



## CHEUNG KONG (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)  
(Stock Code: 001)



## HUTCHISON WHAMPOA LIMITED

(Incorporated in Hong Kong with limited liability)  
(Stock Code: 013)

### JOINT ANNOUNCEMENT CONNECTED TRANSACTIONS

The respective Boards of CKH and HWL wish to announce that Chongqing Jiangbei, an entity wholly owned by Bayswater and jointly controlled indirectly by CKH and HWL, was successful in the public auction bid for the Chongqing Land for development into residential and commercial properties.

JVCo, a new joint venture entity owned 50/50 through Bayswater, has been established for the sole purpose of owning and developing the Chongqing Land.

Pursuant to the Chongqing Land Use Right Transfer Contract, JVCo agreed to acquire the land use right in respect of the Chongqing Land for a consideration of RMB503,183,800 (approximately HK\$473 million) payable by instalments, and subject to the other terms and conditions set out therein.

To fund the payment of land cost, construction costs and other project costs for the development of the Chongqing Land, the total investment and registered capital of JVCo are RMB714 million (approximately HK\$671 million) and RMB250 million (approximately HK\$235 million) respectively.

Any contribution to the registered capital of, and any shareholders' loans to, JVCo has been, and is expected to be, made equally by indirect subsidiaries of CKH and HWL in proportion to their respective equity interests in JVCo.

HWL is a substantial shareholder of certain subsidiaries of CKH and hence is a connected person of CKH within the meaning of the Listing Rules. CKH is a substantial shareholder of HWL and hence is a connected person of HWL within the meaning of the Listing Rules. The joint venture arrangements for the purpose of effecting the Acquisition and Development constitute connected transactions for CKH and HWL under Listing Rule 14A.13(6). The Stock Exchange rules that the amount of total capital commitment of each of CKH and HWL in connection with the establishment of JVCo is equal to 50% of the proposed total investment of JVCo for the purpose of Listing Rule 14.15(2). As the relevant percentage ratios represented by such "commitment" amount for each of CKH and HWL are more than 0.1% but less than 2.5%, such establishment of JVCo is according to Listing Rule 14A.32 exempt from the independent shareholders' approval requirements and is subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

#### Establishment of JVCo for Acquisition and Development

##### Chongqing Land Use Right Transfer Contract

Parties: (1) JVCo

(2) Chongqing Land Bureau

Date: 13 June, 2005

Subject The transfer of the land use right in respect of the Chongqing Land subject to and on the terms matter: and conditions set out therein

The respective Boards of CKH and HWL wish to announce that Chongqing Jiangbei, an entity wholly owned by Bayswater and jointly controlled indirectly by CKH and HWL, was successful in the public auction bid for the Chongqing Land for development into residential and commercial properties.

Pursuant to the Chongqing Land Use Right Transfer Contract, JVCo agreed to acquire the land use right in respect of the Chongqing Land for a consideration of RMB503,183,800 (approximately HK\$473 million) payable by instalments, and subject to the other terms and conditions set out therein.

To fund the payment of land cost, construction costs and other project costs for the development of the Chongqing Land, the total investment and registered capital of JVCo are RMB714 million (approximately HK\$671 million) and RMB250 million (approximately HK\$235 million) respectively.

Any contribution to the registered capital of, and any shareholders' loans to, JVCo has been, and is expected to be, made equally by indirect subsidiaries of CKH and HWL in proportion to their respective equity interests in JVCo and to be provided by CKH and HWL using their respective internal resources. It is expected that any profit of JVCo is to be for the sole account of Bayswater and to be ultimately shared equally by indirect subsidiaries of CKH and HWL in proportion to their respective indirect equity interests in JVCo.

#### Reasons for the transaction

The addition of the Chongqing Land to the landbank for development into residential and commercial properties is consistent with one of the core business strategies for both CKH and HWL.

The respective Boards of CKH and HWL, including the respective Independent Non-executive Directors of CKH and HWL, consider the terms for the acquisition of the land use right of Chongqing Land and for the establishment of JVCo for the purpose of the Acquisition and Development to be in the interests of CKH and HWL and their respective shareholders, on normal commercial terms and fair and reasonable so far as CKH and HWL and their respective shareholders are concerned.

#### Connected transactions

HWL is a substantial shareholder of certain subsidiaries of CKH and hence is a connected person of CKH within the meaning of the Listing Rules. CKH is a substantial shareholder of HWL and hence is a connected person of HWL within the meaning of the Listing Rules.

