



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 TRANSACTIONS

The respective Boards of CKH and HWL wish to announce that Mapleleaf, a company in which CKH and HWL have an indirect shareholding of 25% and 25% respectively, entered into the Land Use Right Transfer Contract for the acquisition of the land use right in respect of Pudong Land 2-4 from Lujiazui Development. The remaining 50% shareholding of Mapleleaf is held indirectly by the Foundation.

Project Co, a new wholly foreign owned enterprise to be wholly-owned by Mapleleaf will be established for the purpose of owning and developing Pudong Land 2-4. It is intended that Pudong Land 2-4 will be developed into commercial, cultural and office properties.

Pursuant to the Land Use Right Transfer Contract, Mapleleaf agreed to acquire the land use right in respect of Pudong Land 2-4 for a consideration of RMB2,599,452,000 (approximately HK\$2,495 million), subject to adjustment. The consideration will be payable by instalments, and subject to the other terms and conditions set out therein. To fund the payment of land cost, construction costs and other project costs for the development of Pudong Land 2-4, the total investment and registered capital of Project Co are proposed to be about US\$683 million (approximately HK\$5,327 million) and about US\$240 million (approximately HK\$1,872 million) respectively. Any contribution to the registered capital of, and any shareholders' loans to, Project Co is expected to be made by CKH, HWL and the Foundation (or their respective subsidiaries) in proportion to their respective equity interests in Project Co.

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. Accordingly, the joint venture arrangements between CKH and HWL in relation to Mapleleaf and Project Co for the purpose of effecting the Acquisition and Development constitute connected transactions for CKH and HWL under Listing Rule 14A.13(6). As one or more of the relevant percentage ratios represented by the respective commitment amount for each of CKH and HWL are more than 0.1% but less than 2.5%, the joint venture arrangements in relation to Mapleleaf and Project Co are according to Listing Rule 14A.32 exempt from the independent shareholders' approval requirements and are only subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

Joint venture arrangements in relation to Mapleleaf and Project Co for the Acquisition and Development

Land Use Right Transfer Contract

Parties: (1) Mapleleaf

(2) Lujiazui Development

Date: 19 December 2005

Subject: The transfer of the land use right in respect of Pudong Land 2-4 subject to and on the terms and matter: conditions set out therein

The respective Boards of CKH and HWL wish to announce that Mapleleaf, a company in which CKH and HWL have an indirect shareholding of 25% and 25% respectively, entered into the Land Use Right Transfer Contract for the acquisition of the land use right in respect of Pudong Land 2-4 from Lujiazui Development. The remaining 50% shareholding of Mapleleaf is held indirectly by the Foundation.

The term of the land use right of Pudong Land 2-4 under the Land Use Right Transfer Contract is 50 years. Project Co, a new wholly foreign owned enterprise to be wholly-owned by Mapleleaf, will be established for the purpose of owning and developing Pudong Land 2-4. It is intended that Pudong Land 2-4 will be developed into commercial, cultural and office properties.

Pursuant to the Land Use Right Transfer Contract, Mapleleaf agreed to acquire the land use right in respect of Pudong Land 2-4 for a consideration of RMB2,599,452,000 (approximately HK\$2,495 million) payable by instalments, and subject to the other terms and conditions set out therein. The consideration is subject to adjustment according to the gross floor area (on or above ground level) of Pudong Land 2-4 finally approved by the government on the basis of an agreed unit price of RMB12,000 (approximately HK\$11,520) per square metre.

To fund the payment of land cost, construction costs and other project costs for the development of Pudong Land 2-4, the total investment and registered capital of Project Co are proposed to be about US\$683 million (approximately HK\$5,327 million) and about US\$240 million (approximately HK\$1,872 million) respectively.

Any contribution to the registered capital of, and any shareholders' loans to, Project Co is expected to be made by CKH, HWL and the Foundation (or their respective subsidiaries) in proportion to their respective equity interests in Project Co. Each of CKH and HWL will provide their contribution using their respective internal resources. It is expected that any profit of Project Co is to be for the sole account of Mapleleaf and to be ultimately shared by CKH, HWL and the Foundation (or their respective subsidiaries) in proportion to their respective indirect equity interests in Project Co.

The consideration payable under the Land Use Right Transfer Contract was arrived at after competitive bidding and commercial negotiations between the parties on an arm's length basis.

