



## 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 on 13 May, 2005, CIS, an entity jointly controlled indirectly by CKH and HWL, entered into the Sale and Purchase Agreement for the purpose of the Acquisition at the Consideration of £100,000,000 (or approximately HK\$1,455 million) (exclusive of VAT). CIS also entered into a Profit Participation Agreement with the Vendor. It is expected that the Consideration and any Additional Payment will be funded by CKH and HWL in proportion to their indirect 50/50 interest in CIS.

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. CIS is an associate of each of CKH and HWL and thus a connected person of CKH and HWL within the meaning of the Listing Rules.

The financial assistance provided or to be provided by each of CKH and HWL to CIS by way of the contribution to the Consideration and any Additional Payment on an unsecured basis and on normal commercial terms in proportion to their 50/50 interest in CIS constitutes or will constitute a connected transaction for each of CKH and HWL under Listing Rule 14A.13(2). As the relevant percentage ratios represented by the estimated aggregate of such contribution amount for each of CKH and HWL are more than 0.1% but less than 2.5%, such provision of financial assistance is according to Listing Rule 14A.66(2) 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.

#### CONTRIBUTION TO THE CONSIDERATION UNDER THE SALE AND PURCHASE AGREEMENT AND ANY CONTRIBUTION TO THE ADDITIONAL PAYMENT

On 13 May, 2005, CIS, an entity jointly controlled indirectly by CKH and HWL, entered into the Sale and Purchase Agreement with the Vendor and the Vendor Guarantor pursuant to which the Vendor has agreed to sell and CIS has agreed to purchase the Property and the Licences upon and subject to the terms and conditions of the Sale and Purchase Agreement.

The Consideration for the Acquisition is £100,000,000 (or approximately HK\$1,455 million) (exclusive of VAT). The amount of the Consideration is arrived after arm's length negotiations between the parties. If the Condition shall not be fulfilled or waived, either the Vendor or CIS may rescind the Sale and Purchase Agreement by notice. CIS has paid an aggregate amount of £10,000,000 (or approximately HK\$145.5 million) in cash as deposit and part payment of the Consideration which is refundable upon termination of the Sale and Purchase Agreement mentioned above. The balance of the Consideration will be payable by instalments.

The deposit has been funded, and the balance of the Consideration is expected to be funded, by CKH and HWL in proportion to their indirect 50/50 interest in CIS from internal resources.

On 13 May, 2005, the Vendor and the Purchaser have also entered into the Profit Participation Agreement pursuant to which the Purchaser will pay, and the Vendor will receive (i) the Additional Payment which is of an amount determined in accordance with a pre-agreed formulation set forth therein based, inter alia, on any additional area over which planning permission comprising private residential housing is obtained prior to the prescribed deadline; and (ii) the Net Consideration Payment which is of an amount determined by reference to the net consideration derived from any sale, other than an intra-group sale, of the whole or part of the Property or of shares of CIS effected within twelve months after the date of Completion.

#### INFORMATION OF THE PROPERTY

The Property is currently partly used for warehousing. CIS intends to redevelop the same for a mixed residential and commercial use scheme.

#### REASONS FOR THE TRANSACTION

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

#### 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. CIS is an associate of each of CKH and HWL and thus a connected person of CKH and HWL within the meaning of the Listing Rules.

The financial assistance provided or to be provided by each of CKH and HWL to CIS by way of their respective contributions to the Consideration and any Additional Payment on an unsecured basis and on normal commercial terms in proportion to their 50/50 interest in CIS constitutes or will constitute a connected transaction for each of CKH and HWL under Listing Rule 14A.13(2). As the relevant percentage ratios represented by the estimated aggregate of such contribution amount for each of CKH and HWL are more than 0.1% but less than 2.5%, such provision of financial assistance is according to Listing Rule 14A.66(2) 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 respective Boards of CKH and HWL, including the respective Independent Non-executive Directors of CKH and HWL, consider the contribution of the Consideration and any Additional Payment on a 50/50 basis for the purpose of the Acquisition to be in the interests of CKH and HWL and their respective shareholders, and are on normal commercial terms and fair and reasonable insofar as CKH and HWL and their respective 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, Edmund, 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, the following expressions shall have the following meanings unless the context otherwise requires:

"Acquisition"	the acquisition by the Purchaser of the Property and the Licences pursuant to the Sale and Purchase Agreement
"Additional Payment"	an amount which is payable by the Purchaser to the Vendor under the Profit Participation Agreement if planning permission comprising private residential housing is obtained prior to the prescribed deadline and is of an amount which is determined in accordance with a pre-agreed formulation set forth therein based, inter alia, on any additional area over which such planning permission is obtained
"associate"	shall have the meaning ascribed to that term in the Listing Rules
"Board"	board of directors of CKH or HWL (as the case may be)
"CIS" or "Purchaser"	Convoys Investment S.à r.l., a company incorporated in Luxembourg, which is an entity jointly controlled indirectly by, and an associated company of, CKH and HWL
"CKH"	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong, whose shares are listed on the Main Board of the Stock Exchange
"CKH Group"	CKH and its subsidiaries
"Completion"	completion of the Acquisition under the Sale and Purchase Agreement
"Condition"	the grant of satisfactory planning permission in relation to the Property and the release of the Vendor Guarantor as guarantor under any planning agreement in respect of the Property entered into with the local planning authority as more particularly described in the Sale and Purchase Agreement
"Consideration"	£100,000,000 (or approximately HK\$1,455 million) (exclusive of VAT), representing the consideration for the sale and purchase of the Property and the Licences
"HWL"	Hutchison Whampoa Limited, a company incorporated in Hong Kong, whose shares are listed on the Main Board of the Stock Exchange
"HWL Group"	HWL and its subsidiaries
"intra-group sale"	any sale of the whole or part of the Property or shares of CIS to a specified member of the HWL Group, any person or company connected with or a director of such member or any entity jointly controlled by CKH and HWL
"Licences"	such of the existing licences for the use of certain structures adjacent to the Property as more particularly described in the Sale and Purchase Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Net Consideration Payment"	an amount which is payable by the Purchaser to the Vendor under the Profit Participation Agreement which is determined in accordance with a pre-agreed formulation set forth therein based, inter alia, on the amount of any net consideration received from any sale, other than an intra-group sale, of the whole or part of the Property or of shares of CIS effected within twelve months after the date of Completion
"Profit Participation Agreement"	the agreement dated 13 May, 2005 and entered into by the Vendor and CIS which governs the basis for computing the amount of, and the Vendor's entitlement to, any Additional Payment
"Property"	the freehold premises comprising land and buildings with an aggregate area of approximately 16 hectares located at the Royal Naval Yard Deptford (or otherwise known as the Convoys Wharf, Deptford), London, the United Kingdom
"Sale and Purchase Agreement"	the contract dated 13 May, 2005 for the sale and purchase of the Property and the Licences and entered into by CIS, the Vendor and the Vendor Guarantor
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"VAT"	has the meaning ascribed to that term in the Sale and Purchase Agreement which includes value added tax chargeable under the Value Added Tax Act 1994
"Vendor"	News Property One Limited, a company registered in England, which is an indirect subsidiary of the Vendor Guarantor
"Vendor Guarantor"	News International Limited, a company registered in England and a holding company of the Vendor
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"£"	Pound Sterling, the lawful currency of Great Britain

The exchange rate used for reference purpose in this announcement is HK\$14.55 to £1.00.

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, 18 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 as NED/INED.