



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 TRANSACTION

The respective Boards of CKH and HWL wish to announce that New China Sheen, a company owned as to 50/50 by their respective wholly owned subsidiaries, was successful in the bid for the Shenzhen Land for development into residential and commercial properties. JVCo, a new joint venture to be held 50/50 through New China Sheen, will be established to own and develop the Shenzhen Land.

Pursuant to the Land Use Right Transfer Contract, the land use right in respect of the Shenzhen Land is acquired for a consideration of RMB495,000,000.00 (approximately HK\$465,300,000.00) subject to the terms and conditions set out therein. The balance of the consideration (after deducting the initial deposit of RMB30,000,000.00 (approximately HK\$28,200,000.00) already paid) is payable in full within 5 working days from the date of signing of the Land Use Right Transfer Contract.

To fund the payment of land cost, construction costs and other project costs for the development of the Shenzhen Land, the total investment and registered capital of JVCo are proposed to be RMB695,000,000.00 (approximately HK\$653,300,000.00) and RMB232,000,000.00 (approximately HK\$218,080,000.00) respectively. Any contribution to the registered capital of, and any shareholders' loans to, JVCo 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 a connected transaction 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

Land Use Right Transfer Contract

Parties: (1) New China Sheen
(2) Shenzhen Municipal Land Resources and Real Estate Administration Bureau

Date: 22 December, 2004

Subject Matter: The transfer of the land use rights in respect of the Shenzhen Land subject to and on the terms and conditions set out therein

The respective Boards of CKH and HWL wish to announce that New China Sheen, a company owned as to 50/50 by their respective wholly owned subsidiaries, was successful in the bid for the Shenzhen Land for development into residential and commercial properties. JVCo, a new joint venture to be held 50/50 through New China Sheen, will be established to own and develop the Shenzhen Land.

Pursuant to the Land Use Right Transfer Contract, the land use right in respect of the Shenzhen Land is acquired for a total consideration of RMB495,000,000.00 (approximately HK\$465,300,000.00) subject to the terms and conditions set out therein. The balance of the consideration (after deducting the initial deposit of RMB30,000,000.00 (approximately HK\$28,200,000.00) already paid) is payable in full within 5 working days from the date of signing of the Land Use Right Transfer Contract.

To fund the payment of land cost, construction costs and other project costs for the development of the Shenzhen Land, the total investment and registered capital of JVCo are proposed to be RMB695,000,000.00 (approximately HK\$653,300,000.00) and RMB232,000,000.00 (approximately HK\$218,080,000.00) respectively. Any contribution to the registered capital of, and any shareholders' loans to, JVCo 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.

Reasons for the transaction

The addition of the Shenzhen Land to the land bank 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 purchase of the Shenzhen 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 transaction

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 a connected transaction 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; telecommunications; property and hotels; retail and manufacturing; and energy, infrastructure, finance and investments.

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, Mr. Peter Alan Lee VINE and Mr. WONG Chung Hin 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 in respect of the Shenzhen Land pursuant to the Land Use Right Transfer Contract and its development into residential and commercial properties;
"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);
"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"	a company to be established in the PRC and indirectly wholly foreign owned as to 50%, and represented equally on its board of directors, by wholly owned subsidiaries of CKH and HWL for effecting the Acquisition and Development;
"Land Use Right Transfer Contract"	the agreement entered into between New China Sheen and the Shenzhen Municipal Land Resources and Real Estate Administration Bureau for the acquisition of land use right in respect of the Shenzhen Land;
"Listing Rules"	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
"New China Sheen"	New China Sheen Limited, a company owned 50/50 by wholly owned subsidiaries of CKH and HWL;
"PRC"	the People's Republic of China;
"Shenzhen Land"	the piece of land with an aggregate area of approximately 223,696.30 square metres, located at Lot No. G05426-0033, Fenghuang Road Northeast, Pinghu Town, Longgang District, Shenzhen, the PRC;
"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, 23 December, 2004

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.*