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CONNECTED TRANSACTION

The Board wishes to announce that on 12 March 2008, Wei Po Profits, a wholly-owned subsidiary of the Company, entered into the S&P Agreement with Nan Fung pursuant to which Wei Po Profits agreed to sell and Nan Fung agreed to purchase the Sale Shares, representing 15% of the issued share capital of Wit Profits, for a consideration of US\$15.00 in cash, being the aggregate par value of the Sale Shares.

The only principal asset of Wit Profits is its ownership of the entire issued share capital of, and investment in, Wealth Pine. Nan Fung also agreed to advance or procure to be advanced to Wit Profits at Completion a sum of approximately HK\$24.97 million (equivalent to 15% of the total sum advanced by the Group to Wealth Pine and interest thereon), upon the receipt of which Wit Profits will on-lend the same sum to Wealth Pine, and Wealth Pine will in turn repay an equal sum to the Group.

On 18 December 2007, Wealth Pine and the Company entered into the Development Agreement with MTRC in relation to the Development.

Nan Fung is a substantial shareholder of certain subsidiaries of the Company and hence is a connected person of the Company within the meaning of the Listing Rules. The entering into of the S&P Agreement and the Shareholders' Agreement therefore constitutes a connected transaction for the Company under the Listing Rules. As the relevant percentage ratios (as defined in the Listing Rules) represented by the total of (a) the sale of the Sale Shares, (b) the advancement made or procured, or to be made or procured, by Nan Fung to Wit Profits pursuant to the S&P Agreement and the Shareholders' Agreement mentioned above so far as can be ascertained, and (c) the guarantee fee detailed below are more than 0.1% but less than 2.5%, in accordance with Rule 14A.32 of the Listing Rules, details of the transaction are required to be disclosed in this announcement and included in the Company's next published annual report and accounts.

A. S&P AGREEMENT

1. Date

12 March 2008

2. Parties

- (i) Wei Po Profits, a wholly-owned subsidiary of the Company

(ii) Nan Fung

Nan Fung is a substantial shareholder of certain subsidiaries of the Company.

3. Assets to be disposed of by Wei Po Profits

Pursuant to the S&P Agreement, Wei Po Profits agreed to sell and Nan Fung agreed to purchase the Sale Shares for a consideration of US\$15.00 in cash, being the aggregate par value of the Sale Shares. The Sale Shares represent 15% of the issued share capital of Wit Profits.

Prior to Completion, which took place on 12 March 2008, Wit Profits was wholly-owned by Wei Po Profits, an indirect wholly-owned subsidiary of the Company, and its financials are consolidated into the Group. Upon Completion, Wei Po Profits' direct interest, and the Company's indirect interest, in Wit Profits decreased to 85%. Wit Profits will continue to be a subsidiary of the Group and its financials will continue to be consolidated into the Group.

Currently, the only principal asset of Wit Profits is its ownership of the entire issued share capital of, and investment in, Wealth Pine, and the only principal asset of Wealth Pine is in relation to the Development pursuant to the Development Agreement.

The consolidated total assets of Wit Profits as at 11 March 2008 are approximately HK\$166 million. The consolidated net loss of Wit Profits before and after taxation and extraordinary items for the years ended 31 December 2006 and 2007 are approximately HK\$5,000.

4. The consideration

Pursuant to the S&P Agreement, a sum of US\$15.00 was paid by Nan Fung to Wei Po Profits as consideration for the acquisition of the Sale Shares on Completion, such sum being the aggregate par value of the Sale Shares.

Nan Fung also agreed to advance or procure to be advanced to Wit Profits at Completion a sum of approximately HK\$24.97 million (equivalent to 15% of the total sum advanced by the Group to Wealth Pine and interest thereon), upon the receipt of which Wit Profits will on-lend the same sum to Wealth Pine, and Wealth Pine will in turn repay an equal sum to the Group. Such advancement shall be unsecured and on normal commercial terms.

The consideration was determined after arm's length negotiations between Wei Po Profits and Nan Fung. The consideration of the Sale Shares in the sum of US\$15.00 is the aggregate par value of the Sale Shares. The sum of approximately HK\$24.97 million, which Nan Fung agreed to advance or procure to be advanced to Wit Profits at Completion, is equivalent to 15% of the total sum advanced by the Group to Wealth Pine and interest thereon. The guarantee fee agreed to be paid by Chen's Holdings was determined after arm's length negotiation between the Company and Chen's Holdings as detailed below.

5. MTRC's consent

Requisite consent from MTRC has been obtained in relation to the acquisition by Nan Fung of 15% indirect beneficial interest in Wealth Pine.

6. Completion and Shareholders' Agreement

Completion took place on 12 March 2008, the day on which the S&P Agreement was entered into.

In accordance with the S&P Agreement, at Completion, Wei Po Profits, the Company, Nan Fung, Chen's Holdings and Wit Profits entered into the Shareholders' Agreement in relation to, inter alia, the business, management, ownership and financing of Wit Profits and Wealth Pine.

Under the terms of the Shareholders' Agreement, among other things, each of Wei Po Profits and Nan Fung agreed that all further funds required for the purposes of the Development shall be contributed or procured by the shareholders of Wit Profits in the form of loans in proportion to their respective shareholdings in Wit Profits or (if the shareholders of Wit Profits agree unanimously) financed by borrowing from banks and/or financial institutions.

Pursuant to the Shareholders' Agreement, each of Nan Fung and Chen's Holdings (being the holding company of Nan Fung) agreed to jointly and severally indemnify and pay the Company 15% of all amounts paid or procured to be paid by the Company under the Guarantee. Furthermore, in consideration of the Company providing the Guarantee to MTRC in respect of the obligations of Wealth Pine (covering the 15% attributable to Nan Fung) under the Development Agreement and other development documents as requested by MTRC, Chen's Holdings agreed to pay to the Company in each quarter of a financial year a guarantee fee which was determined after arm's length negotiation between the Company and Chen's Holdings.

