



CHEUNG KONG (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock code: 00001)

INVESTMENT IN AL ISLAMI FAR EASTERN REAL ESTATE FUND LIMITED

The Board wishes to announce that the Company, through its indirect wholly owned subsidiary, has agreed to invest potentially up to US\$34,200,000 in the Fund, which was duly established on 20th August, 2004 by DIB, the Company and ARA. The Fund is and will be majority owned by an independent third party (or parties) not connected with the Company and it is expected that the Company will indirectly own approximately 22.8% of the Fund.

Such investment constitutes a connected transaction of the Company pursuant to Rule 14A.13(6) of the Listing Rules. Based on the Company's maximum potential investment amount, the transaction is subject to the reporting and announcement requirements pursuant to the de minimis provision under Rule 14A.32(1) of the Listing Rules, but as at the date of this announcement, the Company's investment amount has not yet reached such maximum.

Investment in the Fund

The Board wishes to announce that the Company, through its indirect wholly owned subsidiary, has agreed to invest potentially up to US\$34,200,000 in the Fund (representing approximately 22.8% of the aggregate maximum equity capitalisation of the Fund), which was duly established on 20th August, 2004 by DIB, the Company and ARA. Each of DIB and ARA is independent of the Company and its connected persons and is not a connected person of the Company.

It is expected that the Fund will be directly or indirectly held as to approximately 22.8% by the Company, as to approximately 7.2% by Hutchison Whampoa Limited, and as to approximately 70% by DIB and potentially other investors, all of which are independent of the Company and its connected persons and are not connected persons of the Company.

The Fund and Reasons for the Investment

The Fund is a closed ended investment fund and provides an Islamic-compliant source of finance for investment in Asian property markets. The aggregate maximum equity capitalisation of the Fund has been set at US\$150,000,000. The Fund is also permitted to leverage its investments up to a maximum of 70% of the gross asset value of each such investment held by the Fund.

The Fund is managed by ARA, a company owned as to 70% by Mr. Lim Hwee Chiang, the deputy Chairman of ARA, who is not a connected person of the Company and who acts independently of the Company, and as to 30% by the Company. The board of directors of the Fund comprises four members, with two representatives from DIB, one representative from the Company and one representative from ARA. The investment committee of the Fund, which is responsible for approving the investment and divestment activities of the Fund and has the discretion to make capital calls when suitable investment opportunities have been identified for the Fund. The investment committee of the Fund comprises three members, with one representative from each of DIB, the Company and ARA. The investment and divestment decisions made for the Fund are subject to unanimous approval from all members of the investment committee.

The net income of the Fund, after expenses and reasonable provisions for future expenses and liabilities of the Fund, will be distributed as dividends to shareholders in the Fund pro rata to their shareholding.

The Company considers its investment in the Fund to be one of its strategic investments. The Company intends to equity account for its investment in the Fund, and accordingly the Fund will be treated as an associated company of the Company in its financial statements.

Connected Transactions

The Board of the Company, including its Independent Non-executive Directors, considers that the investment by the Company in the Fund is on normal commercial terms and is fair and reasonable insofar as the interests of the shareholders of the Company as a whole are concerned.

As Hutchison Whampoa Limited is a substantial shareholder of certain subsidiaries of the Company and is a connected person of the Company, the investment in the Fund constitutes a connected transaction for the Company pursuant to Rule 14A.13(6) of the Listing Rules. If the investment committee of the Fund approves an investment or divestment activity for the Fund (which as indicated above, requires the unanimous approval of all members of such committee, on which the Company is represented), a capital call may be made by the investment committee of the Fund. Based on the Company's maximum potential investment amount, the transaction is subject to the reporting and announcement requirements pursuant to Rule 14A.32(1) of the Listing Rules, but as at the date of this announcement, the Company's investment amount has not yet reached such maximum.

General

The principal activities of the Group are investment holding and project management, property development and investment, hotel and serviced suite operation, property and project management and investment in securities.

The Directors of the Company as at the date of this announcement are as follows:

Executive Directors:

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

Mr. CHIU Kwok Hung, Justin

Mr. LEUNG Siu Hon

Independent Non-executive Director

Mr. FOK Kin-ning, Canning

Non-executive Director

Mr. Frank John SIXT

Non-executive Director

Mr. CHOW Kun Chee, Roland

Independent Non-executive Director

Dr. WONG Yick-ming, Rosanna

Independent Non-executive Director

Ms. HUNG Siu-lin, Katherine

Non-executive Director

Mr. YEH Yuan Chang, Anthony

Independent Non-executive Director

Mr. CHOW Nin Mow, Albert

Non-executive Director

Mr. Simon MURRAY

Independent Non-executive Director

Mr. KWOK Tun-li, Stanley

Independent Non-executive Director

Definitions

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

- "ARA" means ARA Asset Management Limited, an exempted company incorporated with limited liability in Bermuda;
- "Board" means the board of directors of the Company;
- "Company" means Cheung Kong (Holdings) Limited, a limited liability company incorporated in Hong Kong, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
- "connected person(s)" has the meaning ascribed to it under the Listing Rules;
- "DIB" means Dubai Islamic Bank PJSC;
- "Fund" means Al Islami Far Eastern Real Estate Fund Limited, an exempted company incorporated with limited liability in Bermuda;
- "Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;
- "HK\$" means Hong Kong Dollars, the lawful currency of Hong Kong;
- "Listing Rules" means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
- "US\$" means United States Dollars, the lawful currency of the United States of America.

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

By Order of the Board
CHEUNG KONG (HOLDINGS) LIMITED
Eirene Yeung
Company Secretary