



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 Chellic, a company owned as to 50/50 by their respective indirect wholly owned subsidiaries, was successful in the public auction bid for the Jiang Han District, North Property and Jiang Han District, South Property for development into residential and commercial properties.

JVCos, two new joint ventures to be held 50/50 through Chellic, will be established to own and develop the Jiang Han District, North Property and Jiang Han District, South Property respectively.

Pursuant to the Land Development Compensation Agreement No.1, Chellic agreed to acquire the land use right in respect of the Jiang Han District, North Property for a consideration of RMB420 million (approximately HK\$395 million) payable by instalments and subject to the other terms and conditions set out therein.

Pursuant to the Land Development Compensation Agreement No.2, Chellic agreed to acquire the land use right in respect of the Jiang Han District, South Property for a consideration of RMB1,203 million (approximately HK\$1,131 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 Jiang Han District, North Property, the total investment and registered capital of JVCo.1 are proposed to be US\$121.7 million (approximately HK\$949 million) and US\$42.6 million (approximately HK\$332 million) respectively.

To fund the payment of land cost, construction costs and other project costs for the development of the Jiang Han District, South Property, the total investment and registered capital of JVCo.2 are proposed to be US\$188.4 million (approximately HK\$1,470 million) and US\$66 million (approximately HK\$515 million) respectively.

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

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 (i) the amount of total capital commitment of each of CKH and HWL in connection with the establishment of each JVCo is equal to 50% of the proposed total investment of such JVCo for the purpose of Listing Rule 14.15(2); and (ii) having regard to the circumstances of this case, the capital commitment of each of CKH and HWL in connection with both JVCos has to be aggregated in determining the relevant percentage ratios for Listing Rules purposes. As the relevant percentage ratios represented by such aggregated "commitment" amount for each of CKH and HWL are more than 0.1% but less than 2.5%, such establishment of JVCos 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 JVCos for Acquisition and Development

Land Development Compensation Agreement No.1

Parties: (1) Chellic

(2) Land Reserve Center of Wuhan Municipal

Date: 12 May, 2005

Subject Relating to the acquisition of the land use right in respect of the Jiang Han District, North
Matter: Property subject to and on the terms and conditions set out therein

Land Development Compensation Agreement No.2

Parties: (1) Chellic

(2) Land Reserve Center of Wuhan Municipal

Date: 12 May, 2005

Subject Relating to the acquisition of the land use right in respect of the Jiang Han District, South
Matter: Property subject to and on the terms and conditions set out therein

The respective Boards of CKH and HWL wish to announce that Chellic, a company owned as to 50/50 by their respective indirect wholly owned subsidiaries, was successful in the public auction bid for the Jiang Han District, North Property and Jiang Han District, South Property for development into residential and commercial properties.

Pursuant to the Land Development Compensation Agreement No.1, Chellic agreed to acquire the land use right in respect of the Jiang Han District, North Property for a consideration of RMB420 million (approximately HK\$395 million) payable by instalments and subject to the other terms and conditions set out therein.

Pursuant to the Land Development Compensation Agreement No.2, Chellic agreed to acquire the land use right in respect of the Jiang Han District, South Property for a consideration of RMB1,203 million (approximately HK\$1,131 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 Jiang Han District, North Property, the total investment and registered capital of JVCo.1 are proposed to be US\$121.7 million (approximately HK\$949 million) and US\$42.6 million (approximately HK\$332 million) respectively.

To fund the payment of land cost, construction costs and other project costs for the development of the Jiang Han District, South Property, the total investment and registered capital of JVCo.2 are proposed to be US\$188.4 million (approximately HK\$1,470 million) and US\$66 million (approximately HK\$515 million) respectively.

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

Reasons for the transaction

The addition of the Jiang Han District, North Property and Jiang Han District, South Property to the landbank for development into commercial and 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 Jiang Han District, North Property and Jiang Han District, South Property respectively and for the establishment of JVCos 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 (i) the amount of total capital commitment of each of CKH and HWL in connection with the establishment of each JVCo is equal to 50% of the proposed total investment of such JVCo for the purpose of Listing Rule 14.15(2); and (ii) having regard to the circumstances of this case, the capital commitment of each of CKH and HWL in connection with both JVCos has to be aggregated in determining the relevant percentage ratios for Listing Rules purposes. As the relevant percentage ratios represented by such aggregated "commitment" amount for each of CKH and HWL are more than 0.1% but less than 2.5%, such establishment of JVCos 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 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 Jiang Han District, North Property and Jiang Han District, South Property pursuant to the Land Development Compensation Agreement No.1 and Land Development Compensation Agreement No.2 respectively and their development into residential and commercial properties;
"Board"	board of directors;
"Chellic"	Chellic Limited, a company owned 50/50 and represented equally on its board of directors, by indirect wholly owned subsidiaries of CKH and HWL;
"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;
"Jiang Han District, North Property"	the piece of land with an area of 31,900 square metres, located at Lot no. P(2005)013 at the junction of Jinghan Main Road and Jianghan Road, Jiang Han District, Wuhan, the PRC;
"Jiang Han District, South Property"	the piece of land with an area of 132,178 square metres, located at Lot no. P(2005)012 at Hualou Jie, Jiang Han District, Wuhan, the PRC;
"JVCo.1"	a company to be established in the PRC with the proposed name of Hutchison Whampoa Properties (Wuhan Jianghan North) Limited 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 of Jiang Han District, North Property into commercial and residential properties;
"JVCo.2"	a company to be established in the PRC with the proposed name of Hutchison Whampoa Properties (Wuhan Jianghan South) Limited 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 of Jiang Han District, South Property into residential and commercial properties;
"JVCos"	JVCo.1 and JVCo.2 collectively; and "JVCo." shall be construed accordingly;
"Land Development Compensation Agreement No.1"	the agreement entered into by Chellic and Land Reserve Center of Wuhan Municipal dated 12 May, 2005 relating to the acquisition of land use right in respect of the Jiang Han District, North Property;
"Land Development Compensation Agreement No.2"	the agreement entered into by Chellic and Land Reserve Center of Wuhan Municipal dated 12 May, 2005 relating to the acquisition of land use right in respect of the Jiang Han District, South Property;
"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;
"RMB"	Reminbi, the lawful currency of the PRC; and
"US\$"	United States Dollars, the lawful currency of the United States of America.

The exchange rates used for reference purpose in this announcement are 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, 17 May, 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.*