The joint venture arrangements for the purpose of effecting the Acquisition and Development constitute connected transactions for CKH and HWL under Listing Rule 14A.13(6). The Stock Exchange rules that the amount of total capital commitment of each of CKH and HWL in connection with the establishment of JVCo is equal to 50% of the proposed total investment of JVCo for the purpose of Listing Rule 14.15(2). As the relevant percentage ratios represented by such "commitment" amount for each of CKH and HWL are more than 0.1% but less than 2.5%, such establishment of JVCo is according to Listing Rule 14A.32 exempt from the independent shareholders' approval requirements and is subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

#### General

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

The HWL 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 directors (*Note*) of CKH as at the date of this announcement are Mr. LI Ka-shing (*Chairman*), Mr. LI Tzar Kuoi, Victor (*Managing Director and Deputy Chairman*), Mr. George Colin MAGNUS (*Deputy Chairman*), Mr. KAM Hing Lam (*Deputy Managing Director*), Mr. CHUNG Sun Keung, Davy, Mr. IP Tak Chuen, Edmond, Ms. PAU Yee Wan, Ezra, Ms. WOO Chia Ching, Grace and Mr. CHIU Kwok Hung, Justin as Executive Directors; Mr. LEUNG Siu Hon, Mr. FOK Kin-ning, Canning, Mr. Frank John SIXT and Mr. CHOW Kun Chee, Roland as Non-executive Directors; and Mr. KWOK Tun-li, Stanley, Mr. YEH Yuan Chang, Anthony, Mr. Simon MURRAY, Mr. CHOW Nin Mow, Albert, Ms. HUNG Siu-lin, Katherine, Dr. WONG Yick-ming, Rosanna, Mr. KWAN Chiu Yin, Robert and Mr. CHEONG Ying Chew, Henry as Independent Non-executive Directors.

The directors of HWL as at the date of this announcement are Mr. LI Ka-shing (*Chairman*), Mr. LI Tzar Kuoi, Victor (*Deputy Chairman*), Mr. FOK Kin-ning, Canning (*Group Managing Director*), Mrs. CHOW WOO Mo Fong, Susan (*Deputy Group Managing Director*), Mr. Frank John SIXT (*Group Finance Director*), Mr. LAI Kai Ming, Dominic, Mr. George Colin MAGNUS and Mr. KAM Hing Lam as Executive Directors; Mr. William SHURNIAK as Non-executive Director; and Mr. Michael David KADOORIE, Mr. Holger KLUGE, Mr. William Elkin MOCATTA (*Alternate to Mr. Michael David Kadoorie*), Mr. Simon MURRAY, Mr. OR Ching Fai, Raymond and Mr. WONG Chung Hin (*also Alternate to Mr. Simon Murray*) as Independent Non-executive Directors.

#### 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 Chongqing Land pursuant to the Chongqing Land Use Right Transfer Contract and the development into residential and commercial properties;
"Bayswater"	Bayswater Developments Limited, a company incorporated in the British Virgin Islands, which is an entity jointly controlled indirectly by, and an associated company of, CKH and HWL;
"Board"	board of directors;
"Chongqing Jiangbei"	Hutchison Whampoa Properties (Chongqing Jiangbei) Limited, a company incorporated in the PRC, which is an entity wholly owned by Bayswater and jointly controlled indirectly by, and an associated company of, CKH and HWL;
"Chongqing Land"	the piece of land with an area of 470,975 square metres, located at the west of B17 Road within DouXi District of the Economic and Technological Development Park, New Northern Zone, Chongqing, the PRC;
"Chongqing Land Bureau"	Chongqing Municipal Land Resources and Real Estate Administration Bureau;
"Chongqing Land Use Right Transfer Contract"	the agreement dated 13 June, 2005 entered into by JVCo and Chongqing Land Bureau for the acquisition of the land use right in respect of the Chongqing Land;
"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);
"CKH Group"	CKH and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"HWL"	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);
"HWL Group"	HWL and its subsidiaries;
"JVCo"	Hutchison Whampoa Properties (Chongqing Jingkaiyuan) Limited, a company established in the PRC and wholly foreign owned as to 50%, and represented equally on its board of directors, by indirect wholly owned subsidiaries of CKH and HWL for effecting the Acquisition and Development;
"Listing Rules"	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
"PRC"	the People's Republic of China;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"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\$0.94.

By Order of the Board  
**CHEUNG KONG (HOLDINGS) LIMITED**  
Eirene Yeung  
Company Secretary

By Order of the Board  
**HUTCHISON WHAMPOA LIMITED**  
Edith Shih  
Company Secretary

Hong Kong, 13 June, 2005

*Note: Other than Chairman and Managing Director, order by date of appointment, and in the case of Non-executive Director ("NED")/Independent Non-executive Director ("INED"), order by date of appointment of NED/INED.*

*Please also refer to the published version of this announcement in  
The Standard and Sing Tao Daily.*