PRC JV Co for the purpose of effecting the Acquisition and Development constitute connected transactions for the Company under Listing Rule 14A.13(6). As one or more of the relevant percentage ratios represented by the commitment amount for the Company are more than 0.1% but less than 2.5%, the joint venture arrangements in relation to the PRC JV Co are according to Listing Rule 14A.32 exempt from the independent shareholders' approval requirements and are only subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

GENERAL

The Group operates and invests in five core businesses: ports and related services; property and hotels; retail and manufacturing; energy, infrastructure, finance and investments; and telecommunications. The COSCO Group's businesses include container leasing, container terminals and related businesses, logistics, container manufacturing and other investments.

The Directors as at the date of this announcement 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. William Elkin MOCATTA
(Alternate to The Hon. Sir Michael David Kadoorie)
Mr. Simon MURRAY
Mr. OR Ching Fai, Raymond
Mr. WONG Chung Hin
(Also Alternate to Mr. Simon Murray)

DEFINITIONS

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

"Acquisition and Development"	acquisition of Yangshan Phase II Terminal pursuant to the Acquisition Principles Agreement and the development thereof;
"Acquisition Principles Agreement"	the agreement dated 19 December 2005 entered into by HPYL and the JV Partners for the Acquisition and Development;
"APM"	APM Terminals Yangshan Company Limited;
"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: 013);
"COSCO"	COSCO Ports (Yangshan) Limited, a wholly owned subsidiary of COSCO Pacific;
"COSCO Group"	COSCO Pacific and its subsidiaries;
"COSCO Pacific"	COSCO Pacific Limited, a company whose shares are listed on the Main Board of the Stock Exchange;
"CS"	中海碼頭發展有限公司;
"Directors"	directors of the Company;
"Equity Joint Venture Contract"	the contract dated 19 December 2005 entered into by HPYL and the JV Partners for the establishment of the PRC JV Co for the purposes of the Acquisition and Development;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"HPYL"	Hutchison Ports Yangshan Limited, an indirect wholly owned subsidiary of the Company;
"JV Partners"	APM, COSCO, CS and SSICTC which, except for COSCO, are not connected persons of the Company within the meaning of the Listing Rules;
"Listing Rules"	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
"PRC"	the People's Republic of China;
"PRC JV Co"	an equity joint venture to be established in the PRC and proposed to be named 上海亞東國際集裝箱碼頭有限公司;
"SSICTC"	上海盛東國際集裝箱碼頭有限公司;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Yangshan Phase II Terminal"	Phase II Container Terminal located at Yangshan deep water port, including 4 berths with a quay length of 1,400 metres, relevant sea area, land area of approximately 0.64 square kilometres, buildings, structures, machinery and equipment supporting facilities and all other facilities required for the normal operation of the terminal;
"HK\$"	Hong Kong Dollars, the lawful currency of Hong Kong; and
"RMB"	Renminbi, the lawful currency of the PRC.

The exchange rate used for reference purpose in this announcement is RMB1.00 to HK\$0.96.

By Order of the Board

HUTCHISON WHAMPOA LIMITED

Edith Shih
Company Secretary

Hong Kong, 19 December 2005

Hutchison Whampoa Limited

