



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 through the Transfer, JVCo BVI, a new joint venture owned 50/50 by their respective indirect wholly owned subsidiaries, is established for the purpose of owning and developing the Maqiao Land into residential properties.

Following the successful bid for 50% equity interest in JVCo China, JVCo BVI will complete the acquisition of the entire equity interest in, and the shareholders' loans to, JVCo China. A total consideration of RMB262,280,000.00 (approximately HK\$246,543,200.00) is payable by instalments by JVCo BVI in connection with the acquisition of the equity interest in, and retirement of existing shareholders' loans to, JVCo China.

JVCo China has entered into Land Use Right Transfer Contract No. 1 for the acquisition of the land use right in respect of Lot No. 86A and is planning to acquire the land use right in respect of Lot No. 86B.

To fund the payment of land cost, construction costs and other project costs for the development of the Maqiao Land, JVCo China will have a total investment of US\$82,800,000.00 (approximately HK\$645,840,000.00) and increase its registered capital to US\$27,600,000.00 (approximately HK\$215,280,000.00). The acquisition cost for the equity interest in, and shareholders' loans to, JVCo China and any contribution to the registered capital of, and any shareholders' loans to, JVCo China are expected to be made equally by indirect subsidiaries of CKH and HWL in proportion to their respective equity interests in JVCo BVI and funded by internal resources.

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 BVI is equal to 50% of (i) the premium to be paid for the acquisition of the equity interest; and (ii) the proposed total investment of JVCo China 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 BVI 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.

Transfer and establishment of JVCo BVI

On 4 February, 2005, through the Transfer, JVCo BVI, a new joint venture owned 50/50 by their respective indirect wholly owned subsidiaries, is established for the purpose of owning and developing the Maqiao Land into residential properties.

Following the successful bid for 50% equity interest in JVCo China, JVCo BVI will complete the acquisition of the entire equity interest in, and the shareholders' loans to, JVCo China from vendors who are parties independent of CKH and HWL, and to the best of the knowledge of the Directors of CKH and HWL, their respective connected persons. A total consideration of RMB262,280,000.00 (approximately HK\$246,543,200.00) is payable by instalments by JVCo BVI in connection with the acquisition of the entire equity interest in, and retirement of the existing shareholders' loans to, JVCo China.

JVCo China has entered into Land Use Right Transfer Contract No. 1 with the Shanghai Municipal Minhang District Real Estate and Land Administration Bureau for the acquisition of the land use right in respect of Lot No. 86A and is planning to acquire the land use right in respect of Lot No. 86B.

To fund the payment of land cost, construction costs and other project costs for the development of the Maqiao Land, JVCo China will have a total investment of US\$82,800,000.00 (approximately HK\$645,840,000.00) and increase its registered capital from RMB20,000,000.00 (approximately HK\$18,800,000.00) (which should have been contributed in full) to US\$27,600,000.00 (approximately HK\$215,280,000.00). The cost for the acquisition of the equity interest in, and retirement of the existing shareholders' loans to, JVCo China and any contribution to the registered capital of, and any shareholders' loans to, JVCo China are expected to be made equally by indirect subsidiaries of CKH and HWL in proportion to their respective equity interests in JVCo BVI and funded by internal resources.

Reasons for the Transfer

The addition of the Maqiao Land to the landbank for development into residential 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 Maqiao Land and for the establishment of JVCo BVI 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 BVI is equal to 50% of (i) the premium to be paid for the acquisition of the equity interest; and (ii) the proposed total investment of JVCo China 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 BVI 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.

JVCo BVI is an investment holding company indirectly wholly owned by HWL prior to the Transfer.

JVCo China is a property development company owned by parties independent of CKH and HWL and, to the best knowledge of the Directors of CKH and HWL, their respective connected persons prior to the acquisition by JVCo BVI. JVCo China's audited net asset value as at, and net profit for the period ended 31 December, 2003 was RMB20,109,821.32 (approximately HK\$18,903,232.04) and RMB109,821.32 (approximately HK\$103,232.04) respectively. To the best knowledge of the Directors of CKH and HWL, JVCo China's principal activities have been relating to the entering into of the Land Use Right Transfer Contract No. 1.

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 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 Maqiao Land pursuant to the Land Use Right Transfer Contracts No. 1 and No. 2 and its development into residential 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;
"connected persons"	shall have the meaning ascribed to it in Listing Rule 1.01;
"Directors"	directors of CKH or HWL, as the case may be;
"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 BVI"	Gislingham Limited, a limited liability incorporated in the British Virgin Islands on 20 October, 2004 and which, following completion of the Transfer, is owned equally and represented on its board of directors by indirect wholly owned subsidiaries of CKH and HWL;
"JVCo China"	Shanghai Qi-long Property Company Limited, a company established in the PRC on 18 December, 2002, and to be wholly foreign owned by JVCo BVI for effecting the Acquisition and Development;
"Land Use Right Transfer Contract No. 1"	the agreement dated 20 October, 2004 entered into by JVCo China and the Shanghai Municipal Minhang District Real Estate and Land Administration Bureau for the acquisition of land use right in respect of Lot No. 86A;
"Land Use Right Transfer Contract No. 2"	the agreement planned to be entered into by JVCo China and the Shanghai Municipal Minhang District Real Estate and Land Administration Bureau for the acquisition of land use right in respect of Lot No. 86B;
"Listing Rules"	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
"Lot No. 86A"	Lot No. 86A, Maqiao Town, Minhang District, Shanghai, the PRC, with an area of approximately 195 mu (or approximately 130,000 square metres);
"Lot No. 86B"	Lot No. 86B, Maqiao Town, Minhang District, Shanghai, the PRC, with an area of approximately 195.28 mu (or approximately 130,187 square metres);
"Maqiao Land"	Lot No. 86A and, upon completion of Land Use Right Transfer Contract No. 2, Lot No. 86B, with an aggregate area of approximately 390.28 mu (or approximately 260,188 square metres);
"PRC"	the People's Republic of China;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Transfer"	the transfer of five shares in JVCo BVI at par value of US\$1.00 each from Eraelite Limited, a HWL's indirect wholly owned subsidiary, to Chinex Limited, a CKH's indirect wholly owned subsidiary;
"HK\$"	Hong Kong Dollars, the lawful currency of Hong Kong;
"RMB"	Reminbi, the lawful currency of the PRC; and
"US\$"	United States Dollars, the lawful currency of the United States of America.

The exchange rate used for reference purpose in this announcement is RMB1.00 to HK\$0.94 and US\$1.00 to HK\$7.80.

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, 4 February, 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.