



## CHEUNG KONG (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 00001)

### CONNECTED TRANSACTIONS

The CKH Group had previously provided guarantees for certain joint venture companies in respect of which CKH and other joint venture partner(s) have equity interests. On 21st June, 2004, new guarantees were provided by the CKH Group in respect of 50% of the obligations of certain joint venture companies under new loan facilities made available by independent financial institutions.

Under the Listing Rules, the provision of the guarantees to each joint venture company constitutes a connected transaction for CKH within the *de minimis* provision under Rule 14A.66(2) of the Listing Rules, and details of the guarantees are required to be disclosed in this announcement and in CKH's next published annual report and accounts.

#### Background

The CKH Group had previously provided guarantees for various joint venture companies in respect of which CKH and other joint venture partner(s) have equity interests. Details of these guarantees were disclosed in the Annual Report 2003 of CKH.

#### New Guarantees

On 21st June, 2004, the CKH Group provided the following guarantees in respect of new facilities made available by the respective independent financial institutions to the following joint venture companies:

Joint venture companies	Guarantees provided by the CKH Group
Hutchison Enterprises (Chongqing) Limited	50% of the obligations under two term loan facilities in an aggregate amount of US\$56 million (or HK\$436.8 million) in principal amount
Hutchison Whampoa Properties (Beijing Chaoyang) Limited	50% of the obligations under a credit facility of HK\$270 million in principal amount
Hutchison Whampoa Properties (Guangzhou Liwan) Limited	50% of the obligations under a term loan facility of HK\$300 million in principal amount
Shanghai Westgate Mall Co., Ltd.	50% of the obligations under a term loan facility of US\$56 million (or HK\$436.8 million) in principal amount

The new facilities are to re-finance existing third party loan facilities and/or existing shareholders' loans, to finance the payment of land costs and construction and development costs of the projects undertaken by the relevant joint venture companies, and/or to finance the relevant joint venture companies' general working capital requirements (as the case may be).

On 21st June, 2004, the CKH Group also provided a guarantee in respect of new term loan facility of HK\$430 million in principal amount made available by an independent financial institution to another joint venture company, Hutchison Whampoa Properties (Chongqing Nanan) Limited ("HWPCN"), in which CKH and other joint venture partners hold equity interests, to finance the payment of certain construction and development costs of a project undertaken by HWPCN and to re-finance shareholder's loans to HWPCN. Such new guarantee was also provided by the CKH Group in respect of 50% of the obligations of HWPCN under the facility described above.

Each of Hutchison Enterprises (Chongqing) Limited, Hutchison Whampoa Properties (Guangzhou Liwan) Limited and Shanghai Westgate Mall Co., Ltd. is effectively held indirectly as to 50% by CKH. Hutchison Whampoa Properties (Beijing Chaoyang) Limited is a subsidiary of a company which is held indirectly as to 50% by CKH. HWPCN is a subsidiary of another company which is also held indirectly as to 50% by CKH.

Each of the joint venture companies has agreed to pay to the CKH Group a guarantee fee of 0.5% per annum on 50% of the aggregate amount of the relevant new facilities in respect of each of the guarantees provided.

#### Connected Transactions

The Board of Directors of CKH, including its Independent Non-executive Directors, considers that the new guarantees are on normal commercial terms and are fair and reasonable insofar as the interests of the shareholders of CKH are concerned.

Each of the joint venture companies is a connected person of CKH within the meaning of the Listing Rules by virtue of 30% or more of the equity interests of each of the joint venture companies being indirectly held by Hutchison Whampoa Limited, which in turn is a

substantial shareholder of CKH's certain subsidiaries. The provision of each guarantee described above therefore constitutes a connected transaction for CKH.

The provision of the new guarantees to each joint venture company constitutes a connected transaction for CKH within the *de minimis* provision under Rule 14A.66(2) of the Listing Rules, and is exempt from the independent shareholders' approval requirements under the Listing Rules. Details of such guarantees are required to be disclosed in this announcement and in CKH's next published annual report and accounts.

#### General

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

Each of the joint venture companies mentioned in the paragraph headed "New Guarantees" above is principally engaged in the business of property development in the People's Republic of China.

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

<i>Executive Directors:</i>	Mr. LEUNG Siu Hon
Mr. LI Ka-shing (Chairman)	(Independent Non-executive Director)
Mr. LI Tzar Kuoi, Victor (Managing Director and Deputy Chairman)	Mr. FOK Kin-ning, Canning (Non-executive Director)
Mr. GEORGE COLIN MAGNUS (Deputy Chairman)	Mr. FRANK JOHN SIXT (Non-executive Director)
Mr. KAM Hing Lam (Deputy Managing Director)	Mr. CHOW Kun Chee, Roland (Independent Non-executive Director)
Mr. CHUNG Sun Keung, Davy	Dr. WONG Yick-ming, Rosanna (Independent Non-executive Director)
Mr. IP Tak Chuen, Edmond	Ms. HUNG Siu-lin, Katherine (Non-executive Director)
Ms. PAU Yee Wan, Ezra	Mr. YEH Yuan Chang, Anthony (Independent Non-executive Director)
Ms. WOO Chia Ching, Grace	Mr. CHOW Nin Mow, Albert (Non-executive Director)
Mr. CHIU Kwok Hung, Justin	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:

"CKH"	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;
"CKH Group"	means CKH and its subsidiaries;
"Hong Kong"	means the Hong Kong Special Administrative Region of the People's Republic of China;
"Listing Rules"	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"HK\$"	means Hong Kong Dollars, the lawful currency of Hong Kong; 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

Hong Kong, 28th June, 2004