



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 23 May, 2005, BDL, an entity jointly controlled indirectly by CKH and HWL, entered into the Joint Venture Agreement for the establishment of JVCo with the PRC Partner.

JVCo is a sino-foreign co-operative joint venture to be established for the development of the Tianjin Property into a commercial development (in phase one) and residential development (in phase two).

The proposed registered capital of JVCo is US\$47.5 million (approximately HK\$371 million). The initial total investment of JVCo is US\$72.83 million (approximately HK\$568 million) to be increased to US\$123.5 million (approximately HK\$963 million) upon embarking on phase two of its Development. The registered capital will be contributed on an 80:20 basis by BDL and the PRC Partner respectively. BDL's contribution will be in the form of cash. The PRC Partner will inject into JVCo the Tianjin Property, which will be recognised as the PRC Partner's contribution to the JVCo's registered capital and surplus.

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. BDL 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.

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

The financial assistance provided or to be provided by each of CKH and HWL to BDL by way of the contribution to the registered capital of, and any shareholders' loans to, JVCo through BDL on an unsecured basis and on normal commercial terms in proportion to their 50/50 interest in BDL 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 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 REGISTERED CAPITAL AND SHAREHOLDERS' LOAN TO JVCO

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Any contribution to the registered capital of, and any shareholders' loans to, JVCo through BDL is expected to be made equally by indirect subsidiaries of CKH and HWL in proportion to their respective equity interests in these companies using their respective internal resources. The Joint Venture Agreement provides for the PRC Partner's entitlement to approximately twenty five per cent. of the floor area of the completed buildings in the Development as its return of investment in JVCo and the PRC Partner is not otherwise entitled to any profit share of JVCo. It is expected that any profit of BDL is to be ultimately shared equally by indirect subsidiaries of CKH and HWL in proportion to their respective indirect equity interests in BDL.

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 Tianjin 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. BDL 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 BDL by way of the contribution to the registered capital of, and any shareholders' loans to, JVCo through BDL on an unsecured basis and on normal commercial terms in proportion to their 50/50 interest in BDL 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 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 to the registered capital of, and any shareholders' loans to, JVCo through BDL on a 50/50 basis for the purpose of the Development 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, 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, the following expressions shall have the following meanings unless the context otherwise requires:

"associate"	shall have the meaning ascribed to that term in the Listing Rules
"BDL"	Bayswater Developments Limited, a company incorporated in the British Virgin Islands, which is an entity jointly controlled indirectly by, and an associated company of, CKH and HWL
"Board"	board of directors of CKH or HWL (as the case may be)
"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
"connected person"	shall have the meaning ascribed to that expression in the Listing Rules
"Development"	the proposed development of the Tianjin Property into commercial and residential properties by JVCo pursuant to the Joint Venture Agreement
"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
"Joint Venture Agreement"	the agreement entered into by BDL and the PRC Partner setting out the terms and conditions and governing the basis for the proposed establishment of JVCo
"JVCo"	the sino-foreign co-operative joint venture to be established under the Joint Venture Agreement with the proposed name of Hutchison Whampoa Properties (Tianjin) Limited and with directors nominated as to six and two by BDL and the PRC Partner respectively
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"PRC Partner"	Tianjin Metro General Corp. (天津市地下鐵道總公司), an entity established under the laws of the PRC and which is independent of CKH, HWL and their respective connected persons
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tianjin Property"	the piece of land with an area of 19,617.1 square metres, located at Yingkou Dao, Tianjin, the PRC
"HK\$"	Hong Kong Dollars, the lawful currency of Hong Kong
"US\$"	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

By Order of the Board
HUTCHISON WHAMPOA LIMITED
Edith Shih
Company Secretary

Hong Kong, 24 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.