B. BACKGROUND – LOHAS PARK PROPERTY DEVELOPMENTS – PACKAGE THREE DEVELOPMENT (SITE E OF THE REMAINING PORTION OF TSEUNG KWAN O TOWN LOT NO. 70)

On 18 December 2007: (i) Wealth Pine and the Company entered into the Development Agreement with MTRC in relation to the Development; (ii) the Company entered into the Guarantee in favour of MTRC whereby the Company agreed to guarantee the due performance and observance by Wealth Pine of all the terms and conditions in the Development Agreement and other development documents.

Up to the date of this announcement, Wealth Pine has paid to MTRC the Mandatory Payment in the amount of HK\$160 million together with a sum of HK\$1 million as a deposit of the Assessed Premium pursuant to the Development Agreement. The Assessed Premium has been assessed by the Government to be HK\$3,335 million.

On 20 December 2007, MTRC accepted an offer from the Government to allow MTRC to proceed with the proposed development on the Development Site subject to (among other things) MTRC's acceptance of the Government's assessment of the Assessed Premium, the payment of which will be funded by Wealth Pine pursuant to the Development Agreement. The offer was made by the Government on 9 November 2007.

C. REASONS FOR THE TRANSACTION

The entering into of the Development Agreement by Wealth Pine and the Company with MTRC is in furtherance of the Group's business of property development in Hong Kong. The Group and Nan Fung have worked together on other projects and the Board considers that the previous experience of working together successfully made Nan Fung a suitable partner for participating in the Development.

D. CONNECTED TRANSACTION

Nan Fung is a connected person of the Company within the meaning of the Listing Rules by virtue of being a substantial shareholder of certain subsidiaries of the Company. The entering into of the S&P Agreement and the Shareholders' Agreement therefore constitutes a connected transaction for the Company under the Listing Rules. As the relevant percentage ratios (as defined in the Listing Rules) represented by the total of (a) the sale of the Sale Shares, (b) the advancement made or procured, or to be made or procured, by Nan Fung to Wit Profits pursuant to the S&P Agreement and the Shareholders' Agreement mentioned above so far as can be ascertained, and (c) the guarantee fee mentioned above are more than 0.1% but less than 2.5%, in accordance with Rule 14A.32 of the Listing Rules, details of the transaction are required to be disclosed in this announcement and included in the Company's next published annual report and accounts. The Group does not have any prior transactions with Nan Fung and its ultimate beneficial owners which are required to be aggregated with the S&P Agreement and the Shareholders' Agreement under Rules 14.22 and 14A.25 of the Listing Rules. As and when further financial assistance is provided by Nan Fung to Wit Profits, the Company will comply with the applicable requirements under the Listing Rules.

E. GENERAL

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

The principal activities of Nan Fung are financing, securities and property investment and investment holding. The principal activities of Chen's Holdings are property investment and development, investment holding and trading, spinning, money-lending, building management and provision of building construction contracting and management services.

The Board, including the independent non-executive Directors, considers that the S&P Agreement and the Shareholders' Agreement are on normal commercial terms and are fair and reasonable insofar as the interests of the shareholders of the Company are concerned.

F. DEFINITIONS

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

“Assessed Premium”	the land premium of the Development Site as assessed by the Government to be payable under the Government Lease for the Development Site
“Board”	the board of Directors
“Chen’s Holdings”	Chen’s Holdings Limited, a limited liability company incorporated in the British Virgin Islands and the holding company of Nan Fung
“Company”	Cheung Kong (Holdings) Limited, a limited liability company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the S&P Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Development”	the construction and development of residential accommodation, kindergarten accommodation and associated facilities at the Development Site pursuant to the Development Agreement
“Development Agreement”	the agreement dated 18 December 2007 entered into between Wealth Pine, the Company and MTRC in relation to the Development
“Development Site”	Site E of The Remaining Portion of Tseung Kwan O Town Lot No. 70, Tseung Kwan O, Sai Kung, Hong Kong
“Director(s)”	the director(s) of the Company
“Government”	the Government of Hong Kong
“Group”	the Company and its subsidiaries
“Guarantee”	the deed of guarantee dated 18 December 2007 made by the Company in favour of MTRC in respect of the obligations of Wealth Pine under the Development Agreement and other development documents
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mandatory Payment”	the payment to MTRC in the sum of HK\$160 million, out of which HK\$20 million was paid as earnest money at the time of submission of the tender offer for the Development made by Wealth Pine on 21 November 2007
“MTRC”	MTR Corporation Limited, a limited liability company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
“Nan Fung”	Nan Fung Development Limited, a limited liability company incorporated in Hong Kong
“Sale Shares”	15 shares of US\$1.00 each in the capital of Wit Profits, representing 15% of the issued share capital of Wit Profits
“Shareholders’ Agreement”	the shareholders’ agreement dated 12 March 2008 entered into by Wei Po Profits, the Company, Nan Fung, Chen’s Holdings and Wit Profits on Completion
“S&P Agreement”	the sale and purchase agreement dated 12 March 2008 made between Wei Po Profits as vendor and Nan Fung as purchaser in relation to the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Pine”	Wealth Pine Investment Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of Wit Profits
“Wei Po Profits”	Wei Po Profits Limited, a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Wit Profits”	Wit Profits Limited, a limited liability company incorporated in the British Virgin Islands
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 12 March 2008

The directors (*Note*) of the Company 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 (*also Alternate Director to Mr. Simon MURRAY*), Mr. CHEONG Ying Chew, Henry and Mr. KWAN Chiu Yin, Robert as Independent Non-executive Directors.

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