



# CHEUNG KONG (HOLDINGS) LIMITED

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

## CONNECTED TRANSACTIONS

The Board of CKH wishes to announce that JVCo1 and JVCo2, new indirect 50/50 joint venture companies of CKH and HWL, have been established for the sole purpose of owning and developing the Changchun Land for development into residential and commercial properties and the Changsha Land for development into residential properties respectively.

To fund the payment of land cost, construction costs and other project costs for the development of the Changchun Land and the Changsha Land, the total investment and registered capital of JVCo1 are proposed to be US\$52,800,000 (approximately HK\$411,840,000) and US\$18,500,000 (approximately HK\$144,300,000), and the total investment and registered capital of JVCo2 are proposed to be RMB413,000,000 (approximately HK\$388,220,000) and RMB149,000,000 (approximately HK\$140,060,000) respectively.

Any contribution to the registered capital of, and any shareholders' loans to, each of JVCo1 and JVCo2 is expected to be made equally by indirect subsidiaries of CKH and HWL in proportion to their respective equity interests in JVCo1 and JVCo2 respectively. It is expected that any profit of JVCo1 and JVCo2 is to be ultimately shared equally by indirect subsidiaries of CKH and HWL in proportion to their respective indirect equity interests in each of JVCo1 and JVCo2.

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. The joint venture arrangements for the purpose of effecting the acquisition of the land use rights in respect of the Changchun Land and the Changsha Land and their development into residential and/or commercial properties constitute connected transactions for CKH 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 JVCo1 and JVCo2 is equal to 50% of the proposed total investment of JVCo1 and JVCo2 respectively for the purpose of Listing Rule 14.15(2). As the relevant percentage ratios represented by such "commitment" amounts for CKH are more than 0.1% but less than 2.5%, such establishment of JVCo1 and JVCo2 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 JVCo1 and JVCo2

Changchun Land Use Right Transfer Contract:

Parties: (1) JVCo1  
(2) Changchun Land Bureau

Date: 26th April, 2005

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

Changsha Land Use Right Transfer Contract:

Parties: (1) JVCo2  
(2) Changsha Land Bureau

Date: 26th April, 2005

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

The Board of CKH wishes to announce that JVCo1 and JVCo2, new indirect 50/50 joint venture companies of CKH and HWL, have been established on 18th April, 2005 and 15th April, 2005 respectively for the sole purpose of owning and developing the Changchun Land for development into residential and commercial properties and the Changsha Land for development into residential properties.

Pursuant to the Changchun Land Use Right Transfer Contract, JVCo1 agreed to acquire the land use right in respect of the Changchun Land for a consideration of RMB281,000,000 (approximately HK\$264,140,000) payable by instalments and subject to the terms and conditions set out therein.

Pursuant to the Changsha Land Use Right Transfer Contract, JVCo2 agreed to acquire the land use right in respect of the Changsha Land for a consideration of RMB292,271,813 (approximately HK\$274,735,504) payable by instalments and subject to the terms and conditions set out therein.

To fund the payment of land cost, construction costs and other project costs for the development of the Changchun Land and the Changsha Land, the total investment and registered capital of JVCo1 are proposed to be US\$52,800,000 (approximately HK\$411,840,000) and US\$18,500,000 (approximately HK\$144,300,000), and the total investment and registered capital of JVCo2 are proposed to be RMB413,000,000 (approximately HK\$388,220,000) and RMB149,000,000 (approximately HK\$140,060,000) respectively.

Any contribution to the registered capital of, and any shareholders' loans to, each of JVCo1 and JVCo2 is expected to be made equally by indirect subsidiaries of CKH and HWL in proportion to their respective equity interests in JVCo1 and JVCo2 respectively. It is expected that any profit of JVCo1 and JVCo2 is to be ultimately shared equally by indirect subsidiaries of CKH and HWL in proportion to their respective indirect equity interests in each of JVCo1 and JVCo2.

### Reasons for the transactions

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 addition of the Changchun Land and the Changsha Land to the landbank for development into residential and/or commercial properties respectively are consistent with one of the core business strategies for CKH.

### 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. The joint venture arrangements for the purpose of effecting the acquisition of the land use rights in respect of the Changchun Land and the Changsha Land and their development into residential and/or commercial properties constitute connected transactions for CKH 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 JVCo1 and JVCo2 is equal to 50% of the proposed total investment of JVCo1 and JVCo2 respectively for the purpose of Listing Rule 14.15(2). As the relevant percentage ratios represented by such "commitment" amounts for CKH are more than 0.1% but less than 2.5%, such establishment of JVCo1 and JVCo2 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 Board of CKH, including the Independent Non-executive Directors, consider the terms for the acquisition of the Changchun Land and the Changsha Land and for the establishment of JVCo1 and JVCo2 for the purpose of the acquisition and development of the Changchun Land and the Changsha Land to be in the interests of CKH and its shareholders, on normal commercial terms and fair and reasonable so far as CKH and its shareholders are concerned.

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.

### Definitions

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

"Board"	board of directors;
"Changchun Land"	Lot nos. 01012-1, 01018-2 and 01018-3 with an aggregate area of approximately 827,188 square metres located at Jing Yue Tan Tourist Economic Development Zone, Changchun;
"Changchun Land Bureau"	Land and Resources Bureau of Changchun Municipal, Jilin Province;
"Changchun Land Use Right Transfer Contract"	the agreement dated 26th April, 2005 entered into by JVCo1 and Changchun Land Bureau for the acquisition of land use right in respect of the Changchun Land;
"Changsha Land"	the piece of land with an area of approximately 556,708 square metres located beside the Jinxing Main Road of Xingcheng Town, Wangcheng County, with its boundary set north at Jinxing Road, southwest at Sanhuan Road of Changsha City and east at the pond of Hetang Village of Xingcheng Town;
"Changsha Land Bureau"	Land and Resources Bureau of Wangcheng County, Changsha Municipal, Hunan Province;
"Changsha Land Use Right Transfer Contract"	the agreement dated 26th April, 2005 entered into by JVCo2 and Changsha Land Bureau for the acquisition of land use right in respect of the Changsha 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;
"connected person"	shall have the meaning ascribed to it in Listing Rule 1.01;
"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;
"JVCo1"	和記黃埔地產(長春)有限公司Hutchison Whampoa Properties (Changchun) Limited, a company established in the PRC on 18th April, 2005 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 the sole purpose of effecting the acquisition and development of the Changchun Land;
"JVCo2"	和記黃埔地產(長沙望城)有限公司Hutchison Whampoa Properties (Changsha WangCheng) Limited, a company established in the PRC on 15th April, 2005 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 the sole purpose of effecting the acquisition and development of the Changsha Land;
"Listing Rules"	the 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;
"substantial shareholder"	shall have the meaning ascribed to it in Listing Rule 1.01;
"HK\$"	Hong Kong Dollars, the lawful currency of Hong Kong;
"RMB"	Renminbi, 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

Hong Kong, 26th April, 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 as NED/INED.*