The principal activities of Project Co, a new wholly foreign owned enterprise to be wholly-owned by Mapleleaf, will be in relation to the ownership and development of Pudong Land 2-4. As at the date of this announcement, the principal activity of Mapleleaf is investment holding, and save in connection with the Land Use Right Transfer Contract entered into by Mapleleaf in relation to the ownership and development of Pudong Land 2-4, Mapleleaf does not have other business operations.

Reasons for the transaction

The addition of interests in Pudong Land 2-4 to the landbank for development into commercial, cultural and office properties is consistent with one of the core business strategies for both CKH and HWL. The respective Boards of CKH and HWL, including the respective Independent Non-executive Directors of CKH and HWL, consider the terms for the acquisition of the land use right of Pudong Land 2-4 and for the establishment of Project Co for the purpose of the Acquisition and Development to be in the interests of CKH and HWL and their respective shareholders, on normal commercial terms and fair and reasonable so far as CKH and HWL and their respective shareholders are concerned.

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. CKH is a substantial shareholder of HWL and hence is a connected person of HWL within the meaning of the Listing Rules. Accordingly, the joint venture arrangements between CKH and HWL in relation to Mapleleaf and Project Co for the purpose of effecting the Acquisition and Development constitute connected transactions for CKH and HWL under Listing Rule 14A.13(6). As one or more of the relevant percentage ratios represented by the respective commitment amount for each of CKH and HWL are more than 0.1% but less than 2.5%, the joint venture arrangements between CKH and HWL in relation to Mapleleaf and Project Co are according to Listing Rule 14A.32 exempt from the independent shareholders' approval requirements and are only subject to the reporting and announcement requirements set out in Listing Rules 14A.45 to 14A.47.

To the best of the knowledge, information and belief of the directors of CKH having made all reasonable enquiries, the Foundation is not a connected person (as defined under the Listing Rules) of CKH.

To the best of the knowledge, information and belief of the directors of HWL having made all reasonable enquiries, the Foundation is not a connected person (as defined under the Listing Rules) of HWL.

General

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 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. KAM Hing Lam (*Deputy Managing Director*), Mr. IP Tak Chuen, Edmond (*Deputy Managing Director*), Mr. CHUNG Sun Keung, Davy, 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, Mr. CHOW Kun Chee, Roland and Mr. George Colin MAGNUS 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 and Mr. KAM Hing Lam as Executive Directors; Mr. George Colin MAGNUS and Mr. William SHURNIAK as Non-executive Directors; and The Hon. Sir Michael David KADOORIE, Mr. Holger KLUGE, Mr. William Elkin MOCATTA (*Alternate to The Hon. Sir Michael David Kadoorie*), Mr. Simon MURRAY, Mr. OR Ching Fai, Raymond and Mr. WONG Chung Hin (*also Alternate to Mr. Simon Murray*) as Independent Non-executive Directors.

Definitions

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

"Acquisition and Development"	acquisition of the land use right of Pudong Land 2-4 pursuant to the Land Use Right Transfer Contract and the development of it;
"Board"	board of directors;
"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;
"the Foundation"	Li Ka Shing (Overseas) Foundation, a company limited by guarantee incorporated in the Cayman Islands for charitable purposes;
"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;
"Land Use Right Transfer Contract"	the agreement dated 19 December 2005 entered into by Mapleleaf and Lujiazui Development for the acquisition of the land use right in respect of Pudong Land 2-4;
"Listing Rules"	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
"Lujiazui Development"	上海陸家嘴金融貿易區聯合發展有限公司 (Shanghai Lujiazui Finance & Trade Zone United Development Co., Ltd.);
"Mapleleaf"	Mapleleaf Developments Limited, a company incorporated in the British Virgin Islands, in which CKH, HWL and the Foundation has an indirect shareholding of 25%, 25% and 50% respectively;
"PRC"	the People's Republic of China;
"Project Co"	a wholly foreign owned enterprise to be established in the PRC and to be wholly-owned by Mapleleaf;
"Pudong Land 2-4"	the piece of land known as 2-4地塊 (Land 2-4) with an area of approximately 50,850 square metres located at 中國上海市浦東新區世紀大道 (Century Avenue, Pudong District, Shanghai, the PRC);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"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 rates used for reference purpose in this announcement are RMB1.00 to HK\$0.96 and US\$1.00 to HK\$7.80.

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, 19 December 2005

Note: Other than Chairman, Managing Director and Deputy Managing Directors, order by date of appointment, and in the case of Non-executive Director ("NED")/Independent Non-executive Director ("INED"), order by date of appointment of NED/INED.